City of Marion, Illinois

Financial Statements

April 30, 2015

GRAY HUNTER STENN LLP

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GRAY HUNTER STENN LLP
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
CERTIFIED PUBLIC ACCOUNTANTS
2602 WEST DEYOUNG ST., P.O. BOX 1728
MARION, ILLINOIS 62959-7928
(618) 993-2647 FAX (618) 993-3981

MARION, ILLINOIS
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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois, as of April 30, 2015, 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.

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 on pages 6 - 15 and 81 - 82 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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 November 16, 2015, 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
November 16, 2015

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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, 2015, 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 November 16, 2015.

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
November 16, 2015

CITY OF MARION, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

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.

2014 balances in tables one and two have been restated to reflect 2 prior period adjustments and to reflect various reclasses made in the 2015 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) is 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).

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, 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	$ 37,543	$ 43,628	$ 3,354	$ 3,887	$ 40,897	$ 47,515
Capital Assets	92,595	78,215	29,087	29,225	121,682	107,440
Total Assets	$ 130,138	$121,843	$ 32,441	$ 33,112	$ 162,579	$ 154,955
Deferred Outflows of Resources	$ 370	$ 441	$ 9	$ 14	$ 379	$ 455
Current Liabilities	$ 3,154	$ 6,493	$ 1,478	$ 1,328	$ 4,632	$ 7,821
Noncurrent Liabilities	53,561	46,908	12,201	13,061	65,762	59,969
Total Liabilities	$ 56,715	$ 53,401	$ 13,679	$ 14,389	$ 70,394	$ 67,790
Deferred Inflows of Resources	$ 7,550	$ 6,979	$ -	$ -	$ 7,550	$ 6,979
Net Position:						
Invested in Capital Assets, Net of Related Debt	$ 56,384	$ 51,033	$ 17,507	$ 16,682	$ 73,891	$ 67,715
Restricted	6,305	5,157	994	1,585	7,299	6,742
Nonspendable	1	-	-	-	1	-
Unrestricted	3,553	5,714	270	470	3,823	6,184
Total Net Position	$ 66,243	$ 61,904	$ 18,771	$ 18,737	$ 85,014	$ 80,641

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 $4.37 million increase of combined net position (which is the City's bottom line) was the result of the governmental activities increasing by $4.34 million and business-type activities increasing by $34 thousand. Governmental investment in capital assets net of related debt had the largest increase at $5.35 million. This increase was due to new road construction such as the work on Morgan Avenue and the completion of the HUB Recreational Center. Governmental restricted assets had an increase of $1.15 million increase with the largest increase occurring in the maintenance of roadways restricted asset of 499 thousand. This was due to an increase in the Motor Fuel Tax fund. MFT funds have been saved in anticipation of any road maintenance or construction that might be needed in the future. The Business-type restricted net assets decreased by $591 thousand due to capital expenditures paid out of the bond reserve fund of $513 thousand. Governmental unrestricted fund balance decreased by $2.16 million. Most of the decrease was to the City's $1 million contribution to the HUB Recreational Center and the accruing of $989 thousand of other post-employment benefits (OPEB).

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, 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program revenues:						
Charges for services	$ 1,549	$ 1,082	$ 6,674	$ 6,446	$ 8,223	$ 7,528
Operating grants and Contributions	973	963	16	-	989	963
Capital grants and Contributions	2,464	31	-	226	2,464	257
General revenues:						
Property taxes	6,547	6,189	-	-	6,547	6,189
Sales Tax (shared and Home rule)	13,393	13,175	-	-	13,393	13,175
Other taxes	5,482	4,982	-	-	5,482	4,982
Special Items	-	-	(407)	-	(407)	-
Transfers	(305)	4	254	(4)	(51)	-
Other	333	88	12	171	345	259
Total Revenues	$ 30,436	$ 26,514	$ 6,549	$ 6,839	$ 36,985	$ 33,353
EXPENSES:						
General government	$ 3,045	$ 2,743	$ -	$ -	$ 3,045	$ 2,743
Public health and safety	10,392	9,409	-	-	10,392	9,409
Streets, alleys & cemeteries	3,267	3,654	-	-	3,267	3,654
Culture and recreation	3,451	2,617	-	-	3,451	2,617
Development	3,411	4,104	-	-	3,411	4,104
Debt service	1,429	997	-	-	1,429	997
Unallocated Depreciation	1,102	1,117	-	-	1,102	1,117
Water	-	-	3,556	3,418	3,556	3,418
Sewer	-	-	2,959	2,892	2,959	2,892
Total Expenses	$ 26,097	$ 24,641	$ 6,515	$ 6,310	$ 32,612	$ 30,951
Change in Net Position	$ 4,339	$ 1,873	$ 34	$ 529	$ 4,373	$ 2,402

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:

Total revenues increased by $3.92 million. Increases were recognized in virtually every revenue category. Charges for services increased by $467 thousand. The increase was due to the opening of the HUB Recreational Center in late February. Capital grant and contributions increased by $2.43 million due receiving one-half of the $2.50 million grant from the Illinois Department of Natural Resources for the HUB Recreational Center and receiving $1.10 million of a construction grant for Morgan Avenue from the State of Illinois. Other taxes increased by $500 thousand. $244 thousand was due to increase in hotel occupancy tax along with a $106 thousand increase in utility tax due to having a full year of income. Property taxes increased by $358 thousand with Sales tax increasing by $218 thousand.

Expenses:

Total expenses increased by $1.46 million over the prior year. The largest single increase was in public health and safety at $983 thousand. This increase was not due to one or two items. Some of the larger increases were 1. Payroll and related expenses including pension costs of $358 thousand, 2. Depreciation $95 thousand, 3. OPEB costs of $138 thousand. Police overtime made up $175 thousand of the payroll and related items increase, which was in large part due to staff shortages and an effort in having more police on patrol at the time of shift exchanges. There was also$96 thousand of deprecation on the new police station. Streets, alleys and cemeteries had a decrease of $ 387 thousand. This decrease was due to a reduction in street maintenance. Streets and alleys line item will fluctuate from year to year depending upon amount of repairs and maintenance. Culture and recreation had an increase of $834 thousand due to the expenses of the new HUB Recreational Center. Development costs decreased by $693 thousand. Most of the decrease is attributable to developers receiving final reimbursements for their eligible costs. The increase in debt service was the interest cost paid on the 2012, 2013 and 2014 bond issues. There was a City wide increase in salaries of $616 thousand (6.7%) of which $246 thousand was attributable to the opening of the HUB Recreational Center. The remaining increase was due to annual raises and increase in the work force. City wide hospitalization insurance expense increased by $167 thousand (7.8%). The City also incurred an increase in the Illinois Municipal Retirement Fund expense, Police Pension Fund expense, and the Firefighters Pension Fund expense. See the Notes to Financial Statements for a detailed analysis of the various pension funds.

Business-type Activities

Revenues:

Total revenues decreased $290 thousand from the prior year. The decrease was attributable to a $407 thousand one time right down of a portion of the old sewer plant not being used any longer. Transfers were up by $258 thousand due to a transfer of a water line which was paid with Tax Increment Financing funds and transferred to the Water Department. Other income decreased from the prior year due to a one-time loss recovery of $140 thousand in the prior year.

Expenses:

Total expenses increased $205 thousand over the prior year with the Water Department having a $138 thousand increase over prior year with the Sewer Department having a $67 thousand increase over prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2015, the governmental funds (as presented on the balance sheet on page 18) reported a fund balance of $24.60 million. However this amount includes $1.95 million in unspent bond proceeds which are in the restricted portion of the fund balance. When total fund balance is reduced by the unspent bond proceeds, it leaves a remaining balance of $22.65 million, which is a 0.18% decrease from the beginning of the year ($22.69 million). Of the total fund balance of $24.60 million, $ 5.15 million is unassigned general fund types indicating availability for the continuing City services. After taking into account the reclass of Pavilion and HUB Rec Center to special revenue fund the total general fund types revenue increased by $638 thousand from prior year. The majority of the increase is attributable to a $235 thousand increase in sales tax, and a $244 thousand increase from hotel occupancy tax.

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.

General Fund	Original Budget	Amended Budget	Actual
Expenditures			
General government	$ 2,966	$ 3,114	$ 2,920
Public health and safety	9,205	9,417	9,120
Streets, alleys & Cemeteries	3,027	3,151	3,091
Cultural & recreation	1,492	1,509	1,418
Development	793	793	790
Capital Outlay	363	806	957
Total	$ 17,846	$18,790	$18,296

Capital Assets

At the end of Fiscal year 2015, the City's Governmental Funds had invested $92.6 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 3
Governmental Funds
Change in Capital Assets
(in thousands)

	Balance April 30, 2014	Net Additions/ Deletions	Balance April 30, 2015
Non-depreciable Assets			
Land	$ 24,433	$ 1	$ 24,434
Construction in Progress	14,607	(2,510)	12,097
Other Capital Assets			
Infrastructure	50,279	880	51,159
Parking Lot Improvements	92	-	92
Buildings	20,689	17,030	37,719
Machinery and Equipment	3,715	855	4,570
Vehicles	3,881	207	4,088
Software	86	36	122
Land Improvements	246	121	367
Less Accumulated Depreciation on Other Capital Assets	(39,813)	(2,240)	(42,053)
Totals	$ 78,215	$ 14,380	$ 92,595

The increase in buildings was the completion of the new police station and the new HUB Recreational Center.

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, 2015 the City had total long-term debt and loans payable of $59.68 million.

Table 4
Changes in Long-Term Debt
(in thousands)

	Balance April 30, 2014	Net Additions/ Deletions	Balance April 30, 2015
Governmental Activities			
General Obligation Debt	$ 36,762	$ 1,914	$ 38,676
Other Contractual Liabilities	9,050	296	9,346
Governmental Activities Total	$ 45,812	$ 2,210	$ 48,022
Business Activities			
General Obligation Debt	$ 3,827	$ 4,293	$ 8,120
Other Contractual Liabilities	8,811	(5,270)	3,541
Business Activities Total	$ 12,638	$ (977)	$ 11,661
Total Long-Term Debt	$ 58,450	$ 1,233	$ 59,683

The City during the year incurred one new bond issue, the City on December 23, 2014 issued $9.095 million General Obligation Bonds. $4.520 million of the bonds will be used to finish payment for the several large road projects and $4.575 million was used to refund a Sewer Department IEPA loan.

Economic Factors

Economic factors were overall on a positive pace as shown by lower unemployment numbers, increasing retail sales taxes, and comparable building projects year relative to the previous fiscal year.

Unemployment over the fiscal year was a low of 5.6% in April 2015, and a high of 7.7% in July 2014. The 12 month unemployment average for the fiscal year was 6.71%, which is much improved over previous fiscal year which averaged 8.64%.

Commercial building permits remained consistent with the previous year (not taking in to account the 2 largest building projects of Marion High School and the Hub Recreation Center which was $84,500,000) with 17 commercial permits totaling $16,883,119. Seventeen new home permits were issued which equaled the prior year permits, even though the permit dollar amount in these homes increased by 35%, and apartment/ duplex building permits saw an increase of 7%. A total of 59 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which equals the 12% less than permits in the previous year whereas, the total dollars invested in these buildings was $21,799,345, compared to previous year total of $18,429,151 (if one adds the MHS and Hub Recreation Center amount of $84,500,000 the total for previous year would equal $103 million).

This year is economic growth, as shown by increasing retail sales tax, can be attributed to road construction projects that were completed which had hampered the previous fiscal year's retail sales. The Illinois Route 13 and Interstate 57 single point intersection opened in May 2014, which eased the road construction delays for traffic on the city's main artery. The city's biggest infrastructure investment in the Morgan Avenue overpass and completion of the Interstate 57 and Morgan Avenue interchange was still underway in this fiscal year and set to open in August 2015.

Most notable commercial projects in this fiscal year were two auto dealers opened, two assisted living facilities, a bank, gas station and convenience store, Gander Mountain, and the city opened the 68,000 square feet, Hub Recreation Center in January.

The city continues to be optimistic that this infrastructure development will lead to more retail/commercial expansion in the prime site locations.

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, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 15,315,615.38	$ 1,397,029.78	$ 16,712,645.16
Restricted cash	637,233.53	1,020,743.10	1,657,976.63
Investments	5,851,744.97	-	5,851,744.97
Restricted investments	67,651.38	-	67,651.38
Receivables, net			
Property taxes	7,549,670.02	-	7,549,670.02
Sales taxes	3,123,216.56	-	3,123,216.56
Accrued interest	48,581.40	-	48,581.40
Accounts receivable	684,077.59	634,320.78	1,318,398.37
Loans receivable	1,308,477.71	-	1,308,477.71
Bonds receivable	2,100,000.00	-	2,100,000.00
Due from other governments	727,945.77	16,105.60	744,051.37
Inventories	-	285,652.64	285,652.64
Capital assets, non-depreciable	36,530,999.50	3,953,581.73	40,484,581.23
Capital assets, net of accumulated depreciation	56,063,923.26	25,133,554.11	81,197,477.37
Net pension asset	128,385.00	-	128,385.00
Total Assets	$ 130,137,522.07	$ 32,440,987.74	$ 162,578,509.81
Deferred Outflow of Resources			
Unamortized loss on refunding	$ 369,921.26	$ 8,597.34	$ 378,518.60
Liabilities			
Accounts payable	$ 2,328,266.52	236,926.75	$ 2,565,193.27
Accrued payroll	298,652.63	51,778.92	350,431.55
Accrued payroll related expenses	27,336.21	-	27,336.21
Accrued interest payable	129,925.13	27,248.35	157,173.48
Accrued vacation payable	357,878.94	81,095.33	438,974.27
Due to other funds	12,004.40	13,331.68	25,336.08
Customer deposits	-	603,438.47	603,438.47
Long-term liabilities			
Due within one year	3,861,244.13	1,067,452.41	4,928,696.54
Due in more than one year	43,803,042.92	10,512,465.29	54,315,508.21
Other liabilities	5,896,243.00	1,085,089.00	6,981,332.00
Total Liabilities	$ 56,714,593.88	$ 13,678,826.20	$ 70,393,420.08
Deferred Inflow of Resources			
Unavailable revenue	$ 7,549,670.09	$ -	$ 7,549,670.09
Net Position			
Invested in capital assets, net of related debt	$ 56,384,124.26	$ 17,507,218.14	$ 73,891,342.40
Restricted for:			
Donor restricted expenditures	95,903.40	-	95,903.40
Future loans	1,546,465.72	-	1,546,465.72
Public safety expenditures	199,394.11	-	199,394.11
Development	100,192.18	-	100,192.18
Debt service	1,900,956.58	993,494.75	2,894,451.33
Cemetery	4,258.50	-	4,258.50
Maintenance of roadways	2,219,556.10	-	2,219,556.10
Capital projects	238,374.53	-	238,374.53
Nonspendable	1,000.00	-	1,000.00
Unrestricted	3,552,953.98	270,045.99	3,822,999.97
Total Net Position	$ 66,243,179.36	$ 18,770,758.88	$ 85,013,938.24

See accompanying notes to financial statements.

