

**City of Marion, Illinois  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended April 30, 2020**

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Comprehensive Annual Financial Report  
For the Fiscal Year Ended April 30, 2020**

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## **INTRODUCTORY SECTION**

# CITY OF MARION, ILLINOIS

## PRINCIPAL OFFICIALS

April 30, 2020

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### LEGISLATIVE

#### CITY COUNCIL

Michael W. Absher  
Mayor & Public Affairs Commissioner

Doug Patton  
Accounts & Finance Commissioner

James “Jim” Webb  
Streets & Public Improvements Commissioner

John Stoecklin  
Public Property Commissioner

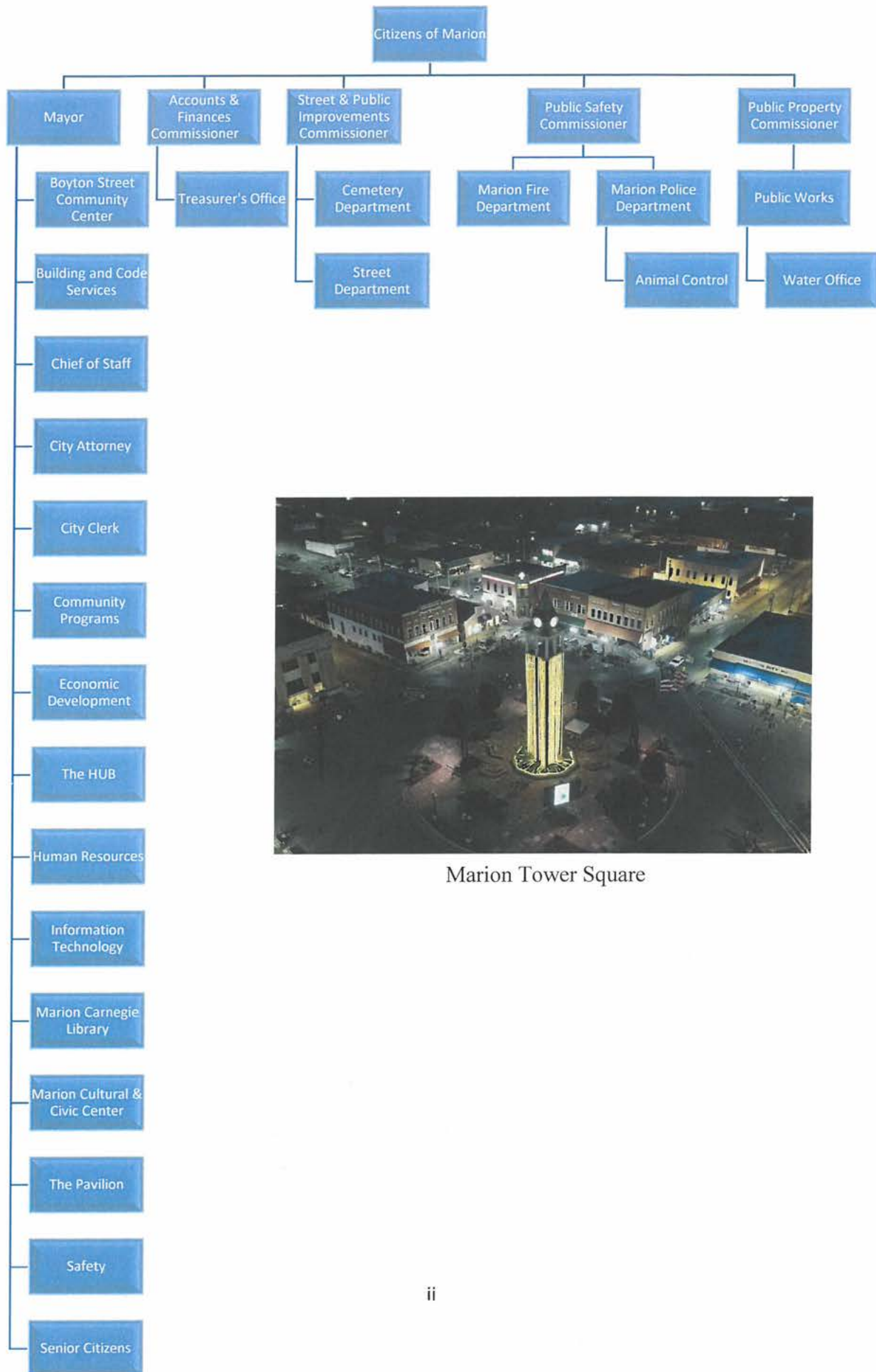
John Barwick, Jr.  
Public Health & Safety Commissioner

### ADMINISTRATIVE

Tammy Beasley, City Clerk  
Wendy Cunningham, City Attorney  
Jessica Force, Human Resource Director  
Brent Cain, Public Works Superintendent  
Doug Phillips, Street Superintendent

Steve Hale, Treasurer  
Cody Moake, Chief of Staff  
David Fitts, Chief of Police  
Tim Barnett, Fire Chief

# CITY OF MARION ORGANIZATIONAL CHART



Marion Tower Square



MICHAEL W. ABSHER, MAYOR  
Public Affairs

COMMISSIONERS

DOUG PATTON  
Accounts & Finances

JOHN STOECKLIN  
Public Property

COMMISSIONERS

JIM WEBB  
Streets & Public Improvements

JOHN M. BARWICK, JR.  
Public Health & Safety

October 25, 2020

The Honorable Mayor Michael W. Absher  
Members of the City Council  
Citizens of the City of Marion

The Comprehensive Annual Financial Report (CAFR) of the City of Marion, Illinois for the fiscal year ended April 30, 2020 is hereby submitted. Illinois statutes require that the City issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

The City of Marion's financial statements have been audited by Atlas CPA's and Advisors, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended April 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2020, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.



As a recipient of various federal and state financial assistance programs, The City of Marion may be required under the Uniform Guidance Audit Requirements, to have an annual audit of certain federal grant programs performed if we meet specified criteria. The City did not meet those criteria this year.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors

### **Profile of the City of Marion**

The City of Marion was incorporated on February 24, 1841. The City is located in Williamson County. The City is located approximately 120 miles southeast of St. Louis, Missouri and 57 miles northwest of Paducah, Kentucky. The City currently has land area of 14.61 square miles and a population of 17,520.

The City operates under a commissioner form of government which includes the Mayor and four City Commissioners, each elected at large in a non-partisan basis to four-year terms. The City of Marion is a home rule community due to a referendum that was passed in November of 1994 as allowed by the Illinois Constitution. The Mayor and Commissioners constitute the legislative body of the City and as a group, are responsible for taxation, appropriations, ordinances, and other general functions. The Mayor and Commissioners are also over the administration of departments that have been assigned to them.

The City provides a full range of services, including fire and police protection, the construction and maintenance of streets and other infrastructure and the operating of the water and wastewater facilities and general administrative services. The City also owns and operates the HUB Recreational Center, the Marion Cultural and Civic Center, the Pavilion, the Senior Citizens Center, Boyton Street Community Center and the Marion Carnegie Library.

### **Accounting System and Budgeting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are allocated and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which the spending activities are controlled.

The City's accounting records are generally maintained on the cash basis of accounting. Under the cash basis of accounting, revenues are recorded when received. Expenditures are recorded when an expenditure occurs. After the end of the fiscal year, the City's management makes certain adjustments to the accounting records to permit the preparation of financial statements on the modified accrual and accrual basis of accounting to comply with GAAP. Under the modified accrual basis of accounting, revenues are recorded when measurable and available to liquidate obligations of the current period. Expenditures are recorded when a liability is incurred that is expected to draw upon current financial resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

The annual budget serves as the foundation of the City of Marion's financial planning and control. All departments of the City are required to submit budget requests to the City Treasurer no later than February 15th each year. The City Treasurer and the Mayor's Chief of Staff uses these requests as a starting point for developing a proposed budget. Once a preliminary proposed budget is developed, the City Treasurer and Mayor's Chief of Staff meet with department heads to discuss his or her specific budget. The revised budget is then made available to the Mayor and Commissioners for review on or before March 31<sup>st</sup> of each year. The City council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30<sup>th</sup>, prior to the start of the new fiscal year on May 1<sup>st</sup>. The appropriated budget is prepared by fund and department. Heads of City departments and boards may with prior approval of the City Treasurer initiate transfers of funds between line items within departments. The Mayor or a Commissioner may initiate transfer of funds between line items within his or her departments. Any transfers between department must be approved by Council. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. Budget to actual comparisons for the City's three major governmental funds are presented in the required supplementary information section.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Marion serves as the largest retail trade center in Southern Illinois with its central location along Interstate 57 and Illinois Route 13. Marion is the home for the Southern Illinois Miners baseball team and the Canadian Wild softball team. The Carbondale-Marion metropolitan statistical area (MSA) is well-diversified with several medium-sized businesses and institutions which provide a diverse and stable employment base. These include Aisin Illinois, Centerstone, Heartland Regional Medical Center, Intertape Polymer Group, Southern Illinois Healthcare, and Southern Illinois University, to name a few.

There are multiple retail and restaurant locations throughout Marion which help bolster its standing as the retail center of Southern Illinois. Strong sales tax revenues are driven by auto, motorcycle, and RV sales. Those industries are supported by big box stores such as Walmart, Target, and Sam's Club. Additionally, Marion is home to nationally recognized retailers' such as, Gander Outdoors, Dillard's, Menard's, Home Depot, and Kroger.

The City is hopeful in a deal that is imminent regarding the sale of the blighted Illinois Star Centre Mall. A sale of that property would net the City a portion of owed delinquent real estate tax, future special service area bond payments, and the anticipated sales tax revenue generated from the redevelopment of that property.

For the Fiscal Year ending in April 2020, the City outperformed the prior year's municipal sales tax by nearly 6%. Additionally, adjusting for an increase in home-rule sales tax, the City experienced just over a 6% increase in homerule sales tax revenue over the previous year.

Future growth in sales tax revenues will come from projects already in production including a new 18acre, \$2.8 million truck stop featuring a restaurant, expanded convenience store, and substantial semi parking. Given the proximity to Interstate 57, the City conservatively expects to generate an additional \$400,000 in combined sales tax revenues annually. Additional projects in the development stages are a

Texas Roadhouse restaurant, Popeye's restaurant, and the redevelopment of blighted downtown properties that will serve as mixed-use retail and residential spaces.

Unfunded mandates from the state continue to be a burden on all municipalities in Illinois. Combined with continued fiscal mismanagement, a level of uncertainty exists with future state support. In spite of regional and state financial woes, Marion maintains a strong bond rating at Aa3 (Moody's), and an even stronger and stable financial future.

### **Long-Term Financial Planning**

The City Council, in 2019, initiated a long-term strategy to bring Marion residents a more sustainable future by making Marion one of the cheapest communities to reside in in Southern Illinois. To do so, the council resolved to not levy a real estate tax and in turn raised the City's home rule municipal sales tax by 0.75 of one percent. The move will net the City significantly more revenue both in the short and long-term than the property tax would have.

Those increased revenues will fund the City's pension obligations, provide for capital improvements throughout City facilities, provide a resource to incentive economic development in properties that are underdeveloped or blighted, and provide the capital for the revitalization and redevelopment of Marion's downtown business corridor.

In FY 2019, the Council approved the largest geographic TIF in the City's history covering much of the Southeast residential corridor. The TIF will serve as an engine to provide needed capital in the form of loans for homeowners to improve the condition of their homes. Additionally, the City will also use its increment to support the neighborhoods with new infrastructure, sidewalks, lighting, and street signs.

Preparations are ongoing to grow City reserves, fund future retiree health insurance obligations, and better position the City's pension obligations. With planned expansion to the City's retail base paired with City's reduction in debt service, the Council is in the planning stages of ensuring those funds are responsibly dedicated to future obligations while growing the City's reserves and continuing to support and capturing the growth Marion is experiencing.

### **Financial Policies**

The City has established several specific policies to guide its financial operations. Those policies relate to the following areas:

#### **Accounting and Financial Reporting**

- Facilitate the annual financial statement audit by an independent accounting firm.
- All departments heads and City Council are able to review online on a daily basis the City's revenue and expenditure transactions.

#### **Budgetary and Revenue Management:**

- All dollars spent are appropriated by the City Council through the budget process.
- The City has established a comprehensive debt management policy

- The City has a policy to maintain a cash reserve balance of 25% of the General Fund budgeted expenditures including transfers. If part of the cash reserve is used, Council will take necessary actions to increase the cash reserve back to the 25% threshold.

**Cash Management and Investments:**

- City has a comprehensive Investment Policy which follows the Illinois State Statutes in investing public funds and requires all City deposits over FDIC coverage either to be collateralized or covered by a Federal Home Loan Bank Letter of Credit.

**Purchasing:**

- City has a comprehensive Purchasing Policy which encourages competitive bidding and requires City Council approval on all purchases over \$7,500.00.

**Acknowledgments:**

A special thanks to the Mayor and City Commissioners for their strong support to maintain the highest standards of professionalism in the management of the City of Marion finances. The completion of the annual audit could not have been accomplished without the efficient and dedicated services of the entire staff of the Treasurer's Department and staff across the City.

Respectfully submitted



Steve Hale, CPA  
Treasurer



Cody Moake  
Mayor's Chief of Staff

## **FINANCIAL SECTION**





Marion  
2602 W. DeYoung St  
Marion, IL 62959

It's about time.