City of Marion, Illinois
Statement of Activities
For the Year Ended April 30, 2015

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 3,044,487.89	$ 263,635.57	$ 187,478.58	$ -	$ (2,593,373.74)		$ (2,593,373.74)
Public health and safety	10,391,875.39	299,544.77	135,664.78	-	(9,956,665.84)		(9,956,665.84)
Streets, alleys and cemeteries	3,266,537.68	94,276.01	584,404.93	1,213,823.79	(1,374,032.95)		(1,374,032.95)
Culture and recreation	3,451,284.59	845,504.63	65,970.88	1,250,000.00	(1,289,809.08)		(1,289,809.08)
Development	3,411,207.92	45,835.37	-	-	(3,365,372.55)		(3,365,372.55)
Debt service	1,429,749.47	-	-	-	(1,429,749.47)		(1,429,749.47)
Unallocated depreciation expense	1,102,063.27	-	-	-	(1,102,063.27)		(1,102,063.27)
Total Governmental Activities	$ 26,097,206.21	$ 1,548,796.35	$ 973,519.17	$ 2,463,823.79	$ (21,111,066.90)		$ (21,111,066.90)
Business-Type Activities							
Water	$ 3,555,727.46	$ 3,569,710.88	$ -	$ -		$ 13,983.42	$ 13,983.42
Sewer	2,959,135.69	3,104,755.79	16,105.60	-		161,725.70	161,725.70
Total Business-Type Activities	$ 6,514,863.15	$ 6,674,466.67	$ 16,105.60	$ -		$ 175,709.12	$ 175,709.12
Totals	$ 32,612,069.36	$ 8,223,263.02	$ 989,624.77	$ 2,463,823.79	$ (21,111,066.90)	$ 175,709.12	$ (20,935,357.78)
General Revenues							
Taxes							
Property taxes					$ 6,546,610.87	$ -	$ 6,546,610.87
Sales taxes					13,392,947.64	-	13,392,947.64
Other taxes and franchise fees					3,724,286.14	-	3,724,286.14
Intergovernmental					1,757,466.85	-	1,757,466.85
Investment income					40,545.92	746.90	41,292.82
Miscellaneous					320,263.97	10,863.94	331,127.91
Gain (loss) on sale of capital assets					(26,410.64)		(26,410.64)
Special item - write down of asset					-	(407,285.34)	(407,285.34)
Transfers					(305,006.10)	253,621.12	(51,384.98)
Total General Revenues, Special Items, and Transfers					$ 25,450,704.65	$ (142,053.38)	$ 25,308,651.27
Change in Net Position					$ 4,339,637.75	$ 33,655.74	$ 4,373,293.49
Net Position - Beginning of Year - Restated					61,903,541.61	18,737,103.14	80,640,644.75
Net Position - End of Year					$ 66,243,179.36	$ 18,770,758.88	$ 85,013,938.24

See accompanying notes to financial statements.

City of Marion, Illinois
Governmental Funds
Balance Sheet
April 30, 2015

	General Fund	TIF Redevelopment Fund	General Projects Fund	Non-Major Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,251,753.63	$ 6,003,346.28	$ 3,358,823.19	$ 4,869,284.51	$ 15,483,207.61
Restricted cash and cash equivalents	137,340.90	-	238,142.00	1,842.57	377,325.47
Investments	5,851,744.97	-	-	-	5,851,744.97
Restricted investments	67,651.38	-	-	-	67,651.38
Property taxes receivable	1,505,800.08	5,551,657.00	-	492,212.94	7,549,670.02
Sales taxes receivable	3,123,216.56	-	-	-	3,123,216.56
Accrued interest receivable	10,081.40	-	-	-	10,081.40
Loans receivable	-	-	-	1,286,557.66	1,286,557.66
Due from other governments	685,577.00	2,251.68	-	45,227.66	733,056.34
Accounts receivable	386,403.68	-	-	314,483.39	700,887.07
Total Assets	$ 13,019,569.60	$ 11,557,254.96	$ 3,596,965.19	$ 7,009,608.73	$ 35,183,398.48
Liabilities, Deferred Inflow of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 438,756.48	$ 258,338.67	$ 1,405,158.37	$ 226,013.00	$ 2,328,266.52
Due to other funds	340,839.21	-	(574.87)	(321,469.45)	18,794.89
Accrued payroll	267,359.20	-	-	31,293.43	298,652.63
Accrued vacation	353,211.34	-	-	4,667.60	357,878.94
Accrued payroll related expenses	27,336.21	-	-	-	27,336.21
Other liabilities	-	-		230.00	230.00
Total Liabilities	$ 1,427,502.44	$ 258,338.67	$ 1,404,583.50	$ (59,265.42)	$ 3,031,159.19
Deferred Inflow of Resources					
Unavailable revenue	$ 1,215,794.36	$ 5,551,657.00	$ -	$ 782,218.73	$ 7,549,670.09
Fund Balances					
Nonspendable	$ -	$ -	$ -	$ 1,000.00	$ 1,000.00
Restricted	205,425.19	5,747,259.29	2,192,381.69	6,285,655.42	14,430,721.59
Assigned	89,006.66	-	-	-	89,006.66
Committed	4,934,513.75	-	-	-	4,934,513.75
Unassigned	5,147,327.20	-	-	-	5,147,327.20
Total Fund Balances	$ 10,376,272.80	$ 5,747,259.29	$ 2,192,381.69	$ 6,286,655.42	$ 24,602,569.20
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 13,019,569.60	$ 11,557,254.96	$ 3,596,965.19	$ 7,009,608.73	$ 35,183,398.48

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, 2015

Total Fund Balances of Governmental Funds	$	24,602,569.20
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.		92,594,922.76
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(129,925.13)
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.		99,106.32
Long-term liabilities, including bonds and notes payable are not due and payable in the current period and therefore, are not reported in the governmental funds. Other related amounts include OPEB costs and pension assets and liabilities.		(50,923,493.79)
Net Position of Governmental Activities	$	66,243,179.36

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, 2015

	General Fund	TIF Redevelopment Fund	General Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues					
Property taxes	$ 1,225,163.24	$ 5,053,482.91	$ -	$ 636,664.82	$ 6,915,310.97
Sales tax	13,392,947.64	-	-	-	13,392,947.64
Grant revenue	360,700.91	39,751.68	1,250,000.00	1,183,945.11	2,834,397.70
Licenses and permits	134,848.46	-	-	-	134,848.46
Intergovernmental revenue	1,757,466.85	-	-	583,704.93	2,341,171.78
Service charges and fees	541,105.20	-	-	913,736.10	1,454,841.30
Other taxes and franchise fees	1,568,548.51	-	-	2,157,573.95	3,726,122.46
Investment income	37,611.45	1,286.59	569.51	1,080.22	40,547.77
Miscellaneous revenue	385,529.90	-	-	-	385,529.90
Restricted donations	16,348.42	-	-	-	16,348.42
Total Revenues	$ 19,420,270.58	$ 5,094,521.18	$ 1,250,569.51	$ 5,476,705.13	$ 31,242,066.40
Expenditures					
General government	$ 2,859,345.45	$ -	$ -	$ -	$ 2,859,345.45
Public health and safety	9,165,912.28	-	-	138,211.11	9,304,123.39
Streets, alleys and cemeteries	3,051,056.28	47,156.00	1,177.75	68,964.64	3,168,354.67
Culture and recreation	1,424,230.33	-	-	1,672,952.64	3,097,182.97
Development	824,789.40	2,495,280.93	-	91,138.74	3,411,209.07
Capital outlay	1,139,871.42	247,389.25	12,935,045.30	2,475,163.85	16,797,469.82
Debt Service	-	140,000.00	97,794.25	4,252,078.51	4,489,872.76
Total Expenditures	$ 18,465,205.16	$ 2,929,826.18	$ 13,034,017.30	$ 8,698,509.49	$ 43,127,558.13
Excess (Deficiency) of Revenues Over Expenditures	$ 955,065.42	$ 2,164,695.00	$ (11,783,447.79)	$ (3,221,804.36)	$ (11,885,491.73)
Other Financing Sources (Uses)					
Transfers in (out)	$ (3,010,540.30)	$ (975,730.00)	$ 729,614.74	$ 2,951,649.46	$ (305,006.10)
Proceeds from long-term debt	682,500.00	-	4,898,094.25	172,875.00	5,753,469.25
Total Other Financing Sources (Uses)	$ (2,328,040.30)	$ (975,730.00)	$ 5,627,708.99	$ 3,124,524.46	$ 5,448,463.15
Net Change in Fund Balances	$ (1,372,974.88)	$ 1,188,965.00	$ (6,155,738.80)	$ (97,279.90)	$ (6,437,028.58)
Fund Balances - Beginning of Year	11,749,247.68	4,558,294.29	8,348,120.49	6,383,935.32	31,039,597.78
Fund Balances - End of Year	$ 10,376,272.80	$ 5,747,259.29	$ 2,192,381.69	$ 6,286,655.42	$ 24,602,569.20

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, 2015

Net Change in Fund Balances - Total Governmental Funds		$ (6,437,028.58)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
The issuance of long-term debt provides current financial resources to governmental funds, but not in the Statement of Activities		(5,753,469.25)
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities.		
Depreciation expense	$ (2,390,583.68)	
Capital asset purchases, capitalized	16,797,469.82	14,406,886.14
The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.		1,073,589.36
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore are not reported as expenditures in governmental funds.		(1,450,905.50)
Accrued interest expense on long-term debt is reported in the Statement of Activities and Changes in Net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.		173,061.54
The repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		3,420,123.22
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.		7,380.82
Change in Net Position of Governmental Activities		$ 5,439,637.75

See accompanying notes to financial statements.

City of Marion, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2015

	Enterprise Funds			Governmental Activities Internal Service
	Water Department	Sewer Department	Total Business-Type Activities	Health Reimbursement Fund
Assets				
Current Assets				
Cash and cash equivalents	$ 544,660.00	$ 852,369.78	$ 1,397,029.78	$ 92,315.86
Accounts receivable, net	333,801.38	300,519.40	634,320.78	-
Due from other governments	-	16,105.60	16,105.60	-
Inventories	205,066.64	80,586.00	285,652.64	-
Restricted Assets			-	
Restricted cash and cash equivalents	323,938.13	696,804.97	1,020,743.10	-
Total Current Assets	$ 1,407,466.15	$ 1,946,385.75	$ 3,353,851.90	$ 92,315.86
Non-Current Assets				
Capital assets, non-depreciable	3,542,466.68	411,115.05	3,953,581.73	-
Capital assets, net of accumulated depreciation	9,615,928.67	15,517,625.44	25,133,554.11	-
Total Assets	$ 14,565,861.50	$ 17,875,126.24	$ 32,440,987.74	$ 92,315.86
Deferred Outflow of Resources				
Unamortized loss of refunding	$ 8,597.34	$ -	$ 8,597.34	-
Liabilities				
Current Liabilities				
Accounts payable	$ 153,209.97	$ 83,716.78	$ 236,926.75	$ -
Accrued payroll	23,603.60	28,175.32	51,778.92	-
Accrued interest payable	9,219.87	18,028.48	27,248.35	-
Accrued vacation payable	30,864.57	50,230.76	81,095.33	-
Due to other funds	6,541.19	-	6,541.19	-
Bonds payable, current	375,127.44	478,512.26	853,639.70	-
Notes payable, current	34,283.22	179,529.49	213,812.71	-
Total Current Liabilities	$ 632,849.86	$ 838,193.09	$ 1,471,042.95	$ -
Non-current liabilities				
Customer deposits	$ 603,438.47	$ -	$ 603,438.47	$ -
Bonds payable, long-term	3,087,145.94	4,179,007.03	7,266,152.97	-
Notes payable, long-term	353,468.90	2,892,843.42	3,246,312.32	-
Other liabilities	527,826.00	557,263.00	1,085,089.00	-
Total Non-Current Liabilities	$ 4,571,879.31	$ 7,629,113.45	$ 12,200,992.76	$ -
Total Liabilities	$ 5,204,729.17	$ 8,467,306.54	$ 13,672,035.71	$ -
Net Position				
Invested in capital assets, net of related debt	$ 9,308,369.85	$ 8,198,848.29	$ 17,507,218.14	$ -
Restricted by ordinance	314,718.26	678,776.49	993,494.75	-
Unassigned	(253,358.44)	530,194.92	276,836.48	92,315.86
Total Net Position	$ 9,369,729.67	$ 9,407,819.70	$ 18,777,549.37	$ 92,315.86

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, 2015

	Enterprise Funds			Governmental Activities Internal Service
	Water Department	Sewer Department	Total Business-Type Activities	Health Reimbursement Fund
Operating Revenues				
Service charges and fees	$ 3,560,519.35	$ 3,104,755.79	$ 6,665,275.14	$ 335,743.09
Grant Proceeds	-	16,105.60	16,105.60	-
Miscellaneous	8,490.11	2,373.83	10,863.94	-
Total Operating Revenues	$ 3,569,009.46	$ 3,123,235.22	$ 6,692,244.68	$ 335,743.09
Operating Expenses				
Personnel services	$ 836,229.85	$ 974,546.36	$ 1,810,776.21	$ -
Contractual services	33,638.74	19,784.62	53,423.36	-
Utilities	64,717.99	241,835.56	306,553.55	-
Repairs and maintenance	85,352.88	180,876.74	266,229.62	-
Other supplies and expenses	163,933.73	386,586.28	550,520.01	-
Insurance claims and expenses	314,806.07	356,299.79	671,105.86	378,030.62
Water purchases	1,508,657.68	-	1,508,657.68	-
Depreciation	406,192.79	602,358.03	1,008,550.82	-
Total Operating Expenses	$ 3,413,529.73	$ 2,762,287.38	$ 6,175,817.11	$ 378,030.62
Operating Income (Loss)	$ 155,479.73	$ 360,947.84	$ 516,427.57	$ (42,287.53)
Non-Operating Revenues (Expenses)				
Interest income	$ 314.77	$ 432.13	$ 746.90	$ 7.42
Bond issue costs	-	(35,324.32)	(35,324.32)	-
Rental Income, net	9,191.53	-	9,191.53	-
Bond premium amortization	123.33	12,355.31	12,478.64	-
Interest expense	(143,055.70)	(174,868.70)	(317,924.40)	-
Total Non-Operating Revenues (Expenses)	$ (133,426.07)	$ (197,405.58)	$ (330,831.65)	$ 7.42
Income (Loss) Before Contributions, Transfers and Special Item	$ 22,053.66	$ 163,542.26	$ 185,595.92	$ (42,280.11)
Capital contributions	271,185.26	-	271,185.26	-
Transfers in (out)	(8,782.07)	(8,782.07)	(17,564.14)	51,384.98
Special item - write down of asset	(6,510.24)	(400,775.10)	(407,285.34)	-
Change in Net Position	$ 277,946.61	$ (246,014.91)	$ 31,931.70	$ 9,104.87
Net Position - Beginning of Year	9,091,783.06	9,653,834.61	18,745,617.67	83,210.99
Net Position - End of Year	$ 9,369,729.67	$ 9,407,819.70	$ 18,777,549.37	$ 92,315.86

See accompanying notes to financial statements.

City of Marion, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2015

	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	$ 3,508,466.21	$ 3,063,898.42	$ 6,572,364.63	$ 335,743.09
Payments to employees	(705,685.46)	(817,689.54)	(1,523,375.00)	-
Payments to suppliers of goods and services	(2,193,848.56)	(1,232,542.45)	(3,426,391.01)	(378,030.62)
Net Cash Provided (Used) by Operating Activities	$ 608,932.19	$ 1,013,666.43	$ 1,622,598.62	$ (42,287.53)
Cash Flows From Noncapital Financing Activities				
Net operating transfers	$ 117.14	$ (9,176.97)	$ (9,059.83)	$ (3,637.01)
Net Cash Provided (Used) by Noncapital Financing Activities	$ 117.14	$ (9,176.97)	$ (9,059.83)	$ (3,637.01)
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital contributions	$ 271,185.26	$ -	$ 271,185.26	$ 51,384.98
Proceeds from sale of capital assets	-	5,974.90	5,974.90	-
Interest paid on capital debt	(139,242.26)	(203,426.28)	(342,668.54)	-
Bond issue costs	-	(35,324.32)	(35,324.32)	-
Purchase of capital assets	(525,419.63)	(758,478.51)	(1,283,898.14)	-
Principal paid on capital debt	(406,080.18)	(5,422,858.88)	(5,828,939.06)	-
Proceeds from long-term debt	-	4,864,874.60	4,864,874.60	-
Net Cash Provided (Used) by Capital and Related Financing Activities	$ (799,556.81)	$ (1,549,238.49)	$ (2,348,795.30)	$ 51,384.98
Cash Flows from Investing Activities				
Interest on investments	$ 314.77	$ 432.13	$ 746.90	$ 7.42
Rental income, net	9,191.53	-	9,191.53	-
Net Cash Provided (Used) by Investing Activities	$ 9,506.30	$ 432.13	$ 9,938.43	$ 7.42
Increase (Decrease) in Cash and Cash Equivalents	$ (181,001.18)	$ (544,316.90)	$ (725,318.08)	$ 5,467.86
Cash and Cash Equivalents at Beginning of Year	1,049,599.31	2,093,491.65	3,143,090.96	86,848.00
Cash and Cash Equivalents at End of Year	$ 868,598.13	$ 1,549,174.75	$ 2,417,772.88	$ 92,315.86
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ 155,479.73	$ 360,947.84	$ 516,427.57	$ (42,287.53)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	$ 406,192.79	$ 602,358.03	$ 1,008,550.82	$ -
Bad debts	10,927.71	7,722.15	18,649.86	-
(Increase) decrease in accounts receivable	(71,470.96)	(50,953.35)	(122,424.31)	-
(Increase) decrease in due from other governments	-	(16,105.60)	(16,105.60)	-
(Increase) decrease in inventories	(76,176.48)	3,588.75	(72,587.73)	-
Increase (decrease) in customer deposits	40,431.99	-	40,431.99	-
Increase (decrease) in accounts payable	101,111.00	16,789.93	117,900.93	-
Increase (decrease) in accrued payroll	3,176.41	15,223.68	18,400.09	-
Increase (decrease) in other liabilities	39,260.00	74,095.00	113,355.00	-
Total adjustments	$ 453,452.46	$ 652,718.59	$ 1,106,171.05	$ -
Net Cash Provided (Used) by Operating Activities	$ 608,932.19	$ 1,013,666.43	$ 1,622,598.62	$ (42,287.53)

See accompanying notes to financial statements.

City of Marion, Illinois
Statement of Fiduciary Net Position
April 30, 2015

	Pension Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	$ 5,884,011.95	$ -
Receivables -		
Accrued interest receivable	29,366.27	-
Receivable from sale of investments	67,870.50	-
Due from other funds	-	27,687.08
Investments -		
U.S. Government and agency obligations	3,060,869.55	-
Insurance company contracts	3,223,328.31	-
Mutual funds	1,309,951.05	-
Stocks	1,984,790.42	-
State and local obligations	890,369.15	-
Certificates of deposit	1,071,000.00	-
Exchange traded funds	2,214,137.73	-
Total Assets	$ 19,735,694.93	$ 27,687.08
Liabilities		
Accounts payable	$ 892.70	$ -
Due to other organizations	-	27,687.08
Due to other funds	2,351.00	-
Total Liabilities	$ 3,243.70	$ 27,687.08
Net Position		
Held in trust for pension benefits	$ 19,732,451.23	

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, 2015

Additions	
Contributions	
Employer	$ 1,088,700.00
Plan members	312,448.74
Total Contributions	$ 1,401,148.74
Investment Income	
Net appreciation (depreciation) in fair value of investments	$ 948,101.06
Interest and dividends	347,777.24
Investment expense	(42,035.79)
Net Investment Income	$ 1,253,842.51
Total Additions	$ 2,654,991.25
Deductions	
Benefits	$ 1,270,608.34
Administrative expense	34,493.67
Total Deductions	$ 1,305,102.01
Net Increase	$ 1,349,889.24
Net Position -	
Beginning of Year	18,382,561.99
End of Year	$ 19,732,451.23

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, 2015

	Balance May 01, 2014	Additions	Deletions	Balance April 30, 2015
Southern Illinois Enforcement Group	$ -	85,639.34	85,639.34	$ -

See accompanying notes to financial statements.

City of Marion, Illinois
Notes to Financial Statements
April 30, 2015

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. 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 three parts - invested in capital assets, net of related debt; restricted net assets; 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.

Fund	Brief Description
Non-major Governmental:	
Permanent:	
Throgmorton Endowment Fund	Accounts for the revenues and expenditures to maintain the Throgmorton gravesite.
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.

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.

Property taxes, sales taxes, franchise 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 $2,417,772.88 at April 30, 2015.

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. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. 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, 2015. 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, 2015, the liability for sick leave is $2,025,694.04

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 three 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" or "invested in capital asset, net of related debt."

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 City reports one item as a deferred outflow of resources: unamortized loss on refunding. 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 2012, 2013, and 2014:

	2012 Taxes Payable in 2013	2013 Taxes Payable in 2014	2014 Taxes Payable in 2015
Taxes Extended			
Real and personal	$ 1,306,895	$ 1,378,659	
Total Taxes Extended	$ 1,306,895	$ 1,378,659	$ 1,505,800
Add - Current and back taxes and interest	$ 2,209	$ 280	
Trustee sale	1,543	78	
Forfeited taxes redeemed after settlement	0	0	
Trustee redemption	622	819	
Housing authority	3,812	3,960	
Taxes collected not extended			
- Special Service debt service	371,390	368,700	
- Road and Bridge	109,010	118,386	
- Tax Increment Financing	4,775,366	5,053,483	
Total Additions	$ 5,263,952	$ 5,545,706	
Total	$ 6,570,847	$ 6,924,365	

	2012 Taxes Payable in 2013	2013 Taxes Payable in 2014	2014 Taxes Payable in 2015
Deduct- Errors and corrections	$ 5,560	$ 2,767	
Forfeits	314	631	
Prior years abatement refund	1,665	3,722	
Amounts due from Trustee Program	2,223	1,934	
Total Deductions	$ 9,762	$ 9,054	
Income from Taxes	$ 6,561,085	$ 6,915,311	
Assessed Valuation	$ 286,807,293	$ 296,511,439	$ 296,499,051

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 11, 2014 and September 11, 2014. The City receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2013 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	2012	2013	2014
Recreation		.05000	.04721	.04721
Bonds and interest	No Limit	.05230	.05059	.05060
Police Pension	No Limit	.20641	.22356	.24371
Fire Pension	No Limit	.14696	.14360	.16634
Total		.45567	.46496	.50786

Extensions	2012	2013	2014
Recreation	$ 143,404	$ 139,983	$ 139,977
Bonds and interest	150,000	150,005	150,028
Police Pension	591,999	662,881	722,598
Fire Pension	421,492	425,790	493,197
	$ 1,306,895	$ 1,378,659	$ 1,505,800

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.

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, 2015, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was $30,040,750.77 (excludes $27,364.75 in cash on hand held at the City). The bank balance was $28,405,440.57, which does not include $1,424,235.33 of deposits in transit for pension trust funds. As of April 30, 2015, 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, 2015, the depository banks used by the City had pledged $1,753,528.50 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 $4,000,000.00 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, 2015, 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	MoreThan 10
Mutual funds	$ 1,309,951.05	$ 1,309,951.05	$ -	$ -	$ -
Common stocks	1,986,705.02	-	-	-	-
Municipal bonds	2,065,369.15	1,175,000.00	-	386,954.15	503,415.00
Federal National Mortgage Association	199,084.10	-	-	199,084.10	-
United States Treasury	2,861,785.45	894,567.50	299,309.95	1,667,908.00	-
Insurance contracts - Fixed	1,571,770.41	631,655.86	400,008.33	540,106.22	-
Insurance contracts – Variable	1,651,557.90	-	-	-	-
Illinois Funds Money Market	15,910,769.27	15,910,769.27	-	-	-
Exchange traded funds	2,214,137.73	2,214,137.73	-	-	-
Total	$29,771,130.08	$22,136,081.41	$ 699,318.28	$ 2,794,052.47	$ 503,415.00

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.	$ 199,084.10

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. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments by reporting unit are as follows:

Issuer	Investment Type	Reported Amount	%
Lemont Park District	Municipal bond	$ 574,000.00	7.68%
Memorial Park District	Municipal bond	601,000.00	8.04%
MetLife	Insurance contract	514,881.92	6.89%
AIG Sun America	Insurance contract	1,054,949.87	14.11%
Pacific Life	Insurance contract	596,608.03	7.98%
Protective	Insurance contract	540,106.22	7.23%

Investments in any one issuer that represent 5% or more of total investments by reporting unit (governmental activities, business-type activities, major funds, non-major funds in the aggregate, fiduciary fund types, etc.) are as follows:

$944,954.55 of the investments reported in the Police Pension Fund (a fiduciary fund of the City) are held in the form of an exchange traded fund issued by IShares Core S&P 500 that has no maturity date.

$1,054,949.87 of the investments reported in the Police Pension Fund (a fiduciary fund of the City) are held in the form of an unrated insurance contract issued by AIG Sun America that has no maturity date.

$574,000.00 of the investments reported in the General Fund (a general fund type of the City) are held in the form of a municipal bond issued by Lemont Park District with a maturity date of 12/1/15.

$601,000.00 of the investments reported in the General Fund (a general fund type of the City) are held in the form of a municipal bond issued by Memorial Park District with a maturity date of 12/15/15.

$1,107,168.60 of the investments reported in the Fire Pension Fund (a fiduciary fund of the City) are held in the form of an exchange traded fund issued by IShares Core S&P 500 that has no maturity date.

Investment in State Investment Pool

During the year ended April 30, 2015, 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, 2015, the City had $15,910,769.27 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, 2015.

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, 2015, 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	$ 16,016.25
First Southern Wealth Management	-
	$ 16,016.25

The tables that follow this page summarize disclosures relating to interest rate risk and credit risk, including the minimum rating required by the City's pension trust funds' investment policies and the actual rating as of year end for each investment type:

	Investment	Fair Value	Maturity Date	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End AAA	AA	A	Not Rated
Fiduciary Fund Types									
Police Pension	FNMA	$ 109,496.20	6/22/2020	N/A	$ 109,496.20	$	$	$	$
	Addison, IL	80,463.75	12/15/2030	N/A					80,463.75
	Williamson County, IL	100,977.30	12/01/2020	N/A					100,977.30
	Fisher Illinois Alt. Source	109,587.00	12/01/2024	N/A					109,587.00
	Carpentersville, IL	116,936.00	12/30/2030	N/A			116,936.00		
	Aurora, IL Library	70,749.00	12/30/2034	N/A					70,749.00
	Clinton County, IL	81,022.40	12/1/2024	N/A				81,022.40	
	Winnebago County, IL	90,235.75	12/30/2029	N/A			90,235.75		
	Monroe and St. Clair Counties, IL	93,683.00	4/15/2027	N/A			93,683.00		
	Mt. Vernon, IL	51,347.50	12/15/2028	N/A				51,347.50	
	U. S. Treasury Note	110,783.40	11/15/2020	N/A	110,783.40				
	U. S. Treasury Note	110,635.80	10/31/2015	N/A	110,635.80				
	U. S. Treasury Note	222,939.20	1/31/2016	N/A	222,939.20				
	U. S. Treasury Note	111,607.10	8/31/2016	N/A	111,607.10				
	U. S. Treasury Note	335,297.80	8/15/2022	N/A	335,297.80				
	U. S. Treasury Note	177,476.60	8/15/2023	N/A	177,476.60				
	John Hancock Fixed	132,114.68	3/03/2020	N/A					132,114.68
	AIG Sun America - Variable	1,054,949.87	1/29/2018	N/A					1,054,949.87
	Protective Fixed	378,536.51	11/17/2023	N/A					378,536.51
	Protective Fixed	161,569.71	12/09/2023	N/A					161,569.71
	MetLife Fixed	129,791.31	12/15/2017	N/A					129,791.31
	MetLife Fixed	138,102.34	12/15/2016	N/A					138,102.34
	Dodge & Cox International	166,458.82	N/A	N/A					166,458.82
	Mainstay Epoch Global	150,720.13	N/A	N/A					150,720.13
	Oppenheimer International Growth	171,825.38	N/A	N/A					171,825.38
	Virtus Emerging Markets	97,877.96	N/A	N/A					97,877.96
	Vanguard REIT	73,505.88	N/A	N/A					73,505.88
	IShares Core S&P 500	944,954.55	N/A	N/A					944,954.55
Subtotal		$ 5,573,644.94			$ 1,178,236.10	$ -	$ 300,854.75	$ 132,369.90	$ 3,962,184.19
Fire Pension	FNMA	$ 89,587.90	6/22/2020	N/A	$	$	$	$	$ 89,587.90
	Williamson County, Illinois	95,367.45	12/01/2021	N/A					95,367.45
	U. S. Treasury Note	187,702.85	8/31/2018	N/A	187,702.85				
	U. S. Treasury Note	562,176.90	8/15/2022	N/A	562,176.90				
	U. S. Treasury Note	297,534.30	8/15/2023	N/A	297,534.30				
	U. S. Treasury Note	184,639.00	11/15/2020	N/A	184,639.00				
	U. S. Treasury Note	186,069.30	10/31/2015	N/A	186,069.30				
	U. S. Treasury Note	374,923.20	1/31/2016	N/A	374,923.20				
	MetLife Fixed	257,440.96	12/10/2015	N/A					257,440.96
	MetLife Variable	257,440.96	12/10/2015	N/A					257,440.96
	Pacific Life - Destinations	596,608.03	12/14/2019	N/A					596,608.03
	Security Benefit Choice Fixed	116,773.94	2/21/2015	N/A					116,773.94

	Investment	Fair Value	Maturity Date	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End			
						AAA	AA	A	Not Rated
	Dodge & Cox International Stock Fund	$ 204,338.32	N/A	N/A	$	$	$	$	$ 204,338.32
	Mainstay Epoch Global	184,018.76	N/A	N/A					184,018.76
	Oppenheimer International Growth	213,192.40	N/A	N/A					213,192.40
	Virtus Emerging Markets	121,519.28	N/A	N/A					121,519.28
	Vanguard REIT	88,508.70	N/A	N/A					88,508.70
	IShares Core S&P 500	1,107,168.60	N/A	N/A					1,107,168.60
Sub-Total		$ 5,125,010.85			$ 1,793,045.55	$ -	$ -	$ -	$ 3,331,965.30
General Fund Types									
General Fund	Lemont Park District	$ 574,000.00	12/01/2015	N/A	$ -	$ -	$ -	$ -	$ 574,000.00
	Memorial Park District	601,000.00	12/15/2015	N/A	-	-	-	-	601,000.00
Sub-Total		$ 1,175,000.00			$ -	$ -	$ -	$ -	$ 1,175,000.00
Total Investments		$11,873,655.79							

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	$ 27,364.75
Carrying Amount of Deposits	30,040,750.77
Carrying Amount of Investments	13,860,360.81
	$ 43,928,476.33
Cash and Cash Equivalents	$ 24,254,633.77
Investments	19,673,842.56
	$ 43,928,476.33

Note 4. Defined Benefit Pension Plans

Illinois Municipal Retirement Fund -

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report and information on tier 1 and tier 2 may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2014 was $620,758.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	$ 620,758	100%	$ 0
12/31/13	589,125	100%	0
12/31/12	535,730	100%	0

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 74.48 percent funded. The actuarial accrued liability for benefits was $12,102,433 and the actuarial value of assets was $9,014,298, resulting in an underfunded actuarial accrued liability (UAAL) of $3,088,135. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was $5,160,085 and the ratio of the UAAL to the covered payroll was 60 percent.