## 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 (the City), as of and for the year ended April 30, 2020, 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 controls 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 an opinion on the 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 the 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 as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof of the City for the year then ended April 30, 2020, 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 and 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. The City has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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



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### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 and should be considered in assessing the results of our audit.

ATLAS CPAs & Advisors PLLC

Marion, Illinois  
October 29, 2020



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Marion  
2602 W. DeYoung St  
Marion, IL 62959

It's about time.

## **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 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 (the City) as of, and for the year ended, April 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 29, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*, and which are described in the accompanying schedule of findings and questioned costs as items and .

## Purpose of 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.

ATLAS CPAs & Advisors PLLC

Marion, Illinois  
October 29, 2020



O: 618.993.2647  
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# **CITY OF MARION, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2020**

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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, hotel taxes and shared state income tax finance most 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.

2019 balances in table two have been restated to reflect various reclasses made in the 2020 balances. However, 2019 balances have not been changed to reflect any prior period adjustments.

## **CITY OF MARION, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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### **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 21) presentation is presented on a sources and uses of liquid resources basis. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses associated therewith.

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

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 75 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide benefits to its employees and budget to actual information for the General Fund and major Special Revenue Funds. Required supplementary information can be found on pages 76 through 87 of this report.

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. This new statement requires that 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.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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, 2020**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and Other Assets	\$ 26,023	\$ 29,833	\$ 3,879	\$ 3,424	\$ 29,902	\$ 33,257
Capital Assets	102,183	102,170	30,458	30,022	132,641	132,192
<b>Total Assets</b>	<b>\$ 128,206</b>	<b>\$ 132,003</b>	<b>\$ 34,337</b>	<b>\$ 33,446</b>	<b>\$ 162,543</b>	<b>\$ 165,449</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 10,817</b>	<b>\$ 4,356</b>	<b>\$ 1,530</b>	<b>\$ 1,021</b>	<b>\$ 12,347</b>	<b>\$ 5,377</b>
Current Liabilities	\$ 6,732	\$ 6,521	\$ 2,356	\$ 2,136	\$ 9,088	\$ 8,657
Noncurrent Liabilities	69,918	67,283	12,857	13,552	82,775	80,835
<b>Total Liabilities</b>	<b>\$ 76,650</b>	<b>\$ 73,804</b>	<b>\$ 15,213</b>	<b>\$ 15,688</b>	<b>\$ 91,863</b>	<b>\$ 89,492</b>
<b>Deferred Inflows of Resources</b>	<b>\$ 11,774</b>	<b>\$ 14,165</b>	<b>\$ 967</b>	<b>\$ 664</b>	<b>\$ 12,741</b>	<b>\$ 14,829</b>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	\$ 80,538	\$ 77,221	\$ 22,886	\$ 21,510	\$ 103,424	\$ 98,731
Restricted	5,319	6,276	768	648	6,087	6,924
Nonspendable	1	1	-	-	1	1
Unrestricted	(35,259)	(35,108)	(3,967)	(4,043)	(39,226)	(39,151)
<b>Total Net Position</b>	<b>\$ 50,599</b>	<b>\$ 48,390</b>	<b>\$ 19,687</b>	<b>\$ 18,115</b>	<b>\$ 70,286</b>	<b>\$ 66,505</b>

For more detailed information see the Statement of Net Position (page 18).

### Normal Impacts

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

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

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

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

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

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

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

### Current year impacts

The City's combined net position (which is the City's bottom line) increased from \$66.51 million to \$70.29 million for a total increase of \$3.78 million in net position. Of this increase, Governmental Activities increased by \$2.21 million and Business-type activities increased by \$1.57 million. The reason for the increase was due to the increase in Pension and OPEB Deferred Outflows of Resources in the amount of \$6.97 million. This will be recognized as expense in future years. This increase was offset by decreases in Total Assets and increases in Total Liabilities. The decrease in Current and Other Assets in Governmental Activities was due to a \$3.04 million decrease in Property Taxes Receivable due to the Golf Course TIF going back on the tax rolls and the City lowering its property tax levy to \$100. The rest of the decrease was due to the spending down of TIF funds. Increases in Capital Assets were offset by depreciation. The net increase in Noncurrent Liabilities in Governmental Activities of \$2.64 million was due to an increase in OPEB and pension liabilities of \$7.2 million which was offset by a decrease in long-term debt of \$3.93 million. In Business Activities the reduction in long-term offset the increase in OPEB and pension liabilities resulting in a net decrease of \$695 thousand. The combination of acquiring new capital assets and the paying down of long-term debt resulted in Total Government increase in Invested in Capital Assets, Net of Related Debt of \$4.69 million.

### Changes in Net Position

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

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Year Ended April 30, 2020**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,062	\$ 3,427	\$ 7,378	\$ 7,082	\$ 10,440	\$ 10,509
Operating grants and Contributions	1,321	1,339	-	-	1,321	1,339
Capital grants and Contributions	280	1,934	-	-	280	1,934
General revenues:						
Property taxes	8,553	8,312	-	-	8,553	8,312
Sales Tax (shared and home rule)	17,002	15,614	-	-	17,002	15,614
Other taxes	5,785	5,671	-	-	5,785	5,671
Other	553	427	1	82	554	509
<b>Total Revenues</b>	<b>\$ 36,556</b>	<b>\$ 36,724</b>	<b>\$ 7,379</b>	<b>\$ 7,164</b>	<b>\$ 43,935</b>	<b>\$ 43,888</b>
<b>EXPENSES:</b>						
General government	\$ 3,945	\$ 3,383	\$ -	\$ -	\$ 3,945	\$ 3,383
Public health and safety	12,938	11,711	-	-	12,938	11,711
Streets, alleys & cemeteries	5,487	5,281	-	-	5,487	5,281
Culture and recreation	5,349	5,286	-	-	5,349	5,286
Development	3,969	2,871	-	-	3,969	2,871
Interest expense	596	646	-	-	596	646
Unallocated depreciation	1,267	1,214	-	-	1,267	1,214
Water	-	-	3,549	3,341	3,549	3,341
Sewer	-	-	3,054	3,088	3,054	3,088
<b>Total Expenses</b>	<b>\$ 33,551</b>	<b>\$ 30,392</b>	<b>\$ 6,603</b>	<b>\$ 6,429</b>	<b>\$ 40,154</b>	<b>\$ 36,821</b>
<b>Excess before Transfers</b>	<b>\$ 3,005</b>	<b>\$ 6,332</b>	<b>\$ 776</b>	<b>\$ 735</b>	<b>\$ 3,781</b>	<b>\$ 7,067</b>
Transfers	(796)	(22)	796	22	-	-
<b>Change in Net Position</b>	<b>\$ 2,209</b>	<b>\$ 6,310</b>	<b>\$ 1,572</b>	<b>\$ 757</b>	<b>\$ 3,781</b>	<b>\$ 7,067</b>
<b>Net Position, May 1</b>	<b>\$ 48,390</b>	<b>\$ 58,363</b>	<b>\$ 18,115</b>	<b>\$ 20,956</b>	<b>\$ 66,505</b>	<b>\$ 79,319</b>
Prior period adjustment	-	(16,283)	-	(3,598)	-	(19,881)
<b>Net Position as restated</b>	<b>\$ 48,390</b>	<b>\$ 42,080</b>	<b>\$ 18,115</b>	<b>17,358</b>	<b>66,505</b>	<b>\$ 59,438</b>
<b>Net Position, April 30</b>	<b>\$ 50,599</b>	<b>\$ 48,390</b>	<b>\$ 19,687</b>	<b>\$ 18,115</b>	<b>\$ 70,286</b>	<b>\$ 66,505</b>

### 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 48.42% of the City's total operating expenses.

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

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



### **Current Year Impacts**

#### *Governmental Activities*

##### **Revenue:**

The City's largest of revenues is sales tax which was 46.51% of total Governmental Activities revenue. The second largest source of revenue is property taxes at 23.40% of total Governmental Activities revenue. Tax Increment Financing (TIF) districts generated \$6.601 million or 77.18% of the property tax. The property tax generated by the TIF districts must be used for development or other eligible costs within the TIF districts. Total revenues excluding special item and transfers decreased by \$168 thousand. The net decrease was due to capital grants reported in the prior year which were used on the Halfway Road project. Decrease in Charges for Services was a result of certain City revenue producing facilities being shut down by the Covid-19 pandemic. Effective January 1, 2020, the City raised its home rule tax from 1.50% to 2.25%. This increase in tax rate accounted for \$1.08 million of the total 1.39 million in sales tax.

##### **Expenses:**

Total expenses increased by \$3.33 million over the prior year. Of this increase \$966 thousand was due to increase in pension and OPEB costs. \$977 thousand of the increase in Development was due to increase in Developer payments for taxes collected in prior years but not paid out until current year. Gross payroll for the City as a whole, for the current year was approximately 33.52% of total expenditures. \$218 thousand of the increase in Public Health and Safety was due to a change in the Fire and Police union contracts which allows a retiring public safety officer to cash in up to 600 hours of accrued sick time. The City contributes to three different defined benefit pension plans which are the Illinois Municipal Retirement Fund, Police Pension Fund and the Firefighters Pension Fund. See the Notes to Financial Statements for a detailed analysis of the various pension funds.

#### *Business-type Activities*

##### **Revenues:**

Charges for services were up by \$296 thousand. The increase in revenue was primarily due to the 3% annual increase on water usage rates. Weather can be a significant factor in determining usage of water.

##### **Expenses:**

Total expenses increased by \$174 thousand over the prior year. The Water Department had a \$208 thousand increase and the Sewer Department had a decrease of \$34 thousand. The increase in the Water Department and decrease in Sewer Department were due to various small items.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds**

At April 30, 2020, the governmental funds (as presented on the balance sheet on page 18) reported a fund balance of \$16.54 million which is a 1.52% decrease from the beginning of the year (\$16.79 million.) The net decrease was in the TIF Redevelopment Fund. The decrease in the TIF Redevelopment Fund was due to a payout of \$1.03 million in development cost which were collected in prior years and pay down of existing funds for capital projects. \$5.53 million is in unassigned general fund types indicating availability for continuing City services. The \$5.62 million in committed funds represents cash reserves which are set aside for emergency situations.

**General Fund Budgetary Highlights**

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

The general fund budget was amended for \$796 thousand in net increases.

**Table 3**  
**Budget Compared to Actual**  
**For the Fiscal Year Ended April 30, 2020**  
**(in thousands)**

<b>General Fund</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Expenditures			
General government	\$ 3,318	\$ 3,318	\$ 3,750
Public health and safety	12,115	12,331	10,899
Streets, alleys & Cemeteries	3,413	3,413	3,269
Cultural and recreation	771	1,093	1,082
Development	639	639	752
Debt Service	289	289	270
Capital Outlay	526	757	578
Total	<u>\$ 21,071</u>	<u>\$ 21,840</u>	<u>\$ 20,600</u>

**Capital Assets**

At the end of Fiscal year 2020, the City's Governmental Funds had invested \$102 million, net of depreciation (see Notes to Financial Statements #5) in a variety of capital assets and infrastructure as reflected in the following schedule.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

	<b>Balance April 30, 2019</b>	<b>Net Additions/ Deletions</b>	<b>Balance April 30, 2020</b>
Non-depreciable Assets			
Land	\$ 27,728	\$ 66	\$ 27,794
Construction in Progress	3,640	(1,804)	1,836
Other Capital Assets			
Infrastructure	70,018	3,102	73,120
Parking Lot Improvements	504	34	538
Buildings	41,329	1,159	42,488
Machinery and Equipment	5,490	(3)	5,487
Vehicles	5,751	328	6,079
Software	146	25	171
Land Improvements	414		414
Less Accumulated Depreciation on Other Capital Assets	(52,850)	(2,894)	(55,744)
<b>Totals</b>	<b>\$ 102,170</b>	<b>\$ 13</b>	<b>\$ 102,183</b>

**Debt Outstanding**

The City of Marion has an Aa3 rating with Moody's Ratings Service. As a home rule authority, the City does not have a legal debt limit. As of April 30, 2020, the City had total long-term debt and loans payable of \$34.40 million. The schedule below does not include liabilities owed for accrued vacation, pension and other post-employment benefits which are detailed on the Statement of Net Position on page 18 and further explained in the Notes to the Financial Statements.

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

	<b>Balance April 30, 2019</b>	<b>Net Additions/ Deletions</b>	<b>Balance April 30, 2020</b>
Governmental Activities			
General Obligation Debt	\$ 20,313	\$ (2,272)	\$ 18,041
Other Contractual Liabilities	10,806	(2,015)	8,791
Governmental Activities Total	\$ 31,119	\$ (4,287)	26,832
Business Activities			
General Obligation Debt	\$ 4,814	\$ (742)	\$ 4,072

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Other Contractual Liabilities	3,699	(199)	3,500
Business Activities Total	\$ 8,513	\$ (941)	\$ 7,572
<b>Total Long-Term Debt</b>	<b>\$ 39,632</b>	<b>\$ (5,228)</b>	<b>\$ 34,404</b>

The City during the year incurred bank loans and a refunding of bond debt in the amount of \$1.29 million while paying off \$6.40 million in total debt. See Note 6 of Notes to Financial Statements for additional detail.

**Economic Factors**

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

Unemployment over the fiscal year was a low of 3.0% in March 2020, and a high of 16.9% in April 2020. The 12-month unemployment average for the fiscal year was 4.8%, which is a slight decrease over the previous fiscal year.

Commercial building permits decreased both in number and in total investment with 30 permits issued, totaling \$15,505,487 while the previous year was 40 permits totaling \$22,965,414. Thirty-two new home permits were issued, which was consistent to the previous year and there were 3 apartment/duplex building permits. A total of 110 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which is a decrease of 8% from than permits in the previous year whereas, the total dollars invested in these buildings was \$21,668,055 compared to previous year total of \$30,094,102.

This year showed modest economic growth in consumer spending, as measured by retail sales tax which increased over the previous fiscal year and continues a positive trend.

Most notable commercial project in this fiscal year were Camping World, Black Diamond RV Showroom and Service Center, Legence Bank, Planet Fitness, Fujiyama's, and several existing building remodels.

The City continues to be optimistic about economic activity, not only by ongoing interest in new commercial sites, but also by current business expansions. Most notable business expansions were to Black Diamond RV and their continued investment in retail expansion in Marion.

**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, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 6,289,261	\$ 2,089,707	\$ 8,378,968
Restricted cash and cash equivalents	116,979	786,524	903,503
Investments	5,323,564	24,769	5,348,333
Restricted investment	425,156	-	425,156
Receivables, net			
Accounts receivable	24,280	586,698	610,978
Property taxes	5,855,572	-	5,855,572
Sales taxes	4,207,896	-	4,207,896
Other taxes	463,124	-	463,124
Accrued interest	377,042	-	377,042
Grant receivable	49,346	-	49,346
Loans receivable	660,078	-	660,078
Bonds receivable	1,834,117	-	1,834,117
Intergovernmental receivable	391,594	-	391,594
Due from other funds	-	76,769	76,769
Inventory	-	314,223	314,223
Prepaid items	5,350	-	5,350
Capital assets, non-depreciable	29,630,678	4,437,139	34,067,817
Capital assets, depreciable	<u>72,552,360</u>	<u>26,020,823</u>	<u>98,573,183</u>
<b>Total Assets</b>	<u>128,206,397</u>	<u>34,336,652</u>	<u>162,543,049</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows, pensions	6,299,021	780,472	7,079,493
Deferred outflows, other postemployment	4,361,483	749,372	5,110,855
Deferred outflows, debt refunding	<u>156,093</u>	<u>-</u>	<u>156,093</u>
<b>Total Deferred Outflows of Resources</b>	<u>10,816,597</u>	<u>1,529,844</u>	<u>12,346,441</u>
<b>Liabilities</b>			
Accounts payable	631,831	499,807	1,131,638
Accrued payroll	435,990	76,016	512,006
Accrued payroll related expenses	12,408	-	12,408
Accrued interest payable	15,206	18,826	34,032
Due to other funds	75,083	-	75,083
Customer deposits	-	647,859	647,859
Damage deposits	43,500	-	43,500
Unearned revenue	212,869	-	212,869
Noncurrent liabilities:			
Due within one year	5,304,987	1,112,753	5,955,270
Due in more than one year	22,392,595	6,572,375	28,964,970
Total OPEB liability	31,452,335	5,876,757	37,329,092
Net pension liability	<u>16,072,930</u>	<u>408,056</u>	<u>16,480,986</u>
<b>Total Liabilities</b>	<u>76,649,734</u>	<u>15,212,449</u>	<u>91,862,183</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	5,855,572	-	5,855,572
Deferred inflows, pensions	<u>5,918,562</u>	<u>967,003</u>	<u>6,885,565</u>
<b>Total Deferred Inflows of Resources</b>	<u>11,774,134</u>	<u>967,003</u>	<u>12,741,137</u>
<b>Net Position</b>			
Net investment in capital assets	80,538,278	22,886,259	103,424,537
Restricted for:			
Donor restricted expenditures	428,891	-	428,891
Public safety	1,019,237	-	1,019,237
Capital projects	255,830	-	255,830
Debt service	1,705,835	767,698	2,473,533
Cemetery	17,087	-	17,087
Maintenance of roadways	1,053,333	-	1,053,333
Tourism and recreation	129,787	-	129,787
Development	707,774	-	707,774
Nonspendable	1,000	-	1,000
Unrestricted	<u>(35,257,926)</u>	<u>(3,966,913)</u>	<u>(39,224,839)</u>
<b>Total Net Position</b>	<u>\$ 50,599,126</u>	<u>\$ 19,687,044</u>	<u>\$ 70,286,170</u>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Statement of Activities**  
**For the Year Ended April 30, 2020**

Functions / Programs	Expenses	Program Revenues			Net (Expense) / Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 3,944,817	\$ 359,645	\$ 407,641	\$ -	\$ (3,177,531)		\$ (3,177,531)
Public health and safety	12,937,664	352,754	129,700	3,228	(12,451,982)		(12,451,982)
Streets, alleys and cemeteries	5,487,412	87,015	724,849	277,112	(4,398,436)		(4,398,436)
Culture and recreation	5,348,850	2,262,979	59,084	-	(3,026,787)		(3,026,787)
Development	3,969,309	-	-	-	(3,969,309)		(3,969,309)
Interest	596,237	-	-	-	(596,237)		(596,237)
Unallocated depreciation	1,266,569	-	-	-	(1,266,569)		(1,266,569)
<b>Total Governmental Activities</b>	<b>33,550,858</b>	<b>3,062,393</b>	<b>1,321,274</b>	<b>280,340</b>	<b>(28,886,851)</b>		<b>(28,886,851)</b>
<b>Business-Type Activities:</b>							
Sewage	3,053,532	3,571,541	-	-		\$ 518,009	518,009
Water	3,549,493	3,805,914	-	-		256,421	256,421
<b>Total Business-Type Activities</b>	<b>6,603,025</b>	<b>7,377,455</b>	<b>-</b>	<b>-</b>		<b>774,430</b>	<b>774,430</b>
<b>Total Primary Government</b>	<b>\$ 40,153,883</b>	<b>\$ 10,439,848</b>	<b>\$ 1,321,274</b>	<b>\$ 280,340</b>	<b>(28,886,851)</b>	<b>774,430</b>	<b>(28,112,421)</b>
<b>General Revenues</b>							
Taxes							
Property taxes					8,552,881	-	8,552,881
Sales taxes					17,001,718	-	17,001,718
Other taxes and franchise fees					4,061,606	-	4,061,606
Intergovernmental					1,723,701	-	1,723,701
Investment income					321,022	28,000	349,022
Miscellaneous					231,882	35,591	267,473
Gain/(loss) on disposal of assets					-	(62,857)	(62,857)
Transfers					(796,449)	796,449	-
<b>Total general revenues and transfers</b>					<b>31,096,361</b>	<b>797,183</b>	<b>31,893,544</b>
<b>Change in Net Position</b>					<b>2,209,510</b>	<b>1,571,613</b>	<b>3,781,123</b>
<b>Net Position - Beginning</b>					<b>48,389,616</b>	<b>18,115,431</b>	<b>66,505,047</b>
<b>Net Position - Ending</b>					<b>\$ 50,599,126</b>	<b>\$ 19,687,044</b>	<b>\$ 70,286,170</b>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2020**

	General Fund	TIF Redevelopment Fund	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 2,565,611	\$ 934,965	\$ 1,721,041	\$ 1,067,288	\$ 6,288,905
Restricted cash and cash equivalents	69,913	-	-	47,066	116,979
Investments	4,916,362	-	-	407,202	5,323,564
Restricted investment	10,547	-	-	414,609	425,156
Accounts receivable	22,974	-	-	1,306	24,280
Property taxes receivable	100	5,338,742	367,400	149,330	5,855,572
Sales taxes receivable	3,496,364	-	-	711,532	4,207,896
Other taxes receivables	351,463	-	-	111,661	463,124
Accrued interest	15,678	-	-	-	15,678
Loans receivable	610,078	50,000	-	-	660,078
Grant receivable	-	49,346	-	-	49,346
Intergovernmental receivable	340,602	-	-	50,992	391,594
Due from other funds	-	-	-	79,646	79,646
Prepaid items	-	-	-	5,350	5,350
<b>Total Assets</b>	<b>\$ 12,399,692</b>	<b>\$ 6,373,053</b>	<b>\$ 2,088,441</b>	<b>\$ 3,045,982</b>	<b>\$ 23,907,168</b>
<b>Liabilities</b>					
Accounts payable	\$ 280,399	\$ 326,469	\$ -	\$ 24,962	\$ 631,830
Due to other funds	176,063	68	-	352	176,483
Accrued payroll	435,990	-	-	-	435,990
Accrued payroll related expenses	12,408	-	-	-	12,408
Damage deposits	43,500	-	-	-	43,500
Unearned revenue	178,476	-	-	34,393	212,869
<b>Total Liabilities</b>	<b>1,126,836</b>	<b>326,537</b>	<b>-</b>	<b>59,707</b>	<b>1,513,080</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	100	5,338,742	367,400	149,330	5,855,572
<b>Total Deferred Inflows of Resources</b>	<b>100</b>	<b>5,338,742</b>	<b>367,400</b>	<b>149,330</b>	<b>5,855,572</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	1,000	1,000
Restricted for:					
Donor expenditures	12,870	-	-	416,021	428,891
Public safety	67,625	-	-	951,612	1,019,237
Capital projects	-	-	-	255,830	255,830
Debt service	-	-	1,721,041	-	1,721,041
Cemetery	-	-	-	17,087	17,087
Maintenance of roadways	-	-	-	1,053,333	1,053,333
Tourism and recreation	-	-	-	142,062	142,062
Development	-	707,774	-	-	707,774
Committed	5,615,045	-	-	-	5,615,045
Assigned	50,561	-	-	-	50,561
Unassigned	5,526,655	-	-	-	5,526,655
<b>Total Fund Balances</b>	<b>11,272,756</b>	<b>707,774</b>	<b>1,721,041</b>	<b>2,836,945</b>	<b>16,538,516</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 12,399,692</b>	<b>\$ 6,373,053</b>	<b>\$ 2,088,441</b>	<b>\$ 3,045,982</b>	<b>\$ 23,907,168</b>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Reconciliation of Governmental Funds Balance Sheet to**  
**Statement of Net Position**  
**April 30, 2020**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 16,538,516</b>
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.	102,183,038
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.	(15,206)
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.	22,110
Compensated absences are not due and payable in the current period and therefore, is not reported in the governmental funds.	(864,860)
Long-term liabilities, including bonds, unamortized loss, and notes payable are not due and payable in the current period and therefore, are not reported in the governmental funds.	(26,676,630)
Long-term bonds receivable and the related accrued interest receivable are not due and receivable in the current period and therefore, are not reported in the governmental funds.	2,195,481
Deferred inflows and outflows of resources related to pensions and OPEB Costs are not reported in governmental funds.	4,741,942
Net pension liability and Total OPEB liability are not reported in the governmental funds.	<u>(47,525,265)</u>
Net Position of Governmental Activities	<u><u>\$ 50,599,126</u></u>

The notes to the financial statements are an integral part of this statement.



**City of Marion, Illinois**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended April 30, 2020**

	General Fund	TIF Redevelopment Fund	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 1,675,862	\$ 6,601,349	\$ 69,228	\$ 275,669	\$ 8,622,108
Sales taxes	16,128,924	-	-	872,794	17,001,718
Other taxes and franchise fees	2,538,088	-	-	1,523,519	4,061,607
Licences and permits	193,879	-	-	-	193,879
Intergovernmental	1,723,701	-	-	637,778	2,361,479
Service charges and fees	1,012,376	-	-	1,856,146	2,868,522
Grant revenue	559,444	363,683	-	40,709	963,836
Investment income	185,086	43,307	15,110	28,570	272,073
Miscellaneous income	<u>329,711</u>	<u>44,484</u>	<u>-</u>	<u>42,740</u>	<u>416,935</u>
<b>Total Revenues</b>	<u>24,347,071</u>	<u>7,052,823</u>	<u>84,338</u>	<u>5,277,925</u>	<u>36,762,157</u>
<b>Expenditures</b>					
General government	3,725,468	-	-	-	3,725,468
Public health and safety	10,927,350	-	-	58,964	10,986,314
Streets, alleys, and cemeteries	3,285,812	835,304	-	864,456	4,985,572
Culture and recreation	1,053,345	-	-	3,168,944	4,222,289
Development	758,577	3,210,734	-	-	3,969,311
Debt service:					
Principal	252,476	1,438,182	3,361,916	371,412	5,423,986
Interest	17,899	13,975	581,673	36,851	650,398
Capital outlay	<u>554,408</u>	<u>3,248,324</u>	<u>-</u>	<u>230,510</u>	<u>4,033,242</u>
<b>Total Expenditures</b>	<u>20,575,335</u>	<u>8,746,519</u>	<u>3,943,589</u>	<u>4,731,137</u>	<u>37,996,580</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>3,771,736</u>	<u>(1,693,696)</u>	<u>(3,859,251)</u>	<u>546,788</u>	<u>(1,234,423)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)	(3,539,072)	(1,225,316)	3,890,216	636,417	(237,755)
General long-term debt issued	<u>(395,985)</u>	<u>(745,000)</u>	<u>-</u>	<u>(75,200)</u>	<u>(1,216,185)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,143,087)</u>	<u>(480,316)</u>	<u>3,890,216</u>	<u>711,617</u>	<u>978,430</u>
<b>Net Change in Fund Balances</b>	628,649	(2,174,012)	30,965	1,258,405	(255,993)
<b>Fund Balance, Beginning</b>	<u>10,644,107</u>	<u>2,881,786</u>	<u>1,690,076</u>	<u>1,578,540</u>	<u>16,794,509</u>
<b>Fund Balance, Ending</b>	<u>\$ 11,272,756</u>	<u>\$ 707,774</u>	<u>\$ 1,721,041</u>	<u>\$ 2,836,945</u>	<u>\$ 16,538,516</u>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Reconciliation of Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended April 30, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ (255,993)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the Statement of Activities.