The schedule of funding progress, presented as RSI below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	9,014,298	12,102,433	3,088,135	74.48%	5,160,085	59.85%
12/31/13	10,130,269	12,682,720	2,552,451	79.87%	4,979,928	51.25%
12/31/12	8,251,875	11,272,262	3,020,387	73.21%	4,460,701	67.71%

On a market value basis, the actuarial value of assets as of December 31, 2014 is $11,084,898. On a market basis, the funded ratio would be 91.59%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of Marion. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Membership

Number of	
- Retirees and Beneficiaries	86
- Inactive, Non-Retired Members	34
- Active Members	129
- Total	249

NOTES TO SCHEDULE OF CONTRIBUTIONS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE*

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% --approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 – 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes	There were no benefit changes during the year.

* *Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation*

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, 2015, 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, 2015, the City's contribution was 29.75% of covered payroll.

B. Investments

Investment Policy. The pension plan's policy in regards to the allocation of invested assets is established and may be amended by majority vote of the pension board. It is the policy of the Fire Pension Board to pursue an investment strategy that reduces risk thru prudent diversification of the portfolio across a broad selection of asset classes. The following was the Board's adopted asset allocation policy as of April 30, 2015.

Asset Class	Minimum	Maximum
Equities	30%	45%
Fixed Income	55%	70%
Cash/Cash Equivalents	0%	5%

The Fire Pension Fund's investment policy in accordance with the ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
US Fixed Income	55.0%	2.60%
Equities:	45.0%	
US Large Cap-Core		8.15%
US Mid Cap-Core		8.75%
US Small Cap-Core		9.10%
Int': Large/Mid-Core		8.70%
Emerging Markets		10.25%
Real Estate Investments Trusts		6.65%

Rate of Return. For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 6.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Significant investments (other than U. S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets are as follows:

IShares Core S&P 500	$ 1,107,168.60
Pacific Life	596,608.03
	$ 1,703,776.63

C. Annual Pension Costs

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the Annual Required Contribution (ARC) and the contributions actually made.

	Fire Pension
Annual Pension Costs (APC)	
For the year ended April 30, 2013	$ 421,503
For the year ended April 30, 2014	$ 463,425
For the year ended April 30, 2015	$ 474,204

	Fire Pension
Actual Contribution	
For the year ended April 30, 2013	$ 387,400
For the year ended April 30, 2014	$ 421,500
For the year ended April 30, 2015	$ 425,800
Percentage of ARC Contributed	
For the year ended April 30, 2013	92%
For the year ended April 30, 2014	91%
For the year ended April 30, 2015	90%
NPO (Asset)	
For the year ended April 30, 2013	$ (171,980)
For the year ended April 30, 2014	$ (130,055)
For the year ended April 30, 2015	$ (81,651)

The NPO at April 30, 2015 has been calculated as follows:

	Fire Pension
Annual Required Contribution	$ 473,122
Interest on Net Pension Obligation	(8,779)
Adjustment to Annual Required Contribution	9,861
Annual Pension Cost	$ 474,204
Contributions Made	425,800
Increase (Decrease) in Net Pension Obligation	$ 48,404
Net Pension Obligation (Asset) Beginning of Year	(130,055)
Net Pension Obligation (Asset) End of Year	$ (81,651)

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

Net Pension Liability

Total Pension Liability	$ 14,207,562
Plan Fiduciary Net Position	9,382,353
Net Pension Liability/(Asset)	$ 4,825,209
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.04%
Net Pension Liability as Percentage of Covered Valuation Payroll	337.18%

Development of the Single Discount Rate

Long-Term Expected Rate of Investment Return	6.75%
Long-Term Municipal Bond Rate	3.62%
Last year ending in the projection period for which projected benefit payments are fully funded	2065
Resulting Single Discount Rate	6.75%

Total Pension Expense/(Income) $ 525,926

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE SINGLE DISCOUNT RATE ASSMUPTION

	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Total Pension Liability	$ 16,320,405	$ 14,207,562	$ 12,474,206
Plan Fiduciary Net Position	9,382,353	9,382,353	9,382,353
Net Pension Liability/(Asset)	$ 6,938,052	$ 4,825,209	$ 3,091,853

Discount Rate
The discount rate used to measure the total pension liability was 6.75% per year for the Fire Pension Fund. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plans' fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, expected rate of return of 6.75% was blended with a municipal bond rate of 3.62% based on the Bond Buyer G.O. 20-Bond Municipal Bond Index to arrive at a discount rate of 6.75% for the Firefighters' Pension Fund used to determine the total pension liability.

Discount Rate Sensitivity
The following is a sensitive analysis of the Fire Pension Fund net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

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 for contribution determination
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

Other Information

There were no benefit changes during the year.

Municipal Contributions at 95.52% based upon 5-year historical average.

A detailed description of the actuarial assumptions and methods can be found in the May 1, 2015 actuarial valuation report.

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, 2015, the Police Pension Plan membership consisted of:

Active members	32
Retirees and beneficiaries	22
Inactive, Non-retired members	-
Total	54

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 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 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. The City is required to contribute the remaining amounts necessary 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 police pension fund up to 90% of the total actuarial liabilities. For the year ended April 30, 2015, the City's contribution was 36.33% of covered payroll.

B. Investments

Investment Policy. The pension plan's policy in regards to the allocation of invested assets is established and may be amended by majority vote of the pension board. It is the policy of the Police Pension Board to pursue an investment strategy that reduces risk thru prudent diversification of the portfolio across a broad selection of asset classes. The following was the Board's adopted asset allocation policy as of April 30, 2015.

Asset Class	Allocation
Equities	45%
Fixed Income	55%
	100%

The Police Pension Fund's investment policy in accordance with the ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
US Fixed Income	55.0%	2.60%
Equities:	45.0%	
US Large Cap-Core		8.15%
US Mid Cap-Core		8.75%
US Small Cap-Core		9.10%
Int': Large/Mid-Core		8.70%
Emerging Markets		10.25%
Real Estate Investments Trusts		6.65%

Rate of Return. For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 7.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Significant investments (other than U. S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets are as follows:

IShares Core S&P 500	$ 944,954.55
AIG Sun America	1,054,949.87
	$ 1,999,904.42

C. Annual Pension Costs

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the Annual Required Contribution (ARC) and the contributions actually made.

	Police Pension
Annual Pension Costs (APC)	
For the year ended April 30, 2013	$ 592,088
For the year ended April 30, 2014	$ 674,138
For the year ended April 30, 2015	$ 747,182

	Police Pension
Actual Contribution	
For the year ended April 30, 2013	$ 569,900
For the year ended April 30, 2014	$ 592,000
For the year ended April 30, 2015	$ 662,900
Percentage of ARC Contributed	
For the year ended April 30, 2013	96%
For the year ended April 30, 2014	88%
For the year ended April 30, 2015	89%
NPO (Asset)	
For the year ended April 30, 2013	$(213,153)
For the year ended April 30, 2014	$(131,015)
For the year ended April 30, 2015	$ (46,734)

The NPO at April 30, 2015 has been calculated as follows:

	Police Pension
Annual Required Contribution	$ 746,004
Interest on Net Pension Obligation	(9,171)
Adjustment to Annual Required Contribution	10,348
Annual Pension Cost	$ 747,181
Contributions Made	662,900
Increase (Decrease) in Net Pension Obligation	$ 84,281
Net Pension Obligation (Asset) Beginning of Year	(131,015)
Net Pension Obligation (Asset) End of Year	$ (46,734)

A separate report of the police pension fund may be obtained at the City Clerk's office located in city hall.

For the Police and Firemen's Pension Funds, the City fully funds the actuarially determined employer contributions through property tax monies. These contributions lag behind the actuarially required contributions by two years due to the time necessary to complete the tax levy cycle.

Net Pension Liability

Total Pension Liability	$ 18,712,527
Plan Fiduciary Net Position	10,350,098
Net Pension Liability/(Asset)	$ 8,362,429

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.31%
Net Pension Liability as Percentage of Covered Valuation Payroll	458.26%
Development of the Single Discount Rate	
Long-Term Expected Rate of Investment Return	6.75%
Long-Term Municipal Bond Rate	3.62%
Last year ending in the projection period for which projected benefit payments are fully funded	2065
Resulting Single Discount Rate	6.75%
Total Pension Expense/(Income)	$ 711,253

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE SINGLE DISCOUNT RATE ASSMUPTION

	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Total Pension Liability	$ 21,350,655	$ 18,712,527	$ 16,561,407
Plan Fiduciary Net Position	10,350,098	10,350,098	10,350,098
Net Pension Liability/(Asset)	$ 11,000,557	$ 8,362,429	$ 6,211,309

Discount Rate

The discount rate used to measure the total pension liability was 6.75% per year for the Police Pension Fund. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plans' fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, expected rate of return of 6.75% was blended with a municipal bond rate of 3.62% based on the Bond Buyer G.O. 20-Bond Municipal Bond Index to arrive at a discount rate of 6.75% for the Firefighters' Pension Fund used to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the Police Pension Fund net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:	Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

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

Other Information

There were no benefit changes during the year.

Municipal Contributions at 97.14% based upon 5-year historical average.

A detailed description of the actuarial assumptions and methods can be found in the May 1, 2015 actuarial valuation report.

Note 5. Other Post Employment Benefits

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.

Exhibit 1 Components of Net Annual Obligation and Expense

Exhibit 2 Schedule of Contributions, OPEB Costs and Obligations

Exhibit 3 Schedule of Funded Status and Funding Progress

Exhibit 4 Required Supplementary Information

Plan Description

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.

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.

Exhibit 1 - 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 4/30/2015					
	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	86,565	23,207	22,950	94,819	51,687	279,228
c.	Adjustment to ARC	(109,971)	(29,482)	(29,156)	(120,456)	(65,662)	(354,727)
d.	Annual OPEB cost (a+b+c)	$ 449,488	$ 126,766	$ 162,653	$ 725,965	$ 398,183	$ 1,863,055
e.	Contributions made	(173,740)	(87,506)	(88,558)	(260,631)	(150,012)	(760,447)
f.	Increase in net OPEB obligation	$ 275,748	$ 39,260	$ 74,095	$ 465,334	$ 248,171	$ 1,102,608
g.	Net OPEB obligation - beginning of year	1,822,428	488,566	483,168	1,996,184	1,088,148	5,878,494
h.	Net OPEB obligation - end of year (f+g)	$ 2,098,176	$ 527,826	$ 557,263	$ 2,461,518	$ 1,336,319	$ 6,981,102

Schedule of Contributions, OPEB Costs and Net Obligations

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/09	$ 1,113,075	22.3%	$ 864,530
4/30/10	1,102,740	24.6%	1,696,356
4/30/11	1,563,599	32.5%	2,751,169
4/30/12	1,550,990	35.8%	3,747,582
4/30/13	1,701,744	35.4%	4,846,725
4/30/14	1,688,605	38.9%	5,878,494
4/30/15	1,863,055	40.8%	6,981,100

Funded Status and Funding Progress
As of April 30, 2015, the actuarial accrued liability for benefits was $22,300,775. The covered payroll was approximately $7,233,283, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 308.3%.

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, 2015, 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)	$5,147,467	$1,826,241	$2,204,943	$8,466,151	$4,655,973	$22,300,775
2. Actuarial Value of Assets	$ -	$ -	$ -	$ -	$ -	$ -
3. Unfunded Actuarial Accrued Liability (UAAL)	$5,147,467	$1,826,241	$2,204,943	$8,466,151	$4,655,973	$22,300,775
4. Funded Ratio (2) / (1)	0%	0%	0%	0%	0%	0%
5. Covered Payroll (Active Plan Members)	$2,631,096	$ 488,322	$ 674,960	$2,072,283	$1,366,622	$ 7,233,283
6. UAAL as a Percentage of Covered Payroll (3) / (5)	195.6%	374.0%	326.7%	408.5%	340.7%	308.3%

Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll
4/30/09	$ 0	$ 11,569,101	$11,569,101	0%	$5,621,763
4/30/10	$ 0	$ 12,292,784	$12,292,784	0%	$5,818,525
4/30/11	$ 0	$ 17,714,262	$17,714,262	0%	$5,735,974
4/30/12	$ 0	$ 18,556,130	$18,556,130	0%	$5,936,733
4/30/13	$ 0	$ 19,763,816	$19,763,816	0%	$7,247,879
4/30/14	$ 0	$ 20,643,376	$20,643,376	0%	$7,501,555
4/30/15	$ 0	$ 22,300,775	$22,300,775	0%	$7,233,283

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 Cash

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.

Retirement

Representative retirement rates by age are:

Age	Police	Fire	Municipal	Age	Police	Fire	Municipal
50	0.12	0.05	N/A	60	0.25	0.20	0.10
51	0.12	0.03	N/A	61	0.25	0.25	0.10
52	0.12	0.03	N/A	62	0.40	0.40	0.15
53	0.12	0.03	N/A	63	1.00	1.00	0.25
54	0.16	0.03	N/A	64	1.00	1.00	0.20
55	0.16	0.08	0.05	65	1.00	1.00	0.40
56	0.16	0.08	0.05	66	1.00	1.00	0.25
57	0.16	0.08	0.05	67	1.00	1.00	0.30
58	0.16	0.08	0.05	68	1.00	1.00	0.30
59	0.16	0.12	0.05	69	1.00	1.00	0.30

Withdrawal

Representative withdrawal rates by age are:

Age	Police	Fire	Municipal
20	0.0450	0.0450	0.3000
30	0.0190	0.0190	0.0500
40	0.0060	0.0060	0.0300
50	0.0005	0.0005	0.0100
60	0.0005	0.0005	0.0001

Disability

Sample rates by age are as follows:

Age	Police	Fire	Municipal
25	0.0013	0.0009	0.001
35	0.0044	0.0046	0.002
45	0.0108	0.0097	0.002
55	0.0159	0.0314	0.002
65	0.0159	0.0314	0.002

Participation

90% of employees were assumed to participate in the plan for all employee groups. 65% of employees are assumed to have spouses. Females were assumed to be 3 years younger.