Depreciation expense	(3,220,698)	
Capital asset purchases, capitalized	<u>4,033,242</u>	812,544

Transfer of capital assets reported as transfers in Statement of Activities, not reported as transfer in governmental funds..		(614,113)
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The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.		(185,055)
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The net effect of transactions involving the loan receivable on the Special Service Area		(20,278)
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Compensated absences are reported in the Statement of Activities and Changes in Net Position, but does not require the use of current financial resources. Therefore, this accrued expense is not reported as an expenditure in governmental funds.		(433,766)
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Some expenses reported In the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in OPEB expense	(1,322,032)	
Decrease in pension expense	<u>9,099</u>	(1,312,933)

The issuance of long-term debt (bonds, loans, leases) provides current financial resources to governmental kinds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences In the treatment of long-term debt and related items:

Repayment of long-term debt	5,423,986	
Interest	7,528	
Amortization of bond premium	83,298	
Deferred amount on refunding	(31,465)	
Amortization of bond discount	(5,200)	
Issuance of long-term debt	<u>(1,216,185)</u>	4,261,962

The Health Reimbursement kind is used by management to charge the costs of health insurance reimbursements to individual kinds. The net revenue (expense) is reported with governmental activities.

(42,858)

**Change in Net Position of Governmental Activities** **\$ 2,209,510**

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2020**

	Enterprise Funds			Governmental Activities Internal Service Health Reimbursement
	Water Fund	Sewer Fund	Total	
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 1,344,329	\$ 745,378	\$ 2,089,707	\$ 356
Restricted cash and cash equivalents	338,490	448,034	786,524	-
Investments	24,769	-	24,769	-
Accounts receivable	296,017	290,681	586,698	-
Due from other funds	19,109	79,085	98,194	329
Inventory	210,198	104,025	314,223	-
<b>Total Current Assets</b>	<b>2,232,912</b>	<b>1,667,203</b>	<b>3,900,115</b>	<b>685</b>
<b>Noncurrent Assets:</b>				
Capital assets, non-depreciable	3,914,910	522,229	4,437,139	-
Capital assets, depreciable	10,909,696	15,111,127	26,020,823	-
<b>Total Noncurrent Assets</b>	<b>14,824,606</b>	<b>15,633,356</b>	<b>30,457,962</b>	<b>-</b>
<b>Total Assets</b>	<b>17,057,518</b>	<b>17,300,559</b>	<b>34,358,077</b>	<b>685</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows, pensions	362,631	417,841	780,472	-
Deferred outflows, other postemployment	300,873	448,499	749,372	-
<b>Total Deferred Outflows of Resources</b>	<b>663,504</b>	<b>866,340</b>	<b>1,529,844</b>	<b>-</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	234,399	265,408	499,807	-
Accrued payroll	38,099	37,917	76,016	-
Accrued interest payable	5,399	13,427	18,826	-
Compensated absences	37,698	39,895	77,593	-
Customer deposits	647,859	-	647,859	-
Bonds payable	220,031	542,314	762,345	-
Notes payable	53,045	219,770	272,815	-
<b>Total Current Liabilities</b>	<b>1,236,530</b>	<b>1,118,731</b>	<b>2,355,261</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>				
Compensated absences	17,745	18,090	35,835	-
Bonds payable	1,698,758	1,610,991	3,309,749	-
Notes payable	711,833	2,514,958	3,226,791	-
Net pension liability	175,786	232,270	408,056	-
Total OPEB liability	2,408,568	3,468,189	5,876,757	-
<b>Total Noncurrent Liabilities</b>	<b>5,012,690</b>	<b>7,844,498</b>	<b>12,857,188</b>	<b>-</b>
<b>Total Liabilities</b>	<b>6,249,220</b>	<b>8,963,229</b>	<b>15,212,449</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows, pensions	459,372	507,631	967,003	-
<b>Total Deferred Inflows of Resources</b>	<b>459,372</b>	<b>507,631</b>	<b>967,003</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	12,140,937	10,745,322	22,886,259	-
Restricted for:				
Debt Service	333,091	434,607	767,698	-
Unrestricted	(1,461,598)	(2,483,890)	(3,945,488)	685
<b>Total Net Position</b>	<b>\$ 11,012,430</b>	<b>\$ 8,696,039</b>	<b>19,708,469</b>	<b>\$ 685</b>

The net position reported for enterprise in the statement of net position is different because:

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds.

(21,425)

\$ 19,687,044

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended April 30, 2020**

	Enterprise Funds			Governmental Activities Internal Service Health Reimbursement
	Water Fund	Sewer Fund	Total Business- Type Activities	
<b>Operating Revenues</b>				
Service charges and fees	\$ 3,805,914	\$ 3,571,541	\$ 7,377,455	\$ 262,913
Miscellaneous income	<u>21,389</u>	<u>4,016</u>	<u>25,405</u>	<u>-</u>
<b>Total Operating Revenues</b>	<u>3,827,303</u>	<u>3,575,557</u>	<u>7,402,860</u>	<u>262,913</u>
<b>Operating Expenses</b>				
Personnel Services	914,258	1,002,046	1,916,304	-
Contractual services	114,346	57,448	171,794	-
Utilities	78,360	293,248	371,608	-
Repair & Maintenance	122,679	241,886	364,565	-
Other Supplies & Expenses	165,524	296,557	462,081	-
Insurance Claim and Expenses	312,477	381,567	694,044	369,601
Water Purchases	1,352,359	-	1,352,359	-
Depreciation	<u>427,594</u>	<u>678,075</u>	<u>1,105,669</u>	<u>-</u>
<b>Total Operating Expenses</b>	<u>3,487,597</u>	<u>2,950,827</u>	<u>6,438,424</u>	<u>369,601</u>
<b>Operating Income/(Loss)</b>	<u>339,706</u>	<u>624,730</u>	<u>964,436</u>	<u>(106,688)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	17,052	10,948	28,000	94
Rental income	10,190	-	10,190	-
Bond Premium Amortization	-	31,363	31,363	-
Interest Expense	(58,294)	(129,358)	(187,652)	-
Gain/(loss) on disposal of assets	<u>(76,000)</u>	<u>13,143</u>	<u>(62,857)</u>	<u>-</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(107,050)</u>	<u>(73,902)</u>	<u>(180,952)</u>	<u>94</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	232,656	550,828	783,484	(106,594)
Transfers in (out)	(9,467)	191,803	182,336	55,420
Capital contributions	<u>354,423</u>	<u>259,690</u>	<u>614,113</u>	<u>-</u>
<b>Total Transfers and Capital Contributions</b>	<u>344,956</u>	<u>451,493</u>	<u>796,449</u>	<u>55,420</u>
<b>Change in Net Position</b>	577,610	1,002,319	1,579,929	(51,174)
<b>Net Position, Beginning</b>	<u>10,434,820</u>	<u>7,693,720</u>		<u>51,859</u>
<b>Net Position, Ending</b>	<u>\$ 11,012,430</u>	<u>\$ 8,696,039</u>		<u>\$ 685</u>

Amounts reported for enterprise activities are different because:

Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds.

(8,316)  
\$ 1,571,613

The notes to the financial statements are an integral part of this statement.

City of Marion, Illinois  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2020

	Enterprise Funds			Governmental Activities Internal Service Health Reimbursement
	Water Fund	Sewer Fund	Total Business- Type Activities	
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 3,797,763	\$ 3,555,258	\$ 7,353,021	\$ 262,913
Payments for person services and benefits	(774,019)	(843,032)	(1,617,051)	-
Payments for goods and services	(2,229,456)	(1,237,903)	(3,467,359)	(369,601)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>794,288</b>	<b>1,474,323</b>	<b>2,268,611</b>	<b>(106,688)</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Net operating transfers	(40,691)	104,713	64,022	55,420
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(40,691)</b>	<b>104,713</b>	<b>64,022</b>	<b>55,420</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from insurance	-	13,143	13,143	-
Proceeds from sale of capital assets	(76,000)	-	(76,000)	-
Interest paid on capital debt	(58,262)	(129,292)	(187,554)	-
Purchase of capital assets	(398,243)	(529,276)	(927,519)	-
Principal paid on capital debt	(267,427)	(711,026)	(978,453)	-
Proceeds from long-term debt	69,327	-	69,327	-
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(730,605)</b>	<b>(1,356,451)</b>	<b>(2,087,056)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>				
Sale of investments	313,820	-	313,820	-
Interest on investments	17,052	10,948	28,000	94
Rental income, net	10,190	-	10,190	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>341,062</b>	<b>10,948</b>	<b>352,010</b>	<b>94</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>364,054</b>	<b>233,533</b>	<b>597,587</b>	<b>(51,174)</b>
Cash and cash equivalents, beginning	1,657,352	959,877	2,617,229	-
Change from investments to cash	(338,589)	-	(338,589)	-
Adjusted cash and cash equivalents, beginning	1,318,763	959,877	2,278,640	51,859
<b>Cash and cash equivalents, ending</b>	<b>\$ 1,682,819</b>	<b>\$ 1,193,412</b>	<b>\$ 2,876,231</b>	<b>\$ 356</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 339,706	\$ 624,730	\$ 964,436	\$ (106,688)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	427,594	678,075	1,105,669	-
(Increase) decrease in accounts receivable	(29,540)	(20,299)	(49,839)	-
(Increase) decrease in inventories	(13,074)	(30,720)	(43,794)	-
(Increase) decrease in deferred outflows	(193,302)	(315,006)	(508,308)	-
Increase (decrease) in customer deposits	16,193	-	16,193	-
Increase (decrease) in accounts payable	29,144	184,628	213,772	-
Increase (decrease) in accrued payroll	6,692	(4,280)	2,412	-
Increase (decrease) in compensated absences	17,745	18,090	35,835	-
Increase (decrease) in total OPEB liability	297,990	446,924	744,914	-
Increase (decrease) in net pension liability	(254,025)	(261,195)	(515,220)	-
Increase (decrease) in deferred inflows	149,165	153,376	302,541	-
Total Adjustments	454,582	849,593	1,304,175	-
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 794,288</b>	<b>\$ 1,474,323</b>	<b>\$ 2,268,611</b>	<b>\$ (106,688)</b>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**April 30, 2020**

	Pension Trust Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 211,427
Accrued interest receivable	56,262
Receivable from sales of investments	6,127
Investments -	
U.S. Government and agency obligations	4,100,126
Corporate bonds	3,566,752
Insurance company contracts	757,527
Mutual funds	6,600,026
Stocks	1,095,025
State and local obligations	531,195
Exchange traded funds	<u>8,439,703</u>
<b>Total Assets</b>	<u>25,364,170</u>
<b>Liabilities</b>	
Due to other funds	<u>1,686</u>
<b>Total Liabilities</b>	<u>1,686</u>
<b>Net position</b>	
Held in trust for pension benefits	<u>\$ 25,362,484</u>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended April 30, 2020**

	Pension Trust Funds
<b>Additions</b>	
Contributions:	
Employer	\$ 1,683,603
Plan members	<u>376,124</u>
Total contributions	<u>2,059,727</u>
Investment income:	
Gain on sale of investments	440,532
Net decrease in fair value of investments	(1,924,366)
Interest and dividends	679,242
Investment expense	<u>(58,542)</u>
Net Investment income (loss)	<u>(863,134)</u>
Miscellaneous income	<u>452</u>
<b>Total Additions</b>	<u>1,197,045</u>
<b>Deductions</b>	
Benefits paid	1,630,304
Refunds of contributions	120,887
Administrative expense	<u>36,116</u>
<b>Total Deductions</b>	<u>1,787,307</u>
<b>Change in Net Position</b>	(590,262)
<b>Net Position, Beginning</b>	<u>25,952,746</u>
<b>Net Position, Ending</b>	<u>\$ 25,362,484</u>

The notes to the financial statements are an integral part of this statement.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2020**

**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 was incorporated on February 24, 1841 and operates under an elected Mayor/Council form of government. The City's major operations include public safety, fire protection, street maintenance, recreation, and general administrative services.

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

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

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

**B. Basic Financial Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City's government-wide activities include both governmental and business-type activities.

Government-wide Financial Statements

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

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and



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obligations. Interfund receivables/payables resulting from short-term interfund loans are eliminated in the government-wide Statement of Net Position. The City's net position is reported in four parts - invested in capital assets, net of related debt; restricted net assets; non-spendable; and unrestricted. The City first utilizes restricted resources to finance qualifying activities. This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

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

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

**Fund Financial Statements**

Fund financial statements report detailed information about the City.

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

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

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- (b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

The following fund types are used by the City:

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**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 and the Semi-Autonomous Departments (Cultural and Civic Center, Senior Citizens Council and Boyton Street Community Center) 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, the Pavilion Fund, the HUB Recreation Center Fund, the Special Revenues - Police Fund, Carnegie Library Fund, Property Tax Fund and Goddard Chapel Restoration 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.