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, 2015

	General Fund	Water*	Sewer*	Police	Fire	Total
Active Participants	62	10.5	13.5	39	25	150
Retired Participants	19	8	7	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.

Age and Service Distribution as of April 30, 2015

ALL EMPLOYEES

Male Active Employee Participants

Age Group	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20										0
20-24	2									2
25-29	11	2								13
30-34	9	13	2							24
35-39	4	5	5	1						15
40-44	5	4	3	5	1					18
45-49	1	1	3	4	2	1				12
50-54	2	2		3	2	5	3			17
55-59		1		3	1	4		2		11
60-64	1			1						2
65 & Over	1		1	1					1	4
Total	36	28	14	18	6	10	3	2	1	118

Average age: 42.77 years

Average Length of Service: 11.90 years

Female Active Employee Participants

Age Group	Service 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 20										0
20-24										0
25-29	2									2
30-34	1									1
35-39	1	2								3
40-44	2		1	1						4
45-49		3		1	1					5
50-54						1		1		2
55-59	2	2	1							5
60-64	2	3	2	1						8
65 & Over			2							2
Total	10	10	6	3	1	1	0	1	0	32

Average age: 51.56 years
Average Length of Service: 9.62 years

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, 2014	$ 60,000.00
Add - Bad debt expense	80,000.00
- Recoveries	-
Less - Charge-offs	-
Balance at April 30, 2015	$ 140,000.00

The allowance for doubtful accounts was 9.81% of loans receivable at April 30, 2015.

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. Components of Restricted Assets

Governmental Funds
General Fund Types

	Permanent Fund	General	Senior Citizens Council	Marion Carnegie Library	Boyton Street Community Center	Cultural and Civic Center
Cash	$ 1,842.57	$132,910.20	$ -	$ 3,295.58	$ 1,134.05	$ 1.07
Certificates of deposit	-	-	12,601.04	55,050.34	-	-
Total	$ 1,842.57	$132,910.20	$ 12,601.04	$ 58,345.92	$ 1,134.05	$ 1.07

Restricted assets of the General Fund represent restricted donations 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 Cultural and Civic Center represent donations received to be used for the purchase of items needed by the Cultural and Civic Center.

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	$ 323,938.13	$ 696,804.97

Restricted assets of the Water and Sewer Departments are for debt service and restricted bond proceed expenditures, 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	$ 24,433,001.89	$ 645.00	$ -	$ 24,433,646.89
Construction in progress	14,606,700.98	15,567,576.12	18,076,924.49	12,097,352.61
Total Capital Assets Not Being Depreciated	$ 39,039,702.87	$ 15,568,221.12	$ 18,076,924.49	$ 36,530,999.50
Capital assets being depreciated:				
Land improvements	$ 246,117.32	$ 120,699.51	$ -	$ 366,816.83
Parking lot improvements	92,475.73	-	-	92,475.73
Office equipment	318,191.37	279,657.18	18,325.90	579,522.65
Fixed mechanical equipment	1,189,329.03	230,913.25	6,129.00	1,414,113.28
Major movable equipment	2,207,151.42	396,510.70	27,808.15	2,575,853.97
Vehicles	3,881,572.73	333,411.96	126,009.73	4,088,974.96
Railroad improvements	610,952.83	-	-	610,952.83
IL Centre Mall	19,157,896.55	-	-	19,157,896.55
Buildings	20,687,855.21	17,030,430.36	-	37,718,285.57
Streets	21,346,658.21	533,722.92	-	21,880,381.13
Bridges	946,385.55	-	-	946,385.55
Storm sewers	2,314,552.45	16,364.40	-	2,330,916.85
Sidewalks	896,837.93	330,726.26	-	1,227,564.19
Flood control projects	4,787,486.06	-	-	4,787,486.06
Street lights	217,915.80	-	-	217,915.80
Software	85,868.00	36,262.50	-	122,130.50
Total Capital Assets Being Depreciated	$ 78,987,246.19	$ 19,308,699.04	$ 178,272.78	$ 98,117,672.45

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Land improvements	$ 105,610.10	$ 15,597.57	$ -	$ 121,207.67
Parking lot improvements	81,035.73	1,560.00	-	82,595.73
Office equipment	226,192.53	50,502.26	(18,325.90)	258,368.89
Fixed mechanical equipment	510,344.61	89,793.81	(6,129.00)	594,009.42
Major movable equipment	1,030,998.93	204,370.97	(27,335.93)	1,208,033.97
Vehicles	2,686,436.65	263,127.42	(97,545.48)	2,852,018.59
Railroad improvements	367,844.50	15,273.82	-	383,118.32
IL Centre Mall	18,682,779.88	196,600.00	-	18,879,379.88
Buildings	5,229,055.39	638,740.22	-	5,867,795.61
Streets	8,348,886.89	668,102.18	-	9,016,989.07
Bridges	382,596.66	23,659.64	-	406,256.30
Storm sewers	564,758.65	59,823.57	-	624,582.22
Sidewalks	67,309.60	33,789.25	-	101,098.85
Flood control projects	1,417,328.87	95,749.72	-	1,513,078.59
Street lights	54,110.49	10,895.80	-	65,006.29
Software	57,212.34	22,997.45	-	80,209.79
Total Accumulated Depreciation	$ 39,812,501.82	$ 2,390,583.68	$ (149,336.31)	$ 42,053,749.19
Total Capital Assets Being Depreciated, Net	$ 39,174,744.37	$ 16,918,115.36	$ 28,936.47	$ 56,063,923.26
Governmental Activities Capital Assets, Net	$ 78,214,447.24	$ 32,486,336.48	$ 18,105,860.96	$ 92,594,922.76

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	$ 92,073.39
Public health and safety	395,134.87
Streets, alleys and cemeteries	221,172.21
Cultural and recreation	580,139.94
Unallocated	1,102,063.27
Total Governmental Activities Depreciation Expense	$ 2,390,583.68

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	214,351.53	713,169.69	460,816.94	466,704.28
Total Capital Assets Not Being Depreciated	$ 3,701,228.98	$ 713,169.69	$ 460,816.94	$ 3,953,581.73
Capital assets being depreciated:				
Land improvements	$ 33,325.00	$ -	$ -	$ 33,325.00
Structures	2,916,726.84	91,776.87	25,639.21	2,982,864.50
Buildings	22,701,707.55	-	4,788,729.02	17,912,978.53
Fixed equipment	2,637,482.93	-	565,905.76	2,071,577.17
Equipment and machinery	1,452,632.16	24,035.82	251,835.39	1,224,832.59
Trucks and tractors	883,590.69	431,487.54	87,207.82	1,227,870.41
Transmission and distribution systems	13,079,275.15	456,310.64	540,177.39	12,995,408.40
Lift stations	1,115,943.25	27,934.52	22,410.00	1,121,467.77
Total Capital Assets Being Depreciated	$ 44,820,683.57	$ 1,031,545.39	$ 6,281,904.59	$ 39,570,324.37

	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Land improvements	$ 8,127.86	$ 1,666.25	$ -	$ 9,794.11
Structures	654,011.47	53,892.23	25,639.21	682,264.49
Buildings	10,363,927.30	447,824.47	4,398,174.26	6,413,577.51
Fixed equipment	2,049,134.28	84,950.67	565,905.76	1,568,179.19
Equipment and machinery	1,057,909.83	67,653.84	255,095.50	870,468.17
Trucks and tractors	656,372.26	61,650.33	83,252.72	634,769.87
Transmission and distribution systems	4,016,697.19	250,638.28	533,667.15	3,733,668.32
Lift stations	490,683.60	40,274.75	6,909.75	524,048.60
Total Accumulated Depreciation	$ 19,296,863.79	$ 1,008,550.82	$ 5,868,644.35	$ 14,436,770.26
Total Capital Assets Being Depreciated, Net	$ 25,523,819.78	$ 22,994.57	$ 413,260.24	$ 25,133,554.11
Business-Type Activities Capital Assets, Net	$ 29,225,048.76	$ 736,164.26	$ 874,077.18	$ 29,087,135.84

Business-Type activities:	
Water	$ 406,192.79
Sewer	602,358.03
Total Business-Type Activities Depreciation Expense	$ 1,008,550.82

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, 2015 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 340,635.42
Gas Tax Fund	39,706.26	-
General Projects Fund	574.87	-
Water Department	-	6,541.19
Civic Center	-	203.79
HUB Recreational Center	131,831.74	
Debt Service Fund	150,028.52	-
Pension Trust Funds	-	2,351.00
Pavilion Fund	-	97.07
Southern Illinois Enforcement Group	27,687.08	-
Total	$ 349,828.47	$ 349,828.47

Schedule of operating transfers within the reporting entity:

Transfer out/from	Transfer in/to	Amount
General Fund Types -	General Fund Types -	
General Fund	Recreation Department	$ 2,856.75
	Senior Citizens Council	407,067.05
	Cultural and Civic Center	366,567.17
	Boyton Street	217,490.02
	Carnegie Library	814,478.24
	Special Revenue-	
	Road and Bridge	
	Debt Service -	
	Debt Service	1,760,420.00
	Proprietary Fund Types -	
	Health Reimbursement	51,384.98
	Capital Projects –	
	General Projects	1,000,000.00
Housing Rehab Fund	General Fund	63.43
Special Revenue -	General Fund Types -	
Special Revenues - Police	General Fund	63,700.54
Special Revenue -	Debt Service -	
HUB Recreation Center	Debt Service	987,265.00
TIF Redevelopment	Debt Service	974,930.00
General Fund Types -	Special Revenue -	
Recreation Dept.	HUB Recreational Center	280,000.00
Enterprise Fund Types -	General Fund Types -	
Water Dept.	General Fund	8,782.07
Sewer Dept.		8,782.07
		$6,943,787.32

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.

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, 2015:

	Bonds Payable May 1, 2014	Bonds Issued	Bond Payments	Bonds Payable April 30, 2015	Portion Bonds Payable April 30, 2015
Governmental Type Activities - Refunding Bonds					
Pavilion Bonds, Series 2011	$ 1,655,883.16	$ -	$ 168,113.61	$ 1,487,769.55	$ 174,875.68
GO Bonds, Series 2014	-	4,520,000.00	-	4,520,000.00	200,000.00
GO Bonds, Series 2013	9,730,000.00	-	1,040,000.00	8,690,000.00	1,055,000.00
GO Bonds, Series 2012	9,720,000.00	-	-	9,720,000.00	-
GO Bonds, Series 2005	8,255,000.00	-	285,000.00	7,970,000.00	305,000.00
GO Bonds, Series 2006	2,935,000.00	-	1,025,000.00	1,910,000.00	1,080,000.00
GO Bonds, Series 2007	1,095,000.00	-	65,000.00	1,030,000.00	70,000.00
GO Bonds, Series 2011A	2,555,000.00	-	290,000.00	2,265,000.00	295,000.00
	$ 35,945,883.16	$ 4,520,000.00	$ 2,873,113.61	$ 37,592,769.55	$ 3,179,875.68
Add - Premium on bonds				1,090,526.71	136,833.85
Less - Discount on bonds				(7,337.64)	(498.67)
				$ 38,675,958.62	$ 3,316,210.86
Business-Type Activities - Water Department					
Refunding Bonds, Series 2002	$ 910,000.00	$ -	$ 215,000.00	$ 695,000.00	$ 220,000.00
GO Bonds, Series 2008	2,915,000.00	-	150,000.00	2,765,000.00	155,000.00
GO Bonds, Series 2014	-	4,575,000.00	195,000.00	4,380,000.00	450,000.00
	$ 3,825,000.00	$ 4,575,000.00	$ 560,000.00	$ 7,840,000.00	$ 825,000.00
Add - Premium on bonds				279,792.67	28,639.70
				$ 8,119,792.67	$ 853,639.70

General Obligation Bonds payable at April 30, 2015, are comprised of the following individual issues:

General Obligation -	
$3,115,000.00 General Obligation Refunding Bonds, Series 2011A, 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%.	$ 2,265,000.00
$2,200,000.00 Refunding Revenue Bonds, Series 2011, dated June 21, 2011, due in monthly installments of $19,208.26 through October 21, 2022; interest rate is fixed at 3.95%	1,487,769.55
$4,520,000.00 General Obligation Bonds, Series 2014, 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%	4,520,000.00
$9,720,000.00 General Obligation Bonds, Series 2012, 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

$9,730,000.00 General Obligation Bonds, Series 2013, 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%	$ 8,690,000.00
$10,000,000.00 General Obligation Refunding Bonds, Series 2005, dated September 15, 2005, due in annual principal installments ranging from $10,000.00 to $1,470,000.00 through September 15, 2021, interest rate is variable from 2.8% to 5.0%	7,970,000.00
$4,965,000.00 General Obligation Refunding Bonds, Series 2006, 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%	1,910,000.00
$1,385,000.00 General Obligation Bonds, Series 2007, 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%	1,030,000.00
General Obligation Bonds Payable	$37,592,769.55
Add - Premium on bonds	1,090,526.71
Less - Discount on bonds	(7,337.64)
	$38,675,958.62

As of April 30, 2015, $2,030,881.71 is available in Debt Service Funds to service General Obligation Bonds.

Enterprise Funds bonds payable at April 30, 2015, are comprised of the following individual issues:

General Obligation Bonds -	
$3,545,000.00 Waterworks Refunding Bonds, dated August 15, 2002, due in annual installments ranging from $215,000.00 to $285,000.00 through September 1, 2017; interest rate is variable from 2.0% to 4.45%.	$ 695,000.00
$3,590,000.00, Series 2008, 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%	2,765,000.00

$4,575,000.00, Series 2014, 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%	4,380,000.00
General Obligation Bonds Payable	$ 7,840,000.00
Add - Premium on bonds	279,792.67
Net Enterprise Funds Bonds Payable	$ 8,119,792.67

As of April 30, 2015, $1,020,743.10 is available in water and sewer funds to service general obligation bonds.

The annual requirements to amortize all debt outstanding as of April 30, 2015, including interest payments of $9,105,291.70 for General Obligation Bonds and $46,938.75 for the Refunding Bonds are as follows:

Fiscal Year Ending April 30,	General Obligation	General Obligation Refunding	Total
2016	$ 5,290,931.62	$ 245,582.50	$ 5,536,514.12
2017	5,345,592.87	245,905.00	5,591,497.87
2018	5,357,387.87	250,451.25	5,607,839.12
2019	5,089,665.37	-	5,089,665.37
2020	5,096,316.00	-	5,096,316.00
2021	5,101,259.75	-	5,101,259.75
2022	5,107,207.87	-	5,107,207.87
2023	3,129,321.15	-	3,129,321.15
2024	2,894,896.25	-	2,894,896.25
2025	2,438,590.00	-	2,438,590.00
2026	2,013,422.50	-	2,013,422.50
2027	1,883,665.00	-	1,883,665.00
2028	1,018,082.50	-	1,018,082.50
2029	1,017,997.50	-	1,017,997.50
2030	761,825.00	-	761,825.00
2031	765,075.00	-	765,075.00
2032	765,925.00	-	765,925.00
2033	765,900.00	-	765,900.00
	$53,843,061.25	$ 741,938.75	$54,585,000.00

On December 23, 2014, the City issued a general obligation bond which was in part new monies of $4,520,000.00 (par value) for governmental activities and in part a general obligation refunding bond of $4,575,000.00 (par value) with a variable rate of 2.00% to 4.00% to current refund a Sewer Department's IEPA Loan with a principal balance of $4,829,550.28 with an interest rate of 2.675%. The general obligation bond was issued at a premium and after paying issue costs the net amount of proceeds allocated to the refunding portion was $4,875,484.67. The net present value benefit to the City was $115,061.34.

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, 2015:

	Balance May 1, 2014	Additions	Payments	Balance April 30, 2015	Current Portion
Business-Type Activities -					
Accrued vacation	$ 82,267.48	$ -	$ 1,172.15	$ 81,095.33	$ -
State of Illinois	8,702,454.93	-	5,252,236.00	3,450,218.93	203,906.61
South Porte Bank	26,609.16	-	16,703.06	9,906.10	9,906.10
Total	$ 8,811,331.57	$ -	$ 5,270,111.21	$ 3,541,220.36	$ 213,812.71

Enterprise Fund contractual obligations at April 30, 2015, are comprised of the following individual notes payable:

A. 2.89% note payable to the State of Illinois in semi-annual installments of $11,089.94 including interest through October 10, 2016. $ 32,331.02

For the year ended April 30, 2015, total interest was $1,386.15, all of which was charged to expense.

B. 2.89% note payable to the State of Illinois in semi-annual installments of $5,238.64 including interest through March 14, 2018. $ 29,901.40

For the year ended April 30, 2015, total interest was $1,068.57, all of which was charged to expense.

C. 2.675% note payable to the State of Illinois in semi-annual installments of $290,257.67 beginning February 15, 2005 through February 15, 2024. $ -

For the year ended April 30, 2015, total interest was $67,573.63, all of which was charged to expense.

D. 0.000% note payable to the State of Illinois in semi-annual installments of $12,188.56 beginning October 15, 2011 through October 15, 2030. $ 377,846.02

E. 1.25% note payable to the State of Illinois in semi-annual installments of $33,384.46 beginning June 11, 2013 through May 11, 2033. $ 1,109,312.01

For the year ended April 30, 2015, total interest was $14,239.86, all of which was charged to expense.

F. 1.25% note payable to the State of Illinois in semi-annual installments of $59,127.58 beginning November 8, 2013 through November 8, 2032. $ 1,900,828.48

For the year ended April 30, 2015, total interest was $24,638.92, all of which was charged to expense.

G. 1.980% note payable to South Porte Bank in monthly installments of $1,423.62 including interest through December 26, 2015. $ 9,906.10

For the year ended April 30, 2015, total interest was $380.38, all of which was charged to expense.

The annual requirements to amortize all other contractual liabilities of business-type activities as of April 30, 2015, including interest payments of $366,966.23 are as follows:

Fiscal Year Ending April 30,	State of Illinois	State of Illinois	State of Illinois	State of Illinois	State of Illinois	South Porte Bank	Totals
2016	$ 67,350.56	$ 24,377.12	$ 118,255.16	$ 22,179.88	$ 10,477.28	$ 9,965.34	$ 252,605.34
2017	67,350.56	24,377.12	118,255.16	11,089.94	10,477.28	-	231,550.06
2018	67,350.56	24,377.12	118,255.16	-	10,477.28	-	220,460.12
2019	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2020	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2021	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2022	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2023	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2024	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2025	67,350.56	24,377.12	118,255.16	-	-	-	209,982.84
2026-2034	572,479.76	134,074.82	946,041.28	-	-	-	1,652,595.86
	$1,245,985.36	$ 377,846.02	$2,128,592.88	$ 33,269.82	$ 31,431.84	$ 9,965.34	$ 3,827,091.26

The following is a summary of other contractual liability transactions for governmental-type activities of the City for the fiscal year ended April 30, 2015:

	Balance May 1, 2014	Additions	Payments	Balance April 30, 2015	Current Portion
Governmental-Type Activities -					
Fire truck	$ 53,106.58	$ 32,000.00	$ 60,064.17	$ 25,042.41	$ 11,602.95
Police cars and related equipment	212,784.16	141,000.00	143,107.35	210,676.81	132,548.08
Street department equipment	511,019.35	109,500.00	154,410.60	466,108.75	147,842.97
Heartland St. loan	-	400,000.00	25,165.42	374,834.58	76,618.70
HUB equipment loan	-	172,875.00	15,501.55	157,373.45	32,128.14
Fire truck	13,052.95	-	8,760.52	4,292.43	4,292.43
Illinois Department of Transportation -					
Engineering agreement	990,000.00	-	90,000.00	900,000.00	90,000.00
Construction agreement	6,900,000.00	-	50,000.00	6,850,000.00	50,000.00
Accrued vacation	369,819.11	-	11,940.17	357,878.94	-
Total	$ 9,049,782.15	$ 855,375.00	$ 558,949.78	$ 9,346,207.37	$ 545,033.27

The annual requirements to amortize all other contractual liabilities of government-type activities as of April 30, 2015, including interest payments of $71,761.99 are as follows:

Fiscal Year Ending April 30,	US Bankcorp	Fifth Third Bank	First Southern Bank	Illinois Dept. of Transportation	Farmers State Bank	Midland State Bank	Totals
2016	$ 171,743.28	$ 33,553.28	$ 21,099.24	$ 140,000.00	$ 19,650.55	$ 160,893.50	$ 546,939.85
2017	132,894.64	-	21,099.24	708,181.82	39,301.10	167,998.56	1,069,475.36
2018	113,470.32	-	-	708,181.82	39,301.10	128,320.72	989,273.96
2019		-	-	708,181.82	39,301.10	108,601.32	856,084.24
2020	-	-	-	708,181.82	39,301.10	73,561.37	821,044.29
2021 and after	-	-	-	4,777,272.72	-	-	4,777,272.72
	$ 418,108.24	$ 33,553.28	$ 42,198.48	$ 7,750,000.00	$ 176,854.95	$ 639,375.47	$ 9,060,090.42

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, 2015, 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 the properties 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	-	-	-	-	2,030,881.71	2,030,881.71
Public Safety expenditures	94,920.34	-	104,473.77	-	-	199,394.11
Capital projects	-	-	-	2,192,381.69	-	2,192,381.69
Development	33,731.36	-	5,747,259.29	-	-	5,780,990.65
Donor expenditures	72,514.99	842.57	-	-	-	73,357.56
Future loans	-	-	1,546,465.72	-	-	1,546,465.72
Maintenance of roadway	-	-	2,219,556.10	-	-	2,219,556.10
Cemetery	4,258.50	-	-	-	-	4,258.50
Tourism and recreation	-	-	383,435.55	-	-	383,435.55
Committed for -						
Cash reserve	4,934,513.75	-	-	-	-	4,934,513.75
Assigned for -						
Budget deficit	89,006.66	-	-	-	-	89,006.66
Unassigned	5,147,327.20	-	-	-	-	5,147,327.20
Total Fund Balances	$ 10,376,272.80	$ 1,842.57	$ 10,001,190.43	$ 2,192,381.69	$ 2,030,881.71	$ 24,602,569.20

Note 15. Deficit Fund Equity

There was deficit fund equity/retained earnings as of April 30, 2015 in the Boyton Street Community Center Fund.

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, 2015 the Developer's portion of the home rule sales tax increase amounted to $574,619.50.

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 - Contributions to the City's Police and Fire Pension Plans and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

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. Subsequent Events

In October, 2015, the City issued $8,300,000 General Obligation Bonds that are being handled by JP Morgan Chase Bank NA as a bank loan. Proceeds will be used to refund the City's outstanding Series 2002 and 2005 general obligation bonds and costs associated with those bonds.

Due to a lack of budget for the State of Illinois, the City has not received any motor fuel tax or video gaming monies after June, 2015.

Note 22. Prior Period Adjustment

In the prior year, a deposit on an equipment purchase was understated in governmental activities by $111,912.48. A journal entry was made to increase equipment in the current year and increase net position at the government-wide level.

Also in the prior year, the federal government gave to the City the old National Guard Armory. The value at the time of the donation was estimated to be $1.1 million. A journal entry was made to increase capital assets in the current year and increase net position at the government -wide level.

	Governmental Activities
Net position at April 30, 2014	$ 60,691,629.13
Prior period adjustment	1,211,912.48
Net position at April 30, 2015, restated	$ 61,903,541.61

Note 23. Special Item

The special item of the business-type activities is to write-down a portion of the sewer plant no longer being used.

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, 2015

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	$ 1,440,000.00	$ 1,440,000.00	$ 1,225,169.09	$ (214,830.91)
Sales tax	13,540,000.00	13,540,000.00	13,337,050.66	(202,949.34)
Licenses and permits	133,050.00	133,050.00	134,348.46	1,298.46
Intergovernmental	1,696,000.00	1,696,000.00	1,693,724.04	(2,275.96)
Other taxes and franchise fees	1,514,800.00	1,514,800.00	1,569,166.61	54,366.61
Service charges and fees	543,000.00	543,000.00	533,916.51	(9,083.49)
Investment income	36,800.00	36,800.00	33,016.75	(3,783.25)
Grant revenue	273,300.00	273,300.00	391,413.95	118,113.95
Restricted donations	7,600.00	7,600.00	16,348.42	8,748.42
Miscellaneous	86,300.00	126,300.00	247,973.37	121,673.37
Total Revenues	$ 19,270,850.00	$ 19,310,850.00	$ 19,182,127.86	$ (128,722.14)
Expenditures				
General government	$ 2,969,170.00	$ 3,113,910.00	$ 2,919,603.95	$ (194,306.05)
Public health and safety	9,205,190.00	9,417,300.00	9,120,356.92	(296,943.08)
Streets, alleys and cemeteries	3,027,300.00	3,151,420.00	3,090,898.88	(60,521.12)
Cultural and recreation	1,488,900.00	1,509,060.00	1,417,885.32	(91,174.68)
Development	793,000.00	793,000.00	790,063.50	(2,936.50)
Capital outlay	387,950.00	805,800.00	957,240.65	151,440.65
Total Expenditures	$ 17,871,510.00	$ 18,790,490.00	$ 18,296,049.22	$ (494,440.78)
Excess (Deficiency) of Revenues Over Expenditures			$ 886,078.64	
Other Financing Sources (Uses)				
Proceeds from long-term debt			$ 682,500.00	
Transfers in (out)			(2,979,155.32)	
Total Other Financing Sources (Uses)			$ (2,296,655.32)	
Net Change in Fund Balances			$ (1,410,576.68)	

See accompanying notes to financial statements.

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, 2015

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	$ 4,779,500.00	$ 4,779,500.00	$ 5,053,482.91	$ 273,982.91
Grant revenue	-	-	37,500.00	37,500.00
Investment income	2,520.00	2,520.00	1,286.59	(1,233.41)
Total Revenues	$ 4,782,020.00	$ 4,782,020.00	$ 5,092,269.50	$ 310,249.50
Expenditures				
Development	$ 2,479,280.00	$ 2,479,280.00	$ 2,456,188.26	$ (23,091.74)
Streets, alleys and cemeteries	1,280.00	1,280.00	47,156.00	45,876.00
Debt service	52,500.00	52,500.00	140,000.00	87,500.00
Capital outlay	478,000.00	478,000.00	253,250.65	(224,749.35)
Total Expenditures	$ 3,011,060.00	$ 3,011,060.00	$ 2,896,594.91	$ (114,465.09)
Excess (Deficiency) of Revenues Over Expenditures			$ 2,195,674.59	
Other Financing Sources (Uses)				
Transfers in (out)			$ (974,930.00)	
Total Other Financing Sources (Uses)			$ (974,930.00)	
Net Change in Fund Balances			$ 1,220,744.59	

See accompanying notes to financial statements.

City of Marion, Illinois
Notes to Required Supplemental Information
April 30, 2015

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 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, TIF fund, and General Project expenditures:

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Over (Under)
Expenditures					
General					
General Government	$ 2,859,345.45	$ 60,258.50	$ 2,919,603.95	$ 3,113,910.00	$ (194,306.05)
Public health and safety	9,165,912.28	(45,555.36)	9,120,356.92	9,417,300.00	(296,943.08)
Streets, alleys and cemeteries	3,051,056.28	39,842.60	3,090,898.88	3,151,420.00	(60,521.12)
Cultural and recreation	1,424,230.33	(6,345.01)	1,417,885.32	1,509,060.00	(91,174.68)
Development	824,789.40	(34,725.90)	790,063.50	793,000.00	(2,936.50)
Capital outlay	1,139,871.42	(182,630.77)	957,240.65	805,800.00	151,440.65
Total Expenditures	$18,465,205.16	$ (169,155.94)	$18,296,049.22	$ 18,790,490.00	$ (494,440.78)
TIF Redevelopment					
Streets, alleys and cemeteries	$ 47,156.00	$ -	$ 47,156.00	$ 1,280.00	$ 45,876.00
Debt service	140,000.00	-	140,000.00	52,500.00	87,500.00
Development	2,495,280.93	(39,092.67)	2,456,188.26	2,479,280.00	(23,091.74)
Capital outlay	247,389.25	5,861.40	253,250.65	478,000.00	(224,749.35)
Total Expenditures	$ 2,929,826.18	$ (33,231.27)	$ 2,896,594.91	$ 3,011,060.00	$ (114,465.09)
General Projects					
Streets, alleys and cemeteries	$ 1,177.75	$ (1,177.75)	$ -	$ -	$ -
Debt service	97,794.25	-	97,794.25	-	97,794.25
Capital outlay	12,935,045.30	691,356.15	13,626,401.45	17,125,900.00	(3,499,498.55)
	$13,034,017.30	$ 690,178.40	$13,724,195.70	$ 17,125,900.00	$ (3,401,704.30)

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

City of Marion, Illinois
Pension Trust Funds
Schedule of Funding Progress
April 30, 2015

Actuarial Valuation Date	(1) GASB Value of Assets	(2) Actuarial Accrued Liability	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) ÷ (5)
FIRE PENSION FUND:						
May 1, 2014	$ 9,382,353	$14,207,562	$ 4,825,209	66.04%	$ 1,431,067	337.18%
May 1, 2013	$ 8,513,226	$11,875,528	$ 3,362,302	71.69%	$ 1,396,133	240.83%
May 1, 2012	$ 8,003,628	$11,099,756	$ 3,096,128	72.11%	$ 1,340,601	230.95%
May 1, 2011	$ 7,614,409	$10,658,520	$ 3,044,111	71.44%	$ 1,440,119	211.38%
May 1, 2010	$ 7,391,783	$ 9,735,460	$ 2,343,677	75.93%	$ 1,208,138	193.99%
May 1, 2009	$ 6,818,455	$ 8,914,111	$ 2,095,656	76.49%	$ 1,192,042	175.80%
May 1, 2008	$ 6,452,309	$ 8,372,119	$ 1,919,810	77.07%	$ 1,063,456	180.53%
May 1, 2007	$ 5,899,524	$ 7,973,284	$ 2,073,760	73.99%	$ 1,016,192	204.07%
May 1, 2006	$ 5,395,594	$ 7,580,445	$ 2,184,851	71.18%	$ 943,341	231.61%
May 1, 2004	$ 4,498,873	$ 6,825,670	$ 2,326,797	65.91%	$ 870,071	267.43%
POLICE PENSION FUND:						
May 1, 2014	$ 10,350,098	$18,712,527	$ 8,362,429	55.31%	$ 1,824,825	458.26%
May 1, 2013	$ 8,927,584	$15,036,581	$ 6,108,997	59.37%	$ 1,737,719	351.55%
May 1, 2012	$ 8,371,883	$13,615,512	$ 5,243,629	61.49%	$ 1,534,666	341.68%
May 1, 2011	$ 8,190,964	$12,838,296	$ 4,647,332	63.80%	$ 1,529,445	303.86%
May 1, 2010	$ 7,531,207	$11,383,210	$ 3,852,003	66.16%	$ 1,533,252	251.23%
May 1, 2009	$ 6,842,006	$10,407,181	$ 3,565,175	65.74%	$ 1,426,356	249.95%
May 1, 2008	$ 6,462,170	$ 9,802,662	$ 3,340,492	65.92%	$ 1,294,652	258.02%
May 1, 2007	$ 5,886,026	$ 8,757,129	$ 2,871,103	67.21%	$ 1,167,857	245.84%
May 1, 2006	$ 5,349,038	$ 7,821,520	$ 2,472,482	68.39%	$ 1,130,147	218.78%
May 1, 2004	$ 4,362,707	$ 7,245,549	$ 2,882,842	60.21%	$ 948,637	303.89%

See accompanying notes to financial statements.