Internal Service Fund — These funds are established to account for services and commodities furnished by a department of the City to other departments within the City.

**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. The City does not currently have an agency fund.

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Major and Non-major Funds:

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

<u>Fund</u>	<u>Brief Description</u>
<b>Major Governmental:</b>	
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 providing tax incentives related to the development, redevelopment, and rehabilitation of real property within the TIF districts.
Debt Service Fund: Debt Service Fund	Accounts for the payment of long-term debt principal, interest and related costs.
<b>Major Proprietary:</b>	
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.
<b>Non-major governmental:</b>	
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 the revenues and expenditures of improving roads and infrastructure as authorized by Illinois Department of Transportation.
Gas Tax Fund	Accounts for revenues and expenditures of improving roads and infrastructure and other expenditures determined by the council.
Foreign Fire Insurance Fund	Accounts for revenues received from the Illinois Municipal League and the corresponding expenditures of that money. The money shall be used for the maintenance, use, and benefit of the fire department.

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Special Revenue Police Fund	Accounts for the revenues and expenditures received from 911 fees, DUI fees, vehicle impound fees, and drug enforcement income. The money shall be used for public health and safety purposes as determined by Illinois State Statute.
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.
Goddard Chapel Restoration Fund	Accounts for revenues and expenditures of maintaining Goddard Chapel.
Carnegie Library Fund	Accounts for revenues and expenditures of the City's library.
Property Tax Fund	Accounts for revenues received from Homerule Sales Tax. The money shall be used for employer contributions to the police and firefighters pension funds.
Non-major Proprietary: Internal Service	Accounts for reimbursements to City employees and certain retirees to cover medical claims for deductibles over \$500.

**C. Basis of Accounting**

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

**Accrual**

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

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

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**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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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

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

**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. 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 \$2,876,231 at April 30, 2020.

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.

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Bad debts of the General 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 \$5,000 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 or more are also reported at historical cost. Donated capital assets requires measurement at acquisition value (an entry price). Additions, improvements and other capital outlays that exceed \$15,000 for building improvements, \$10,000 for land improvements, \$50,000 for water and sewer line improvements, and \$10,000 for software, 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:

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

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

Property, plant and equipment is stated at cost. Assets acquired by gift or bequest are recorded at their acquisition 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, 2020. 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 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 except for police officers and firefighters which can be paid up to 600 hours of accumulated sick time upon retirement after 20 years of service. As of April 30, 2020, the liability for sick leave is \$2,235,703.

**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.

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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. Net position and fund balance classifications**

**Government-wide Statements**

The government wide net position is classified into the following four categories:

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

**Fund Statements**

The governmental funds' fund balance is classified into the following categories:

- a) Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact.
- b) Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.
- c) Committed fund balances are self-imposed limitations that the City's Council approved, which is the highest level of decision-making authority within the City. Only the Council can remove or change the constraints placed on committed fund balances.
- d) Assigned fund balances are resources constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- e) Unassigned fund balances are the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.



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**O. Operating Revenues and Expenses**

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

**P. Deferred Outflows/Inflows of Resources**

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

**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 — Deposits and Investments**

The City and Pension Funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices on active markets for identical assets. Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

Permitted Deposits and Investments — The City's investment policy allows for deposits and investments in interest-bearing savings accounts, certificates of deposits, any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, Bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States, bond, note indentures or similar obligations held by an agency of the United States, State of Illinois Public Treasurer's Investment Pool and the Illinois Metropolitan Investment Fund (IMET).

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The pension trust fund's investment policies allows for the same investments as the City plus investments in general and separate accounts that are managed by life insurance companies with certain restrictions, corporate bonds with certain restrictions, common stocks listed on a national securities exchange or board of trade, and mutual funds which meet certain restrictions.

**A. Deposits**

**Reconciliation**

A reconciliation of cash and investments as shown in this footnote to the statement of net position and statement of fiduciary net position as follows:

Cash on Hand	\$	7,782
Carrying Amount of Deposits		9,486,116
Carrying Amount of Investments		<u>30,863,843</u>
	\$	<u><u>40,357,741</u></u>
Cash and Cash Equivalents	\$	9,493,898
Investments		<u>30,863,843</u>
	\$	<u><u>40,357,741</u></u>

**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, 2020, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$9,486,116 (excludes \$7,782 in cash on hand held at the City). The bank balance was \$11,797,505. As of April 30, 2020, none of the City's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk.

During the year ended April 30, 2020, the depository banks used by the City had pledged \$1,494,830 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 \$10,250,000 irrevocable letter of credit issued by the Federal Home Loan Bank to cover deposits held by First Southern Bank.

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**B. Investments**

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

The Illinois Investment Fund (IMET) is a nonprofit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. IMET is not registered with the SEC as an investment company. The IMET Convenience Fund is not rated. Investments are valued at the fund's share price, the price for which the investment could be sold.

As of April 30, 2020, the City, including pension trust funds, had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				Moody's Rating
		Less Than 1	1-5	6-10	More Than 10	
Mutual funds	\$ 6,600,026	\$ 6,600,026	\$ -	\$ -	\$ -	N/A
Common stocks	1,172,043	1,172,043	-	-	-	N/A
Municipal bonds	531,195	178,185	181,942	95,055	76,013	AA3-A2
Federal National Mortgage Association	821,992	163,014	-	18,192	640,786	AAA
Federal Home Loan Mortgage Corp.	275,120	-	-	140,281	134,839	
Federal Farm Credit Bank	-	-	-	-	-	
United States Treasury	3,003,014	-	2,177,457	825,557	-	N/A
Insurance contracts - Fixed	757,527	-	757,527	-	-	N/A
Illinois Funds Money Market	5,016,344	5,016,344	-	-	-	N/A
Corporate Bonds	3,566,752	267,468	2,129,331	1,138,115	31,838	AAA-BAA3
Exchange traded funds	8,439,703	8,439,703	-	-	-	N/A
IMET	<u>680,127</u>	<u>680,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	N/A
Total	<u>\$ 30,863,843</u>	<u>\$ 22,516,910</u>	<u>\$ 5,246,257</u>	<u>\$ 2,217,200</u>	<u>\$ 883,476</u>	

All of the investments listed above, except for Illinois Funds Money Market and IMET, are valued using Level 1 inputs.

**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.

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**Investments with Fair Values Highly Sensitive to Interest Rate Risk**

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

<u>Highly Sensitive Investments</u>	<u>Fair Value</u>
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.	<u>\$ 1,097,112</u>

**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, exchange-traded 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. Treasury securities and the Illinois Public Treasurers Investment Pool.

At April 30, 2020, the Police Pension Funds investments representing greater than five percent of their portfolio was annuities issued by the Protective Life Insurance Company.

**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, 2020.

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**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.

**Note 3 — Restricted Assets**

**Governmental Funds**

	<u>Permanent Fund</u>	<u>Pavilion Fund</u>	<u>General</u>	<u>Senior Citizens Council</u>	<u>Marion Carnegie Library</u>	<u>Boyton Street Community Center</u>	<u>Special Revenues Police Fund</u>
Cash	\$ -	\$ 25,476	\$ 67,625	\$ -	\$ 3,365	\$ 2,288	\$ 18,225
Certificates of deposit	1,953	-	-	10,547	412,656	-	-
<u>Total</u>	<u>\$ 1,953</u>	<u>\$ 25,476</u>	<u>\$ 67,625</u>	<u>\$ 10,547</u>	<u>\$ 416,021</u>	<u>\$ 2,288</u>	<u>\$ 18,225</u>

Restricted assets of the General Fund represent restricted grant monies which are restricted as to the type of expenditures allowed.

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

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

Restricted assets of the permanent fund is for the upkeep of the Barnett and Throgmorton grave lots in the Rose Hill Cemetery.

**City of Marion, Illinois**  
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Restricted assets of the Pavilion Fund are for debt service.

Restricted assets of the Special Revenues Police fund represent an escrow account of unreleased confiscated funds.

Enterprise Fund

	<u>Water Department</u>	<u>Sewer Department</u>
Cash	\$ <u>338,490</u>	\$ <u>448,034</u>

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

**Note 4 — Property Taxes**

The City's property tax is levied as of January 1 each year on the assessed value listed as of the prior January 1 for all real property in the City. The County Clerk's Office determines necessary tax rates and extends the taxes based upon the equalized assessed values. Assessed values are established by the County Assessment Board at 33 1/3% of assumed market value.

Property taxes are due in two installments, the first installment is normally due in July and the second installment is due in September. Interest, at a maximum of 1 1/2% per month attaches to delinquent taxes. There is not a specific lien date, however, any property with taxes still delinquent are subject to the property tax sale which is normally held on December.

Property taxes are recognized as revenue when they become available to finance expenditures. This occurs when the taxes have been collected. Accordingly, assessed but uncollected taxes are reported in the City's financial statements as receivables fully offset by deferred revenue accounts.

The 2018 assessed valuation for property taxes collected in fiscal year 2020 in the City of Marion was \$322,940,384 and in the Tax Increment Funds were \$86,428,124. The tax levy for 2018 which represents the property taxes collected in fiscal year 2020 was 0.56701 per \$100 assessed valuation. The recreation tax levy for the City was 0.04335. Police Pension tax levy was 0.31502 and Fire Pension tax levy 0.20864.

**Note 5 — Capital Assets**

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

<b>Governmental activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 27,727,596	\$ 257,195	\$ (190,447)	\$ 27,794,344
Construction in Progress	<u>3,639,982</u>	<u>3,200,875</u>	<u>(5,004,523)</u>	<u>1,836,334</u>
Total capital assets not being depreciated	<u>31,367,578</u>	<u>3,458,070</u>	<u>(5,194,970)</u>	<u>29,630,678</u>

**City of Marion, Illinois**  
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<b>Governmental activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Land improvements	414,180	-	-	414,180
Parking lot improvements	504,579	33,000	-	537,579
Office equipment	559,892	6,903	-	566,795
Fixed mechanical equipment	1,915,886	5,246	(3,000)	1,918,132
Major moveable equipment	3,013,496	216,856	(228,919)	3,001,433
Vehicles	5,751,185	432,653	(104,987)	6,078,850
Railroad improvements	610,953	-	-	610,953
Mall infrastructure	19,157,897	-	-	19,157,897
Buildings	41,329,343	1,159,108	-	42,488,451
Streets	38,002,603	2,093,848	-	40,096,451
Bridges	946,386	-	-	946,386
Storm sewers	3,171,677	591,092	-	3,762,769
Sidewalks	2,446,422	208,905	-	2,655,327
Flood control projects	5,050,469	-	-	5,050,469
Street lights	631,590	62,879	-	694,469
Traffic lights	-	145,694	-	145,694
Software	145,560	24,500	-	170,060
Total capital assets being depreciated	<u>123,652,118</u>	<u>4,980,684</u>	<u>(336,906)</u>	<u>128,295,895</u>
Less accumulated depreciation for:				
Land improvements	214,444	24,314	-	238,758
Parking lot improvements	155,242	30,319	-	185,561
Office equipment	397,985	23,295	-	421,280
Fixed mechanical equipment	1,031,129	122,243	(1,523)	1,151,847
Major moveable equipment	1,936,945	243,712	(222,057)	1,958,601
Vehicles	3,513,615	455,322	(103,611)	3,865,325
Railroad improvements	444,214	15,273	-	459,487
Mall infrastructure	19,157,897	-	-	19,157,897
Buildings	9,583,368	1,044,377	-	10,627,745
Streets	12,460,571	908,028	-	13,368,600
Bridges	500,895	23,660	-	524,555
Storm sewers	914,021	91,843	-	1,005,864
Sidewalks	351,615	86,658	-	438,273
Flood control projects	1,912,294	101,010	-	2,013,304
Street lights	136,386	33,814	-	170,200
Traffic lights	-	5,464	-	5,464
Software	139,408	11,366	-	150,774
Total accumulated depreciation	<u>52,850,029</u>	<u>3,220,698</u>	<u>(327,191)</u>	<u>55,743,535</u>
Total capital assets being depreciated, net	<u>70,802,089</u>	<u>1,759,986</u>	<u>(9,715)</u>	<u>72,552,360</u>
Governmental activities capital assets, net	<u>\$ 102,169,667</u>	<u>\$ 5,218,056</u>	<u>\$ (5,204,685)</u>	<u>\$ 102,183,038</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 88,137
Public health and safety	545,472
Streets, alleys and cemeteries	302,491
Cultural and recreation	1,018,029
Unallocated	1,266,569
Total governmental activities depreciation expense	<u>\$ 3,220,698</u>

**City of Marion, Illinois**  
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<b>Business-type activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,500,363	\$ 43,765	\$ -	\$ 3,544,128
Construction in progress	48,593	1,269,719	(425,301)	893,011
Deposits	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,549,956</u>	<u>1,313,484</u>	<u>(426,301)</u>	<u>4,437,139</u>
Capital assets being depreciated:				
Land improvements	65,505	-	-	65,505
Structures	2,982,865	-	-	2,982,865
Buildings	18,729,814	34,225	-	18,764,039
Fixed equipment	3,346,804	269,764	(433,340)	3,183,227
Equipment and machinery	1,259,596	76,389	(52,071)	1,283,914
Trucks and tractors	1,380,300	-	-	1,380,300
Transmission and distribution systems	15,062,087	342,253	-	15,404,340
Lift stations	<u>1,135,870</u>	<u>13,064</u>	<u>-</u>	<u>1,148,934</u>
Total capital assets being depreciated	<u>43,962,841</u>	<u>735,695</u>	<u>(485,411)</u>	<u>44,213,125</u>
Less accumulated depreciation for:				
Land improvements	28,565	3,111	-	31,676
Structures	891,954	61,391	-	953,344
Buildings	8,245,898	448,471	-	8,694,369
Fixed equipment	1,282,677	107,457	(397,267)	992,867
Equipment and machinery	884,354	62,828	(6,898)	940,283
Trucks and tractors	953,460	85,380	-	1,038,840
Transmission and distribution systems	4,507,527	293,424	-	4,800,951
Lift stations	<u>696,363</u>	<u>43,607</u>	<u>-</u>	<u>739,970</u>
Total accumulated depreciation	<u>17,490,798</u>	<u>1,105,669</u>	<u>(404,165)</u>	<u>18,192,300</u>
Total capital assets being depreciated, net	<u>26,472,043</u>	<u>(369,974)</u>	<u>(81,246)</u>	<u>26,020,823</u>
Business-type activities capital assets, net	<u>\$ 30,021,999</u>	<u>\$ 943,510</u>	<u>\$ (507,547)</u>	<u>\$ 30,457,962</u>
Business-type activities:				
Water		\$ 427,594		
Sewer		<u>678,075</u>		
Total business-type activities depreciation expense		<u>\$ 1,105,669</u>		

**Note 6 — Legal Debt Margin and Long-Term Debt**

**Legal Debt Margin**

The City of Marion, Illinois 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, Illinois has no legal debt limitation.