City of Marion, Illinois
Pension Trust Funds
Schedule of Employer Contributions
April 30, 2015

Fire Pension Fund:

Fiscal Year Ended April 30,	Required Contribution	Total Employer Contribution (b)	Annual Percentage Contributed
2006	$ 258,191	$ 276,099	106.94%
2007	250,086	296,707	118.64%
2008	297,730	318,740	107.06%
2009	283,206	331,040	116.89%
2010	313,279	355,300	113.41%
2011	341,754	366,400	107.21%
2012	394,868	384,670	97.42%
2013	421,503	387,400	91.91%
2014	462,920	421,500	91.05%
2015	473,122	425,800	90.00%

Police Pension Fund:

Fiscal Year Ended April 30,	Required Contribution	Total Employer Contribution (b)	Annual Percentage Contributed
2006	$ 292,134	$ 312,024	106.81%
2007	320,303	366,975	114.57%
2008	378,175	394,260	104.25%
2009	408,367	418,960	102.59%
2010	447,074	535,500	119.78%
2011	494,072	542,800	109.86%
2012	554,610	569,900	102.76%
2013	592,088	569,900	96.25%
2014	672,831	592,000	87.99%
2015	746,004	662,900	88.86%

See accompanying notes to financial statements.

City of Marion, Illinois
Pension Trust Funds
April 30, 2015

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS CURRENT PERIOD

Police Pension Fund:	
Total Pension Liability	
Service Cost	$ 480,209
Interest on the Total Pension Liability	1,074,041
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(850,327)
Changes of assumptions	2,526,327
Benefit payments	(792,811)
Net change in total pension liability	$ 2,437,439
Total pension liability – beginning of period	16,275,088
Total pension liability – end of period	$ 18,712,527
Plan Fiduciary Net Position	
Employer contributions	$ 662,900
Member contributions	178,949
Net investment income	738,694
Benefit payments	(792,811)
Other (adm exp)	(10,053)
Net change in plan fiduciary net position	$ 777,679
Plan fiduciary net position – beginning of period	9,572,420
Plan fiduciary net position – end of period	$ 10,350,099
Net Pension Liability/(Asset)	$ 8,362,429
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.31%
Covered Valuation payroll	$ 1,824,825
Net pension liability as a percentage of covered valuation payroll	458.26%
Fire Pension Fund:	
Total Pension Liability	
Service Cost	$ 347,912
Interest on the Total Pension Liability	844,096
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(101,072)
Changes of assumptions	870,309
Benefit payments	(477,797)
Net change in total pension liability	$ 1,483,448
Total pension liability – beginning of period	12,724,114
Total pension liability – end of period	$ 14,207,562
Plan Fiduciary Net Position	
Employer contributions	$ 425,800
Member contributions	133,500
Net investment income	512,933
Benefit payments	(477,797)
Other (adm exp)	(22,225)
Net change in plan fiduciary net position	$ 572,211
Plan fiduciary net position – beginning of period	8,810,142
Plan fiduciary net position – end of period	$ 9,382,353
Net Pension Liability/(Asset)	$ 4,825,209
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.04%
Covered Valuation payroll	$ 1,431,067
Net Pension Liability as a Percentage of Covered Valuation Payroll	337.18%

See accompanying notes to financial statements.

City of Marion, Illinois
Police Pension Fund
April 30, 2015

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	$ 480,209									
Interest on the Total Pension Liability	1,074,041									
Changes of benefit terms	-									
Difference between expected and actual experience	(850,327)									
Changes of assumptions	2,526,327									
Benefit payments	(792,811)									
Net change in total pension liability	$ 2,437,439									
Total pension liability – beginning of period	16,275,088									
Total pension liability – end of period	$ 18,712,527									
Plan Fiduciary Net Position										
Member contributions	$ 662,900									
Employer contributions	178,949									
Net investment income	738,694									
Benefit payments	(792,811)									
Other (Net Transfer)	(10,053)									
Net change in plan fiduciary net position	$ 777,679									
Plan fiduciary net position – beginning of period	9,572,420									
Plan fiduciary net position – end of period	$ 10,350,099									
Net Pension Liability/(Asset)	$ 8,362,428									
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.31%									
Covered Valuation Payroll	$ 1,824,825									
Net Pension Liability as a Percentage of Covered Valuation Payroll	458.26%									

See accompanying notes to financial statements.

City of Marion, Illinois
Fire Pension Fund
April 30, 2015

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	$ 347,912									
Interest on the Total Pension Liability	844,096									
Changes of benefit terms	-									
Difference between expected and actual experience	(101,072)									
Changes of assumptions	870,309									
Benefit payments	(477,797)									
Net change in total pension liability	$ 1,483,448									
Total pension liability – beginning of period	12,724,114									
Total pension liability – end of period	$ 14,207,562									
Plan Fiduciary Net Position										
Member contributions	$ 425,800									
Employer contributions	133,500									
Net investment income	512,933									
Benefit payments	(477,797)									
Other (Net Transfer)	(22,225)									
Net change in plan fiduciary net position	$ 572,211									
Plan fiduciary net position – beginning of period	8,810,142									
Plan fiduciary net position – end of period	$ 9,382,353									
Net Pension Liability/(Asset)	$ 4,825,209									
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.04%									
Covered Valuation Payroll	$ 1,431,067									
Net Pension Liability as a Percentage of Covered Valuation Payroll	337.18%									

See accompanying notes to financial statements.

City of Marion, Illinois
Police Pension Fund
April 30, 2015

MULTIYEAR SCHEDULE OF CONTRIBUTIONS – LAST 10 FISCAL YEARS

FY Ending April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	$1,033,259	$ 662,900	$ 370,359	$1,824,825	36.33%

City of Marion, Illinois
Fire Pension Fund
April 30, 2015

MULTIYEAR SCHEDULE OF CONTRIBUTIONS – LAST 10 FISCAL YEARS

FY Ending April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	$ 622,389	$ 425,800	$ 196,589	$1,431,067	29.75%

See accompanying notes to financial statements.

Other Supplemental Information

City of Marion, Illinois
Non-Major Governmental Funds
Combining Balance Sheet
April 30, 2015

	Permanent Fund	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ 2,838,402.80	$ 2,030,881.71	$ 4,869,284.51
Restricted cash and cash equivalents	1,842.57	-	-	1,842.57
Due from other governments	-	45,227.66	-	45,227.66
Property taxes receivable	-	121,712.94	370,500.00	492,212.94
Loans receivable, net	-	1,286,557.66	-	1,286,557.66
Accounts receivable	-	314,483.39	-	314,483.39
Due from other funds	-	171,440.93	150,028.52	321,469.45
Total Assets	$ 1,842.57	$ 4,777,825.38	$ 2,551,410.23	$ 7,331,078.18
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 226,013.00	$ -	$ 226,013.00
Accrued payroll	-	31,293.43	-	31,293.43
Accrued vacation	-	4,667.60	-	4,667.60
Other liabilities	-	230.00	-	230.00
Total Liabilities	$ -	$ 262,204.03	$ -	$ 262,204.03
Deferred Inflow of Resources				
Unavailable revenue	$ -	$ 261,690.21	520,528.52	$ 782,218.73
Fund Balances				
Nonspendable	$ 1,000.00	$ -	$ -	$ 1,000.00
Restricted	842.57	4,253,931.14	2,030,881.71	6,285,655.42
Unassigned	-	-	-	-
Total Fund Balances	$ 1,842.57	$ 4,253,931.14	$ 2,030,881.71	$ 6,286,655.42
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 1,842.57	$ 4,777,825.38	$ 2,551,410.23	$ 7,331,078.18

See accompanying notes to financial statements.

City of Marion, Illinois
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2015

	Permanent Fund	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues				
Property taxes	$ -	$ 118,385.83	$ 518,278.99	$ 636,664.82
Intergovernmental	-	583,704.93	-	583,704.93
Other taxes and franchise fees	-	2,157,573.95	-	2,157,573.95
Service charges and fees	-	913,736.10	-	913,736.10
Investment income	0.26	779.68	300.28	1,080.22
Grant revenue	-	1,183,945.11	-	1,183,945.11
Total Revenues	$ 0.26	$ 4,958,125.60	$ 518,579.27	$ 5,476,705.13
Expenditures				
Public health and safety	$ -	$ 138,211.11	$ -	$ 138,211.11
Streets, alleys and cemeteries	-	68,964.64	-	68,964.64
Culture and recreation	-	1,672,952.64	-	1,672,952.64
Debt service	-	327,448.27	3,924,630.24	4,252,078.51
Capital outlay	-	2,475,163.85	-	2,475,163.85
Development	-	91,138.74	-	91,138.74
Total Expenditures	$ -	$ 4,773,879.25	$ 3,924,630.24	$ 8,698,509.49
Excess (Deficiency) of Revenues Over Expenditures	$ 0.26	$ 184,246.35	$ (3,406,050.97)	$ (3,221,804.36)
Other Financing Sources (Uses)				
Transfers in (out)	$ -	$ (770,965.54)	$ 3,722,615.00	$ 2,951,649.46
Proceeds from long-term debt	-	172,875.00	-	172,875.00
Total Other Financing Sources (Uses)	$ -	$ (598,090.54)	$ 3,722,615.00	$ 3,124,524.46
Net Change in Fund Balances	$ 0.26	$ (413,844.19)	$ 316,564.03	$ (97,279.90)
Fund Balances - Beginning of Year	1,842.31	4,667,775.33	1,714,317.68	6,383,935.32
Fund Balances - End of Year	$ 1,842.57	$ 4,253,931.14	$ 2,030,881.71	$ 6,286,655.42

See accompanying notes to financial statements.

City of Marion, Illinois
Non-Major Special Revenue Funds
Combining Balance Sheet
April 30, 2015

	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	$ 176,476.48	$ 200,930.96	$ 109,359.11	$ 1,299,281.74	$ 715,632.14	$ 259,908.06	$ 25,524.78	$ 51,289.53	$ 2,838,402.80
Due from other governments	-	-	-	45,227.66	-	-	-	-	45,227.66
Property taxes receivable	-	-	121,712.94	-	-	-	-	-	121,712.94
Loans receivable, net	-	-	-	-	-	1,286,557.66	-	-	1,286,557.66
Accounts receivable	76,327.22	132,908.44	-	-	67,088.27	-	-	38,159.46	314,483.39
Due from other funds	(97.07)	131,831.74	-	-	39,706.26	-	-	-	171,440.93
Total Assets	$ 252,706.63	$ 465,671.14	$ 231,072.05	$ 1,344,509.40	$ 822,426.67	$ 1,546,465.72	$ 25,524.78	$ 89,448.99	$ 4,777,825.38
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	$ 12,595.18	$ 146,178.74	$ 3,349.00	$ 13,251.08	$ 40,139.00	$ -	$ 1,500.00	$ 9,000.00	$ 226,013.00
Accrued payroll	4,659.39	26,634.04							31,293.43
Accrue vacation payable	2,837.60	1,830.00							4,667.60
Other liabilities	-	230.00	-	-	-	-	-	-	230.00
Total Liabilities	$ 20,092.17	$ 174,872.78	$ 3,349.00	$ 13,251.08	$ 40,139.00	$ -	$ 1,500.00	$ 9,000.00	$ 262,204.03
Deferred Inflows of Resources									
Unavailable revenue	$ -	$ 139,977.27	$ 121,712.94	$ -	$ -	$ -	$ -	$ -	$ 261,690.21
Fund Balances									
Restricted for tourism and recreation	$ 232,614.46	$ 150,821.09	$ -	$ -	$ -	$ -	$ -	$ -	$ 383,435.55
Restricted for future loans	-	-	-	-	-	1,546,465.72	-	-	1,546,465.72
Restricted for maintenance of roadways	-	-	106,010.11	1,331,258.32	782,287.67	-	-	-	2,219,556.10
Restricted for special revenue			-	-	-	-	-	-	-
Restricted for public safety expenditures	-	-	-	-	-	-	24,024.78	80,448.99	104,473.77
Total Fund Balances	$ 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
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 252,706.63	$ 465,671.14	$ 231,072.05	$ 1,344,509.40	$ 822,426.67	$ 1,546,465.72	$ 25,524.78	$ 89,448.99	$ 4,777,825.38

See accompanying notes to financial statements.