**City of Marion, Illinois**  
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**Changes in Long-Term Debt for Governmental Activities**

The following is a summary of long-term transactions of the City's governmental activities for the fiscal year ended April 30, 2020:

	Beginning Balance May 1, 2019	Increases	Decreases	Ending Balance April 30, 2020	Amounts Due Within One Year
General Obligation Bonds-					
Pavilion Bonds, series					
2011	\$ 744,920	\$ -	\$ 204,755	\$ 540,165	\$ 212,991
GO Bonds, series 2014	3,515,000	-	285,000	3,230,000	290,000
GO Bonds, series 2013	3,910,000	-	1,285,000	2,625,000	1,335,000
GO Bonds, series 2012	9,720,000	-	-	9,720,000	-
GO Bonds, series 2007	730,000	-	730,000	-	-
GO Bonds, series 2011A	1,030,000	-	330,000	700,000	345,000
GO Bonds, series 2019	-	745,000	102,916	642,084	99,562
Subtotal	\$ 19,649,920	\$ 745,000	\$ 2,937,671	\$ 17,457,249	\$ 2,282,553
Add - Premium on bonds	667,326	-	83,298	584,028	86,044
Less - Discount on bonds	(5,200)	-	(5,200)	-	-
Total Bonds Payable	<u>\$ 20,312,046</u>	<u>\$ 745,000</u>	<u>\$ 3,015,769</u>	<u>\$ 18,041,277</u>	<u>\$ 2,368,597</u>
Other Liabilities -					
Capital Lease Payable	\$ 661,389	\$ -	\$ 144,567	\$ 516,822	\$ 120,097
Notes Payable	10,145,188	471,185	2,341,749	8,274,624	2,353,824
Compensated Absences	431,093	433,767	-	864,860	462,469
Total OPEB Liability	26,429,762	5,022,573	-	31,452,335	-
Net Pension Liability	14,034,955	2,037,975	-	16,072,930	-
Total Other Liabilities	<u>\$ 51,702,387</u>	<u>\$ 7,965,500</u>	<u>\$ 2,486,316</u>	<u>\$ 57,181,571</u>	<u>\$ 2,936,390</u>
Total Long-Term Debt	<u>\$ 72,014,433</u>	<u>\$ 8,710,500</u>	<u>\$ 5,502,085</u>	<u>\$ 75,222,848</u>	<u>\$ 5,304,987</u>

For governmental activities the General Fund makes payments on the compensated absences, OPEB obligation and net pension liability.

On August 20, 2019, the City completed a current refunding of the remaining \$730,000 of the Taxable General Obligation Bond - Series 2007. The current refunding will decrease cash flow over the life of the new bond by \$84,921. The economic gain on refunding was \$77,064.

General Obligation Bonds payable at April 30, 2020, are comprised of the following individual issues:

**General Obligation -**

The City issued \$3,115,000 General Obligation Refunding Bonds, Series 2011A, to pay off prior Special Service Area Bonds, dated May 19, 2011, due in annual principal installments ranging from \$275,000 to \$355,000 through January 1, 2022; interest rate is variable from 2.25% to 3.80%.

\$ 700,000

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The City issued \$2,200,000 Refunding Revenue Bonds, Series 2011, to refund prior pavilion bonds, dated June 21, 2011 due in monthly installments of \$19,208 through October 21, 2022; interest rate is fixed at 3.95% 540,165

The City issued \$4,520,000 General Obligation Bonds, Series 2014, for capital projects, dated December 23, 2014, due in annual principal installments ranging from \$200,000 to \$850,000 from November 1, 2015 through November 1, 2026; interest rate is variable from 2.00% to 4.00% 3,230,000

The City issued \$9,720,000 General Obligation Bonds, Series 2012, for capital projects, dated December 20, 2012, due in annual principal installments ranging from \$420,000 to \$1,345,000 from November 1, 2012 through November 1, 2032; interest rate is variable from 1.75% to 3.50% 9,720,000

The City issued \$9,730,000 General Obligation Bonds, Series 2013, for capital projects, dated December 27, 2013, due in annual principal installments ranging from \$110,000 to \$1,335,000 from November 1, 2014 through November 1, 2025; interest rate is variable from 2.00% to 3.15% 2,625,000

The City issued \$745,000 General Obligation TIF Series 2019 Bonds, to pay off prior General obligation bonds Series 2007, dated August 08, 2019 due in annual principal installments ranging from \$99,562 to \$114,754 through October 15, 2025; interest rate is fixed at 2.88% 642,084

General Obligation Bonds payable 17,457,249

Add: Premium on bonds 584,028

Total \$ 18,041,277

As of April 30, 2020, \$1,721,041 is available in Debt Service Funds to service General Obligation Bonds.

Debt service requirements to maturity for bonds payable are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2021	\$ 2,282,553	\$ 480,834	\$ 2,763,387
2022	2,348,988	414,176	2,763,164
2023	1,925,996	359,074	2,285,070
2024	1,863,417	314,391	2,177,808
2025	1,911,540	267,629	2,179,169
2026-2030	4,979,755	713,840	5,693,595
2031-2033	<u>2,145,000</u>	<u>151,900</u>	<u>2,296,900</u>
Total	<u>\$17,457,249</u>	<u>\$ 2,701,844</u>	<u>\$20,159,093</u>

**City of Marion, Illinois**  
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Notes payable at April 30, 2020 are comprised of the following individual notes:

a)	2.94% note payable to First Southern Bank for police radios in monthly installments of \$1,636 beginning January 30, 2018 through December 30, 2020.	\$ 12,945
b)	1.98% note payable to Peoples National Bank for dump truck in monthly installments of \$952 beginning August 21, 2015 through July 21, 2020.	2,827
c)	0.00% note payable to Illinois Dept. of Transportation for engineering services for Morgan Street Overpass in monthly installments of \$2,500 through April 27, 2014 and then changing to annual installments of \$90,000 through April 27, 2025.	450,000
d)	0.00% note payable to Illinois Dept. of Transportation for single point interchange ramps in monthly installments of \$50,000 through October 12, 2015 and then changing to annual installments of \$618,182 through October 12, 2025.	4,327,272
e)	1.700% note payable to Chase to refund General Obligation Refunding Bonds Series 2005, dated September 15, 2005 for annual installments from \$698,000 to \$1,406,000 beginning September 15, 2016 through September 15, 2021.	2,789,000
f)	3.690% note payable to First Southern Bank for a police vehicle in monthly installments of \$2,048 beginning December 30, 2018 through November 30, 2021.	37,748
g)	3.080% note payable to Banterra Bank for laptops in police vehicles in monthly installments of \$2,189 beginning July 24, 2018 through June 24, 2021.	30,052
h)	3.240% note payable to First Southern Bank for a code enforcement vehicle in monthly installments of \$414 beginning March 8, 2019 through February 8, 2022.	8,839
i)	3.690% note payable to First Southern Bank for an EMA vehicle in monthly installments of \$482 beginning December 30, 2018 through November 30, 2021.	8,886
j)	3.690% note payable to First Southern Bank for a mosquito abatement vehicle in monthly installments of \$347 beginning December 30, 2018 through November 30, 2021.	6,387
k)	3.690% note payable to First Southern Bank for a Cemetery Dept. vehicle in monthly installments of \$838 beginning December 30, 2018 through November 30, 2021.	15,438

**City of Marion, Illinois**  
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l)	3.240% note payable to First Southern Bank for two Caterpillars for MFT Dept. Monthly installments of \$3,258 beginning September 30, 2018 through August 30, 2023.	123,380
m)	3.240% note payable to First Southern Bank for a truck for MFT Dept. Monthly installments of \$994 beginning December 30, 2018 through November 30, 2021.	18,319
n)	2.75% note payable to Bank of Herrin for Police Department in monthly installments of \$ 3,177 beginning February 16, 2020 through January 16, 2023	100,801
o)	3.24% Note Payable to First Southern Bank for HUB Fitness EQ in monthly installments of \$ 2,195 beginning November 16, 2019 through October 16, 2022	63,166
p)	2.77% Note Payable to First Southern Bank for Police Department in monthly installments of \$ 2,032 beginning May 03, 2020 through April 3, 2023	70,100
q)	2.25% Note Payable to Banterra Bank for Gas Tax Fund(Street Department) in monthly installments of \$ 3,818 beginning March 10, 2020 through February 10, 2025	<u>209,464</u>
Total		<u>\$ 8,274,624</u>

Debt service requirements to maturity for notes payable are as follows:

Ending April 30	Principal	Interest	Total
2021	\$ 2,353,825	\$ 52,347	\$ 2,406,172
2022	2,320,112	21,298	2,341,410
2023	852,966	4,285	857,251
2024	765,546	1,477	767,023
2025-2027	<u>1,982,175</u>	<u>388</u>	<u>1,982,563</u>
Total	<u>\$ 8,274,624</u>	<u>\$ 79,795</u>	<u>\$ 8,354,419</u>

Leases payable at April 30, 2020 are comprised of the following individual leases:

a)	2.125% lease payable to U.S. Bancorp for Ford F250 in monthly installments of \$635 beginning November 1, 2017 through October 1, 2022.	\$ 17,943
b)	1.853% lease payable to Government Leasing & Finance for 2016 International truck in monthly installments of \$2,008 beginning January 15, 2016 through December 15, 2020.	15,955
c)	2.125% lease payable to U.S. Bancorp for 2017 International truck in monthly installments of \$3,099 beginning November 1, 2017 through October 1, 2022.	87,512

**City of Marion, Illinois**  
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d) 2.366% lease payable to Government Leasing for 2 fire trucks in monthly installments of \$5,821 beginning May 18, 2016 through May 18, 2026.	<u>395,412</u>
Total Leases Payable	<u>\$ 516,822</u>

Debt service requirements to maturity for leases payable are as follows:

Fiscal Year Ending April 30	Principal	Interest	Total
2021	\$ 120,098	\$ 10,630	\$ 130,728
2022	106,527	8,134	114,661
2023	82,683	5,840	88,523
2024	65,652	4,201	69,853
2025-2027	<u>141,862</u>	<u>3,665</u>	<u>145,527</u>
Total	<u>\$ 516,822</u>	<u>\$ 32,470</u>	<u>\$ 549,292</u>

**Changes in Long-Term Debt for Business Type Activities**

The following is a summary of the City's business-type activities for the fiscal year ended April 30, 2020:

Business-Type Activities	Beginning Balance	Additions	Payments	Ending Balance	Due within 1 year
General Obligation Bonds -					
GO bonds, series 2014	\$ 2,520,000	\$ -	\$ 495,000	\$ 2,025,000	\$ 510,000
GO refunding bonds series 2017	<u>2,085,000</u>	<u>-</u>	<u>215,000</u>	<u>1,870,000</u>	<u>215,000</u>
Subtotal	4,605,000	-	710,000	3,895,000	725,000
Add - Premium on Bonds	<u>208,458</u>	<u>-</u>	<u>31,364</u>	<u>177,094</u>	<u>37,345</u>
Total Bonds Payable	<u>4,813,458</u>	<u>-</u>	<u>741,364</u>	<u>4,072,094</u>	<u>762,345</u>
Other Liabilities -					
Lease Payable	21,642	-	6,171	15,471	6,304
Note Payable	3,677,089	69,327	262,281	3,484,135	266,511
Compensated Absences	77,672	35,756	-	113,428	77,593
Total OPEB Liability	5,131,843	744,914	-	5,876,757	-
Net pension Liability	<u>923,276</u>	<u>-</u>	<u>515,220</u>	<u>408,056</u>	<u>-</u>
Total Other Liabilities	<u>9,831,522</u>	<u>849,997</u>	<u>783,672</u>	<u>9,897,847</u>	<u>350,408</u>
Total Long-Term Debt	<u>\$ 14,644,980</u>	<u>\$ 849,997</u>	<u>\$ 1,525,036</u>	<u>\$ 13,969,941</u>	<u>\$ 1,112,753</u>

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Enterprise Funds bonds payable at April 30, 2020, are comprised of the following individual issues:

General Obligation Bonds:

\$4,575,000, Series 2014 to refund IEPA loan, dated December 23, 2014, due in semiannual installments ranging from \$165,000 to \$280,000 through May 1, 2024; interest is variable from 2.0% to 4.0% \$ 2,025,000

\$2,295,000, Series 2017 for refunding of Series 2008 bonds, dated October 13, 2017, due in semi-annual installments ranging from \$210,000 to \$255,000 through October 15, 2027; interest rate is variable from 2.0% to 3.0%. 1,870,000

General Obligation Bonds Payable 3,895,000

Add: Premium on bonds 172,063

Net Enterprise Funds Bonds Payable \$ 4,067,063

As of April 30, 2020, \$557,432 is available in water and sewer funds to service general obligation bonds.

Debt service requirements for general obligation bonds payable are as follows:

<u>Fiscal Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 725,000	\$ 113,300	\$ 838,300
2022	745,000	93,575	838,575
2023	770,000	69,225	839,225
2024	675,000	42,100	717,100
2025	235,000	24,088	259,088
2026-2028	<u>745,000</u>	<u>33,375</u>	<u>778,375</u>
Total	\$ <u>3,895,000</u>	\$ <u>375,663</u>	\$ <u>4,270,663</u>

Enterprise Fund notes payable at April 30, 2020, are comprised of the following individual notes payable:

A. 2.90% note payable to First Southern Bank for Rolling Hills sewer system improvements, in monthly installments of \$6,270 beginning July 30, 2017 through June 30, 2027. \$ 485,640

B. 0.000% note payable to the State of Illinois for water-line replacements, in semi-annual installments of \$12,189 beginning October 15, 2011 through October 15, 2030. 255,960

C. 1.25% note payable to the State of Illinois for N.E. sewer-line extension, in semi-annual installments of \$33,675 beginning June 11, 2013 through May 11, 2033. 834,244

**City of Marion, Illinois**  
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D. 1.25% note payable to the State of Illinois for sewer plant renovation, in semi-annual installments of \$59,128 beginning November 8, 2013 through November 8, 2032.	1,414,842
E. 2.21% note payable to the State of Illinois for water-line replacements, due in semi-annual installments ranging from \$13,490 to \$16,158 including interest through December 15, 2035.	424,122
F. Initial disbursement by State of Illinois Environmental Protection Agency for water main loop and high service pump installation.	<u>69,327</u>
<b>Total</b>	<b><u>\$ 3,484,135</u></b>

Debt service requirement to maturity for notes payable are as follows:

<u>Fiscal Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 335,839	\$ 50,323	\$ 386,162
2022	270,831	46,004	316,835
2023	275,241	41,594	316,835
2024	279,743	37,091	316,834
2025	284,342	32,493	316,835
2026-2030	1,272,160	98,842	1,371,002
2031-2035	734,883	25,850	760,733
2036-2038	<u>31,096</u>	<u>516</u>	<u>31,612</u>
<b>Totals</b>	<b><u>\$ 3,484,135</u></b>	<b><u>\$ 332,713</u></b>	<b><u>\$ 3,816,848</u></b>

Enterprise Fund lease payable as of April 30, 2020 is as follows:

A. 2.125% lease payable to US Bancorp for 2017 Ford F250, due in monthly installments of \$548 including interest through October 1, 2022	<u>\$ 15,741</u>
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Debt service requirement to maturity for lease payable is as follows:

<u>Fiscal Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,304	\$ 267	\$ 6,571
2022	6,439	132	6,571
2023	<u>2,728</u>	<u>11</u>	<u>2,739</u>
<b>Total</b>	<b><u>\$ 15,471</u></b>	<b><u>\$ 410</u></b>	<b><u>\$ 15,881</u></b>

**Note 7 — Lease Obligations**

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the City's asset or liability accounts. The City also has recorded capitalized leases for the purchase of certain items. See Note 6 for additional information.

**City of Marion, Illinois**  
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**Note 8 — Defined Benefit Pension Plans**

Summary:

Net Pension Liability

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

	Net Pension Liability
Illinois Municipal Retirement Fund	\$ 1,469,047
Fire Pension Fund	6,119,739
Police Pension Fund	<u>8,892,200</u>
Total Aggregate Net Pension Liability	<u>\$ 16,480,986</u>

Deferred Inflows and Outflows of Resources

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

	Net Differences Between Expected & Actual Experience	Employer Contributions	Net Differences Between Projected and Actual Earnings	Changes in Assumptions
Illinois Municipal Retirement Fund	\$ (1,344)	\$ 181,398	\$ (1,217,075)	\$ 110,578
Fire Pension Fund	(507,925)	-	1,012,397	241,538
Police Pension Fund	<u>(711,168)</u>	<u>-</u>	<u>1,050,450</u>	<u>35,080</u>
Totals	<u>\$ (1,220,437)</u>	<u>\$ 181,398</u>	<u>\$ 845,772</u>	<u>\$ 387,196</u>

Pension Expense

Pension expenses are included in the accompanying statement of activities as follows:

	Pension Expense
Illinois Municipal Retirement Fund	\$ 158,497
Fire Pension Fund	903,354
Police Pension Fund	<u>1,086,959</u>
Total Pension Expense	<u>\$ 2,148,810</u>



**City of Marion, Illinois**  
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**Illinois Municipal Retirement Fund**

**A. Plan Description**

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

**Benefits Provided**

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**City of Marion, Illinois**  
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Employees Covered by Benefit Terms:

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	58
Active plan members	<u>149</u>
Total	<u><u>305</u></u>

Contributions

As set by statute, the City's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2019 was 10.26%. For the fiscal year ended April 30, 2020, the City contributed \$562,615 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**B. Net Pension Liability**

The City's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2017 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

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- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**D. Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<b><u>Asset class</u></b>	<b><u>Portfolio Target Percentage</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
<b>Total</b>	<b><u>100%</u></b>	

**E. Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

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For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%

**F. Changes in the Net Pension Liability**

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension (asset) liability (a) – (b)</b>
<b>Balances at December 31, 2018</b>	\$ 28,072,741	\$ 24,246,701	\$ 3,826,040
<b>Changes for the year:</b>			
Service Cost	650,197	-	650,197
Interest on the Total Pension Liability	2,001,545	-	2,001,545
Differences Between Expected and Actual Experience of the Total Pension Liability	757,224	-	757,224
Contributions—Employer	-	547,638	(547,638)
Contributions—Employee	-	298,579	(298,579)
Net Investment Income	-	4,580,448	(4,580,448)
Benefit Payments, including Refunds of Employee Contributions	(1,580,644)	(1,580,644)	-
Other (Net Transfer)	-	339,294	(339,294)
	<u>1,828,322</u>	<u>4,185,315</u>	<u>(2,356,993)</u>
<b>Balances at December 31, 2019</b>	<u>\$ 29,901,063</u>	<u>\$ 28,432,016</u>	<u>\$ 1,469,047</u>

**G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plans net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Higher (8.25%)</b>
Net Pension Liability/(Asset)	\$ 5,256,128	\$ 1,469,047	\$ (1,646,625)

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

For the year ended April 30, 2020, the City recognized pension expense of \$158,497. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 663,635	\$ 664,979
Changes of assumptions	514,770	404,192

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Net difference between projected and actual earnings on pension plan investments	<u>2,028,332</u>	<u>3,245,407</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>3,206,737</u>	<u>4,314,578</u>
<b>Pension Contributions made subsequent to the measurement date</b>	<u>181,398</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ <u>3,388,135</u></b>	<b>\$ <u>4,314,578</u></b>

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

<u>Year Ending December 31</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ (453,274)
2021	(479,868)
2022	122,198
2023	(389,631)
2024	92,734
Thereafter	<u>-</u>
Total	<b>\$ <u>(1,107,841)</u></b>

**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, 2020, the Fire Pension Plan membership consisted of:

Active members	26
Retirees and beneficiaries	14
Inactive, Non-retired members	<u>1</u>
<u>Total</u>	<u><u>41</u></u>

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 1/2 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

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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 1/2 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, 2020, the City's contribution was 41.80% of covered payroll.

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-Year smoothed market, no corridor 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

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Retirement Age

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	0.19	60	0.28
51	0.12	61	0.36
52	0.04	62	0.44
53	0.06	63	0.52
54	0.09	64	0.60
55	0.12	65	0.68
56	0.15	66	0.76
57	0.19	67	0.84
58	0.22	68	0.92
59	0.25	69	1.00

Mortality

Active Lives

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

Disabled Lives

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

D. Long-Term Expected Rate of Return

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

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<b><u>Asset Class</u></b>	<b><u>Portfolio Target Percentage</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
US Large Cap Equity	15.50%	7.00%
US Mid Cap Equity	11.00%	7.80%
US Small Cap Equity	7.00%	8.00%
International Developed Equity	11.00%	8.60%
International Small Cap Equity	4.50%	9.30%
Emerging Markets Equity	6.00%	11.20%
Real Estate Investment Trusts	5.00%	9.00%
Global Infrastructure Equity	5.00%	7.00%
Fixed Income (Investment Grade Only)	<u>35.00%</u>	3.00%
<b>Total</b>	<b><u>100.00%</u></b>	

**E. Single Discount Rate**

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.91%, and the resulting single discount rate is 6.75%.



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**F. Changes in Net Pension Liability**

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension (asset) liability (a) – (b)</b>
<b>Balances at April 30, 2019</b>	<b>\$ 16,962,796</b>	<b>\$ 12,188,804</b>	<b>\$ 4,773,992</b>
<b>Changes for the year:</b>			
Service Cost	421,285	-	421,285
Interest on the Total Pension Liability	1,121,897	-	1,121,897
Changes of Benefit Terms	5,457	-	5,457
Differences Between Expected and Actual Experience of the Total Pension Liability	(46,100)	-	(46,100)
Changes of Assumptions	272,648	-	272,648
Contributions—Employer	-	670,792	(670,792)
Contributions—Employee	-	150,991	(150,991)
Net Investment Income	-	(392,343)	392,343
Benefit Payments, including Refunds of Employee Contributions	(631,570)	(631,570)	-
Other (Admin. Expenses)	(14,764)	(14,764)	-
<b>Net Changes</b>	<b>1,128,853</b>	<b>(216,894)</b>	<b>1,345,747</b>
<b>Balances at April 30, 2020</b>	<b>\$ 18,091,649</b>	<b>\$ 11,971,910</b>	<b>\$ 6,119,739</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			66.17%

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

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

	<b>1% Lower (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Higher (7.75%)</b>
Net Pension Liability	\$ 8,810,995	\$ 6,119,739	\$ 3,927,270

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

For the year ended April 30, 2020, the City recognized pension expense of \$903,354. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ -	\$ 507,925
Changes in assumptions	241,538	-
Net difference between projected and actual earnings on pension plan investments	1,019,014	6,617

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**Total Deferred Amounts Related to Pensions** \$ 1,260,552    \$ 514,542

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

<b>Year Ending April 30</b>	<b>Net Deferred Outflows of Resources</b>
2021	\$ 216,508
2022	223,125
2023	217,685
2024	207,243
2025	(36,959)
Thereafter	<u>(81,592)</u>
<b>Total</b>	<b>\$ <u>746,010</u></b>

**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, 2020, the Police Pension Plan membership consisted of:

Active members	38
Retirees and beneficiaries	23
Inactive, non-retired members	<u>2</u>
<u>Total</u>	<u><u>63</u></u>

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 1/2 the monthly salary attached to the rank held in the police service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 8 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the

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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 1/2 of the Consumer Price Index-Urban or 3% of the original pension.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year ended April 30, 2020, the City's contribution was 41.66% of covered payroll.

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

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-Year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.00% inflation allowance
Payroll Growth	4.00% per year
Investment Rate of Return	6.75% per year

**Retirement Age**

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	0.36	60	0.22
51	0.22	61	0.30
52	0.18	62	0.39
53	0.19	63	0.48
54	0.19	64	0.57
55	0.20	65	0.65
56	0.20	66	0.74
57	0.20	67	0.83
58	0.21	68	0.91
59	0.21	69	1.00

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**Mortality**

**Active Lives**

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

**Disabled Lives**

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

**D. Long-Term Expected Rate of Return**

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

<u><b>Asset Class</b></u>	<u><b>Portfolio Target Percentage</b></u>	<u><b>Long-Term Expected Real Rate of Return</b></u>
US Large Cap Equity	15.50%	6.95%
US Mid Cap Equity	11.00%	7.75%
US Small Cap Equity	7.00%	8.00%
International Developed Equity	11.00%	8.60%
International Small Cap Equity	4.50%	9.30%
Emerging Markets Equity	6.00%	11.20%
Real Estate Investment Trusts	5.00%	9.00%
Global Infrastructure Equity	5.00%	6.95%
Fixed Income (Investment Grade Only)	<u>35.00%</u>	3.00%
<b>Total</b>	<u><b>100.00%</b></u>	

**E. Single Discount Rate**

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as

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of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.91%, and the resulting single discount rate is 6.75%.