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, 2015

	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	$ -	$ -	$ 118,385.83	$ -	$ -	$ -	$ -	$ -	$ 118,385.83
Intergovernmental	-	-	-	583,704.93	-	-	-	-	583,704.93
Service charges and fees	176,674.57	552,356.24	-	-	-	45,835.37	-	138,869.92	913,736.10
Other taxes	523,717.52	1,016,744.40	152.98	-	564,791.72	-	52,167.33	-	2,157,573.95
Investment income	71.92	258.52	20.79	172.47	93.07	154.28	-	8.63	779.68
Grant revenue	9,873.00	-	-	1,174,072.11	-	-	-	-	1,183,945.11
Total Revenues	$ 710,337.01	$ 1,569,359.16	$ 118,559.60	$ 1,757,949.51	$ 564,884.79	$ 45,989.65	$ 52,167.33	$ 138,878.55	$ 4,958,125.60
Expenditures									
Public health and safety	$ -	$ -	$ -	$ -	$ -	$ -	$ 49,582.69	$ 88,628.42	$ 138,211.11
Streets, alleys and cemeteries	-	-	404.00	-	68,560.64	-	-	-	68,964.64
Debt service	230,499.12	19,650.55	-	-	77,298.60	-	-	-	327,448.27
Culture and recreation	350,324.12	1,322,628.52	-	-	-	-			1,672,952.64
Capital outlay	69,831.83	584,398.77	71,057.70	1,509,443.44	216,195.61	-	2,991.50	21,245.00	2,475,163.85
Development	-	-	-	-	-	91,138.74	-	-	91,138.74
Total Expenditures	$ 650,655.07	$ 1,926,677.84	$ 71,461.70	$ 1,509,443.44	$ 362,054.85	$ 91,138.74	$ 52,574.19	$ 109,873.42	$ 4,773,879.25
Excess (Deficiency) of Revenues Over Expenditures	$ 59,681.94	$ (357,318.68)	$ 47,097.90	$ 248,506.07	$ 202,829.94	$ (45,149.09)	$ (406.86)	$ 29,005.13	$ 184,246.35
Other Financing Sources (Uses)									
Transfers in (out)	$ -	$ (707,265.00)	$ -	$ -	$ -	$ -	$ -	$ (63,700.54)	$ (770,965.54)
Proceeds from long-term debt	-	172,875.00	-	-	-	-	-	-	172,875.00
Total Other Financing Sources (Uses)	$ -	$ (534,390.00)	$ -	$ -	$ -	$ -	$ -	$ (63,700.54)	$ (598,090.54)
Net Change in Fund Balances	$ 59,681.94	$ (891,708.68)	$ 47,097.90	$ 248,506.07	$ 202,829.94	$ (45,149.09)	$ (406.86)	$ (34,695.41)	$ (413,844.19)
Fund Balances - Beginning of Year	172,932.52	1,042,529.77	58,912.21	1,082,752.25	579,457.73	1,591,614.81	24,431.64	115,144.40	4,667,775.33
Fund Balances - End 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

See accompanying notes to financial statements.

City of Marion, Illinois
General Fund Types
Combining Balance Sheet
April 30, 2015

	General	Goddard Chapel Restoration	Cultural and Civic Center	Senior Citizens Council	Recreation Department	Boyton Street Community Center	Carnegie Library	Housing Rehabilitation	Total - General Fund Types
Assets									
Cash and cash equivalents	$ 1,060,900.98	$ 18,881.22	$ 105,102.59	$ 26,147.47	$ 10,377.52	$ 4,822.34	$ 25,521.51	$ -	$ 1,251,753.63
Restricted cash and cash equivalents	132,910.20	-	1.07	-	-	1,134.05	3,295.58	-	137,340.90
Investments	5,784,569.70	16,737.47	1,914.60	-	-	-	48,523.20	-	5,851,744.97
Restricted investments	-	-	-	12,601.04	-	-	55,050.34	-	67,651.38
Property taxes receivable	1,505,800.08	-	-	-	-	-	-	-	1,505,800.08
Sales taxes receivable	3,123,216.56	-	-	-	-	-	-	-	3,123,216.56
Accrued interest receivable	10,066.03	-	-	15.37	-	-	-	-	10,081.40
Due from other governments	685,577.00	-	-	-	-	-	-	-	685,577.00
Accounts receivable	384,198.62	-	-	-	-	2,205.06	-	-	386,403.68
Total Assets	$ 12,687,239.17	$ 35,618.69	$ 107,018.26	$ 38,763.88	$ 10,377.52	$ 8,161.45	$ 132,390.63	$ -	$ 13,019,569.60
Liabilities, Deferred Inflow of Resources and Fund Balances									
Liabilities									
Accounts payable	$ 347,870.14	$ -	$ 71,774.94	$ 10,189.31	$ 711.15	$ 3,166.13	$ 5,044.81	$ -	$ 438,756.48
Due to other funds	340,635.42	-	203.79	-	-	-	-	-	340,839.21
Accrued payroll	232,646.93	-	6,028.00	9,400.00	-	4,547.91	14,736.36	-	267,359.20
Accrued vacation	309,702.66	-	7,342.80	11,788.80	-	5,831.88	18,545.20	-	353,211.34
Accrued payroll related expenses	27,336.21	-	-	-	-	-	-	-	27,336.21
Total Liabilities	$ 1,258,191.36	$ -	$ 85,349.53	$ 31,378.11	$ 711.15	$ 13,545.92	$ 38,326.37	$ -	$ 1,427,502.44
Deferred Inflow of Resources									
Unavailable revenue	$ 1,215,794.36	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,215,794.36
Fund Balances									
Restricted for public safety expenditures	$ 94,920.34	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 94,920.34
Restricted for development	33,731.36	-	-	-	-	-	-	-	33,731.36
Restricted for cemetery	4,258.50	-	-	-	-	-	-	-	4,258.50
Restricted for donor expenditures	-	-	1.07	12,601.04	-	1,566.96	58,345.92	-	72,514.99
Assigned	66,460.82	-	22,545.84	-	-	-	-	-	89,006.66
Committed	4,934,513.75	-	-	-	-	-	-	-	4,934,513.75
Unassigned	5,079,368.68	35,618.69	(878.18)	(5,215.27)	9,666.37	(6,951.43)	35,718.34	-	5,147,327.20
Total Fund Balances	$ 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
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 12,687,239.17	$ 35,618.69	$ 107,018.26	$ 38,763.88	$ 10,377.52	$ 8,161.45	$ 132,390.63	$ -	$ 13,019,569.60

See accompanying notes to financial statements.

City of Marion, Illinois
General Fund Types
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2015

	General	Goddard Chapel Restoration	Cultural and Civic Center	Senior Citizens Council	Recreation Department	Boyton Street Community Center	Carnegie Library	Housing Rehabilitation	Total - General Fund Types
Revenues									
Property tax	$ 1,085,577.92	$ -	$ -	$ -	$ 139,585.32	$ -	$ -	$ -	$ 1,225,163.24
Sales tax	13,392,947.64	-	-	-	-	-	-	-	13,392,947.64
Grant revenue	247,110.42	-	11,400.00	43,247.50	-	28,751.94	30,191.05	-	360,700.91
Licenses and permits	134,848.46	-	-	-	-	-	-	-	134,848.46
Intergovernmental revenues	1,757,466.85	-	-	-	-	-	-	-	1,757,466.85
Service charges and fees	270,352.28	4,310.00	166,299.45	56,571.41	14,742.53	1,779.00	27,050.53	-	541,105.20
Other taxes and franchise fees	1,568,548.51	-	-	-	-	-	-	-	1,568,548.51
Investment income	36,815.22	49.83	256.24	12.28	-	-	477.88	-	37,611.45
Miscellaneous revenue	356,056.16	700.00	14,323.76	6,818.84	-	7,515.14	116.00	-	385,529.90
Restricted donations	-	-	10,372.50	2,227.00	-	567.09	3,181.83	-	16,348.42
Total Revenues	$ 18,849,723.46	$ 5,059.83	$ 202,651.95	$ 108,877.03	$ 154,327.85	$ 38,613.17	$ 61,017.29	$ -	$ 19,420,270.58
Expenditures									
General government	$ 2,101,436.25	$ -	$ -	$ 515,557.89	$ -	$ 242,351.31	$ -	$ -	$ 2,859,345.45
Public health and safety	9,165,912.28	-	-	-	-	-	-	-	9,165,912.28
Streets, alleys and cemeteries	3,049,776.28	1,280.00	-	-	-	-	-	-	3,051,056.28
Culture and recreation	-	-	553,818.34	-	17,613.06	-	852,798.93	-	1,424,230.33
Capital outlay	1,025,688.84		73,913.68	11,889.00	-	11,113.21	17,266.69	-	1,139,871.42
Development	824,789.40	-	-	-	-	-	-	-	824,789.40
Total Expenditures	$ 16,167,603.05	$ 1,280.00	$ 627,732.02	$ 527,446.89	$ 17,613.06	$ 253,464.52	$ 870,065.62	$ -	$ 18,465,205.16
Excess (Deficiency) of Revenues Over Expenditures	$ 2,682,120.41	$ 3,779.83	$ (425,080.07)	$ (418,569.86)	$ 136,714.79	$ (214,851.35)	$ (809,048.33)	$ -	$ 955,065.42
Other Financing Sources (Uses)									
Transfers in (out)	$ (4,538,936.10)	$ -	$ 366,567.17	$ 407,067.05	$ (277,143.25)	$ 217,490.02	$ 814,478.24	$ (63.43)	$ (3,010,540.30)
Proceeds from long-term debt, net	682,500.00	-	-	-	-	-	-	-	682,500.00
Total Other Financing Sources (Uses)	$ (3,856,436.10)	$ -	$ 366,567.17	$ 407,067.05	$ (277,143.25)	$ 217,490.02	$ 814,478.24	$ (63.43)	$ (2,328,040.30)
Net Change in Fund Balances	$ (1,174,315.69)	$ 3,779.83	$ (58,512.90)	$ (11,502.81)	$ (140,428.46)	$ 2,638.67	$ 5,429.91	$ (63.43)	$ (1,372,974.88)
Fund Balances - Beginning of Year	11,387,569.14	31,838.86	80,181.63	18,888.58	150,094.83	(8,023.14)	88,634.35	63.43	11,749,247.68
Fund Balances - End 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

See accompanying notes to financial statements.

City of Marion, Illinois
TIF Redevelopment Fund
Combining Balance Sheet
April 30, 2015

	TIF #1	TIF #4	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	$ 5,211,934.35	$ -	$ 240,582.64	$ 5,642.50	$ 212,495.99	$ 308,884.87	$ 1.13	$ 4.01	$ 23,800.79	$ -	$ -	$ 6,003,346.28
Property taxes receivable	2,807,129.00	-	141,772.00	38,352.00	1,083,044.00	148,170.00	1,093,726.00	23,007.00	8,841.00	206,874.00	742.00	5,551,657.00
Due From other governments	-	-	-	-	-	-	-	-	-	2,251.68		2,251.68
Total Assets	$ 8,019,063.35	$ -	$ 382,354.64	$ 43,994.50	$ 1,295,539.99	$ 457,054.87	$ 1,093,727.13	$ 23,011.01	$ 32,641.79	$ 209,125.68	$ 742.00	$ 11,557,254.96
Liabilities, Deferred Inflows of Resources and Fund Balances												
Liabilities												
Accounts payable	$ 75,331.23	$ -	$ 2,538.08	$ 7,588.29	$ 8,114.40	$ 2,862.85	$ 12,436.15	$ 137,076.48	$ 2,407.69	$ 8,175.46	$ 1,808.04	$ 258,338.67
Total Liabilities	$ 75,331.23	$ -	$ 2,538.08	$ 7,588.29	$ 8,114.40	$ 2,862.85	$ 12,436.15	$ 137,076.48	$ 2,407.69	$ 8,175.46	$ 1,808.04	$ 258,338.67
Deferred Inflow of Resources												
Unavailable revenue	$ 2,807,129.00	$ -	$ 141,772.00	$ 38,352.00	$ 1,083,044.00	$ 148,170.00	$ 1,093,726.00	$ 23,007.00	$ 8,841.00	$ 206,874.00	$ 742.00	$ 5,551,657.00
Fund Balances												
Restricted	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
Total Fund Balances	$ 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
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,019,063.35	$ -	$ 382,354.64	$ 43,994.50	$ 1,295,539.99	$ 457,054.87	$ 1,093,727.13	$ 23,011.01	$ 32,641.79	$ 209,125.68	$ 742.00	$ 11,557,254.96

See accompanying notes to financial statements.

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 #4	TIF #5	TIF #6	TIF #7	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14	TIF Redevelopment Fund
Revenues												
Property taxes	$ 2,360,062.99	$ 113,126.50	$ 137,148.78	$ 37,151.46	$ 1,028,743.04	$ 140,807.62	$ 1,056,557.60	$ 21,882.86	$ 15,348.16	$ 142,653.90	$ -	$ 5,053,482.91
Grant revenue	37,600.00	-	-	-	-	-	-	-	-	2,251.68	-	39,751.68
Investment income	693.10	14.69	45.20	4.16	151.40	55.80	104.59	1.69	4.04	11.92	-	1,286.59
Total Revenues	$ 2,398,456.09	$ 113,141.19	$ 137,193.98	$ 37,155.62	$ 1,028,894.44	$ 140,863.42	$ 1,056,662.19	$ 21,884.55	$ 15,352.20	$ 144,917.50	$ -	$ 5,094,521.18
Expenditures												
Administrative expenses	$ 54,157.03	$ 4,268.00	$ 7,672.08	$ 3,769.29	$ 33,784.40	$ 7,996.85	$ 25,342.15	$ 4,528.48	$ 6,001.69	$ 90,206.92	$ 1,808.04	$ 239,534.93
Streets, alleys and cemeteries	8,200.00	-	-	-	19,806.00	-	-	-	-	19,150.00	-	47,156.00
Debt service	50,000.00	-	-	-	-	-	13,500.00	76,500.00	-	-	-	140,000.00
Capital outlay	700.83	-	-	-	-	-	-	-	-	246,688.42	-	247,389.25
Development	691,991.00	12,508.00	91,133.00	35,313.00	-	102,848.00	334,595.00	917,451.00	-	69,907.00	-	2,255,748.00
Total Expenditures	$ 805,048.86	$ 16,776.00	$ 98,805.08	$ 39,082.29	$ 53,590.40	$ 110,844.85	$ 373,437.15	$ 998,479.48	$ 6,001.69	$ 425,952.34	$ 1,808.04	$ 2,929,826.18
Excess (Deficiency) of Revenues Over Expenditures	$ 1,593,407.23	$ 96,365.19	$ 38,388.90	$ (1,926.67)	$ 975,304.04	$ 30,018.57	$ 683,225.04	$ (976,594.93)	$ 9,350.51	$ (281,034.84)	$ (1,808.04)	$ 2,164,695.00
Other Financing Sources (Uses)												
Transfers in (out)	$ (423,204.00)	$ (166,566.43)	$ -	$ 5,752.00	$ (938,545.00)	$ -	$ (695,664.30)	$ 967,389.30	$ -	$ 275,108.43	$ -	$ (975,730.00)
Total Other Financing Sources (Uses)	$ (423,204.00)	$ (166,566.43)	$ -	$ 5,752.00	$ (938,545.00)	$ -	$ (695,664.30)	$ 967,389.30	$ -	$ 275,108.43	$ -	$ (975,730.00)
Net Change in Fund Balances	$ 1,170,203.23	$ (70,201.24)	$ 38,388.90	$ 3,825.33	$ 36,759.04	$ 30,018.57	$ (12,439.26)	$ (9,205.63)	$ 9,350.51	$ (5,926.41)	$ (1,808.04)	$ 1,188,965.00
Fund Balances - Beginning of Year	3,966,399.89	70,201.24	199,655.66	(5,771.12)	167,622.55	278,003.45	4.24	(127,866.84)	12,042.59	2.63	-	4,558,294.29
Fund Balances - End of Year	$ 5,136,603.12	$ -	$ 238,044.56	$ (1,945.79)	$ 204,381.59	$ 308,022.02	$ (12,435.02)	$ (137,072.47)	$ 21,393.10	$ (5,923.78)	$ (1,808.04)	$ 5,747,259.29

See accompanying notes to financial statements.