**F. Changes in Net Pension Liability**

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension (asset) liability (a) – (b)</b>
<b>Balances at April 30, 2019</b>	\$ 20,122,141	\$ 13,763,942	\$ 6,358,199
<b>Changes for the year:</b>			
Service Cost	618,466	-	618,466
Interest on the Total Pension Liability	1,317,308	-	1,317,308
Changes of Benefit Terms	33,502	-	33,502
Differences Between Expected and Actual Experience of the Total Pension Liability	1,291,960	-	1,291,960
Changes of Assumptions	40,371	-	40,371
Contributions—Employer	-	1,012,811	(1,012,811)
Contributions—Employee	-	225,133	(225,133)
Net Investment Income	-	(470,338)	470,338
Benefit Payments, including Refunds of Employee Contributions	(1,119,621)	(1,119,621)	-
Other (Admin. Expenses)	(21,353)	(21,353)	-
Other (net transfer)	-	-	-
<b>Net Changes</b>	<u>2,160,633</u>	<u>(373,368)</u>	<u>2,534,001</u>
<b>Balances at April 30, 2020</b>	<u>\$ 22,282,774</u>	<u>\$ 13,390,574</u>	<u>\$ 8,892,200</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 60.09%

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

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

	<b>1% Lower (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Higher (7.75%)</b>
Net Pension Liability	\$ 12,072,237	\$ 8,892,200	\$ 6,302,334

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

For the year ended April 30, 2020, the City recognized pension expense of \$1,086,959 . At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<b>Deferred Amounts Related to Pensions</b>		
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 1,252,946	\$ 1,964,114
Changes in assumptions	35,080	-
Net difference between projected and actual earnings on pension plan investments	<u>1,142,781</u>	<u>92,331</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u><u>\$ 2,430,807</u></u>	<u><u>\$ 2,056,445</u></u>

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

<u>Year Ending April 30</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 174,874
2022	237,267
2023	252,235
2024	245,356
2025	(35,177)
Thereafter	<u>(500,193)</u>
Total	<u><u>\$ 374,362</u></u>

**Note 9 — Deferred Compensation Plan**

Employees of the City of Marion, Illinois 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.

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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 10 — Other Postemployment Benefits**

**A. Plan Description**

In addition to providing pension benefits described in Note 8, the City of Marion, Illinois 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 required portion of the monthly premium rate. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended through its personnel manual and union contracts. No assets are accumulated in a way that meets the criteria in paragraph 4 of GASB statement 75.

**Benefits Provided**

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

**Membership**

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

At April 30, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	78
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>160</u>
<b>Total</b>	<u><u>238</u></u>
<b>Participating employers</b>	<u><u>1</u></u>

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**B. Total OPEB Liability**

The City's OPEB liability of 37,329,091 was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions and Other Inputs.**

The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.5% per annum
Discount Rate	3.79%

The actuarial assumptions used in the April 30, 2020 valuation were based on Entry Age Normal Actuarial Cost Method.

Mortality rates were based on the RP2014 Blue Collar base rates.

**D. Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at April 30, 2019</b>	<u>\$ 31,561,605</u>
Changes for the year:	
Service Cost	644,279
Interest	1,175,782
Assumption Changes	5,024,097
Benefit Payments	<u>(1,076,671)</u>
Net Changes	<u>5,767,487</u>
<b>Balance at April 30, 2020</b>	<u><u>\$ 37,329,092</u></u>

**E. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.79 percent) or 1-percentage-point higher (4.79 percent) than the current discount rate:

	<b>1% Decrease (2.79%)</b>	<b>Discount Rate (3.79%)</b>	<b>1% Increase (4.79%)</b>
Total OPEB liability	\$ 44,028,396	\$ 37,329,092	\$ 32,046,075



**City of Marion, Illinois**  
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**F. Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (7.0 percent decreasing to 3.0 percent) or 1 percentage-point higher (9.0 percent decreasing to 5.0 percent) than the current healthcare cost trend rates.

	<b>1% Decrease (7.0%) Decreasing to 3.0%</b>	<b>Discount Rate (8.0%) Decreasing to 4.0%</b>	<b>1% Increase (9.0%) Decreasing to 5.0%</b>
Total OPEB liability	\$ <u>31,750,258</u>	\$ <u>37,329,092</u>	\$ <u>44,472,624</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended April 30, 2020, the City recognized OPEB expense of \$2,510,939. At April 30, 2020, the City reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	<u>5,110,855</u>	<u>-</u>
<b>Total Deferred Amounts Related to OPEB</b>	<b>\$ <u>5,110,855</u></b>	<b>\$ <u>-</u></b>

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

<b>Year Ended April 30</b>	<b>Net Deferred Outflows of Resources</b>
2021	\$ 690,878
2022	690,878
2023	690,878
2024	690,878
2025	690,878
Thereafter	<u>1,656,465</u>
<b>Total</b>	<b>\$ <u>5,110,855</u></b>

**Note 11 — 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.

**City of Marion, Illinois**  
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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.

Throgmorton Endowment. During a prior year, the City received a special bequest in the amount of \$1,000 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. \$479,896 of the restricted net position or restricted fund balance results from enabling legislation adopted by the City. The City has the following restricted fund balances:

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

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

Restricted for 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 by enabling legislation 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 funds collected 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 set aside by the council for various capital projects.

**City of Marion, Illinois**  
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**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 city ordinance, 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 and transfers out. Council has a right to determine if any portion of the cash reserve should be spent and is required to take all necessary actions to increase the cash reserve balance to the 25% threshold in future years.

**D. Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the Finance Commissioner as allowed by Council Resolution 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	Capital Projects Fund	Special Revenue Funds	Debt Service Funds	Total Governmental Funds
<b>Fund Balances</b>						
Nonspendable	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Restricted for -						
Donor expenditures	12,870	-	-	416,021	-	428,891
Public health and safety	67,625	-	-	951,612	-	1,019,237
Capital projects	-	-	255,830	-	-	255,830
Debt service	-	-	-	-	1,721,041	1,721,041
Cemetery	-	953	-	16,134	-	17,087
Maintenance of roadways	-	-	-	1,053,333	-	1,053,333
Tourism and recreation	-	-	-	142,062	-	142,062
Development	-	-	-	707,774	-	707,774
Committed for -						
Cash reserve	5,615,045	-	-	-	-	5,615,045
Assigned						
Library	50,561	-	-	-	-	50,561
Unassigned	5,526,655	-	-	-	-	5,526,655
<b>Total Fund Balances</b>	<b>\$ 11,272,756</b>	<b>\$ 1,953</b>	<b>\$ 255,830</b>	<b>\$ 3,286,936</b>	<b>\$ 1,721,041</b>	<b>\$ 16,538,516</b>

There was no deficit fund balance as of April 30, 2020.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
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**Note 12 — 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, 2020 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 174,798
Cultural and Civic Center Fund	-	479
Senior Citizen Council	-	786
HUB Recreational Center	-	85
Gas Tax Fund	47,017	-
Foreign Fire Insurance Fund	-	267
TIF Redevelopment Fund	-	68
Water Fund	19,109	-
Sewer Fund	79,085	-
Capital Project Fund	32,629	-
Health Reimbursement Fund	329	-
Police Pension Fund	-	827
Fire Pension Fund	-	859
<u>Total</u>	<u>\$ 178,169</u>	<u>\$ 178,169</u>

Interfund balances result from the timing difference between when payments are made or receipts received and when transfers are made to and from other funds.

Interfund balances are expected to be repaid within one year.

Schedule of operating transfers within the reporting entity:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
<u>General Fund Types -</u>		
General Fund	\$ 5,133,820	\$ 265,096
Cultural and Civic Center Fund	-	579,211
Senior Citizen Council Fund	-	472,038
Boyton St Fund	-	278,403
	<u>5,133,820</u>	<u>1,594,748</u>
<u>Special Revenue Funds -</u>		
Pavilion Fund	-	125,953
HUB Recreational Center Fund	936,848	954,207
Road and Bridge Fund	40,000	-
Gas Tax Fund	40,000	12,556
Foreign Fire Insurance Fund	14,750	-
Special Revenues Police Fund	240,192	-
Carnegie Library Fund	-	815,491
TIF Redevelopment Fund	<u>1,225,316</u>	<u>-</u>
	<u>2,497,106</u>	<u>1,908,207</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2020**

<u>Debt Service Fund -</u>		
Debt Service Fund	-	3,890,216
	-	3,890,216
<u>Enterprise Funds -</u>		
Water Dept. Fund	12,332	2,865
Sewer Dept. Fund	15,197	207,000
	27,529	209,865
<u>Internal Service Fund -</u>		
Health Reimbursement Fund	-	55,420
	-	55,420
<b>Total</b>	<b>\$ 7,658,455</b>	<b>\$ 7,658,456</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 13 — Tax Abatement**

As of April 30, 2020, the City provides tax rebates through two main programs. The tax rebates are in substance equivalent to tax abatements and thus disclosed under GASB pronouncement 77—Tax Abatements. The two main programs are as follows:

1. Tax Increment Financing District Redevelopment Agreements
2. Economic Incentive Agreements

**Tax Increment Financing District Redevelopment Agreements**

This type of agreement is authorized by the Illinois Statute 65 ILCS 5111-74.4 et. Seq., the “Tax Increment Allocation Redevelopment Act”, the “TIF Act”. The TIF Act allows developers to be reimbursed certain eligible projects costs for developments within the TIF District. The eligible costs are reimbursed to the developer through a combination of sales tax increment and real estate tax increment rebates or just real estate tax increment rebates. In all cases, the developer must first pay the tax and then request reimbursement of the tax pay along with proof of payment.

In general, the sales tax increment is based upon a % of the municipal sales tax generated. Usually when a developer moves from a non TIF area to a TIF area any sales tax reimbursement must be above a baseline amount. Any real estate rebate is a percentage of the real estate taxes generated above a baseline amount. The baseline amount in most cases is the amount of equal assessed valuation at the time the TIF district

# City of Marion, Illinois

## Notes to the Financial Statements

**April 30, 2020**

is created. The developer will receive rebates until the earlier of the eligible project costs are reimbursed or the TIF ends. Specific details such as eligibility, special provisions, percentage of rebate, type of rebate, commitments by Developers, etc. would be specific to each Redevelopment Agreement, but all the terms in the contracts are per an approved Redevelopment Agreement entered into pursuant to the TIF Act. The following is the amount of taxes rebated during the year ending April 30, 2020 by TIF District.

Tax Increment District	Amount of Sales Tax Rebated	Amount of Real Estate Tax Rebated
Marion TIF I	\$ 6,935	\$ 397,064
Marion TIF V	-	108,712
Marion TIF VIII	-	114,532
Marion Heights I TIF	6,032	428,302
Marion Heights II TIF	780,003	730,938
Marion HUB TIF	-	186,034
Marion Hillview TIF	<u>11,347</u>	<u>116,477</u>
Total	\$ <u>804,317</u>	\$ <u>2,082,059</u>

The City is required to file an annual report on each TIF District with the Illinois State Comptroller. Those reports can be viewed on the Comptroller's website.

## Economic Incentive Agreements

The City has also entered into Economic Incentive Agreements which are allowed under Illinois Statute 65 ILCS 5/8-11-20 et. Seq. These agreements allow for the rebate of a % of municipal sales tax generated by the developer for a specified period of time or sometimes until certain developer costs are reimbursed. As with the TIF agreements, all other details such as eligibility, special provisions, commitments by the developers, etc. are specified in each of the Economic Incentive Agreements.

Total Sales Tax Rebated \$ 53,125

## Note 14 — 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, 2020 the Developer's portion of the home rule sales tax increase amounted to \$601,656.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2020**

**Note 15 — 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, 2020, 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 16 — Risks and Uncertainties**

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

**Note 17 — 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2020**

**Note 18 — Subsequent Events**

Due to the Covid19 pandemic, as a precaution, the City negotiated a \$10,000,000 line of credit with Banterra Bank. As of the report date it has not been necessary to borrow from the line of credit or use any of the City's reserves to fund current operations due to the pandemic.



## **Required Supplemental Information**

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**General Fund**  
**For the Year Ended April 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 2,491,160	\$ 2,491,160	\$ 1,675,862	\$ (815,298)
Sales tax	15,743,240	16,383,240	16,475,547	92,307
Licences and permits	193,280	373,280	381,879	8,599
Intergovernmental	1,755,600	1,885,600	1,897,709	12,109
Other taxes and franchise fees	2,863,610	2,863,610	2,564,318	(299,292)
Service charges and fees	697,640	1,022,640	1,098,184	75,544
Investment Income	133,370	133,370	158,200	24,830
Grant revenue	484,310	709,000	562,419	(146,581)
Miscellaneous	86,650	86,650	345,094	258,444
<b>Total Revenues</b>	<b>24,448,860</b>	<b>25,948,550</b>	<b>25,159,212</b>	<b>(789,338)</b>
<b>Expenditures</b>				
General government	3,318,220	3,318,220	3,749,686	431,466
Public health and safety	12,115,190	12,330,890	10,899,430	(1,431,460)
Streets, alleys, and cemeteries	3,412,480	3,412,480	3,268,939	(143,541)
Culture and recreation	771,790	1,092,790	1,081,896	(10,894)
Development	638,900	638,900	751,624	112,724
Debt service	289,220	289,220	270,375	(18,845)
Capital outlay	526,350	757,190	578,209	(178,981)
<b>Total Expenditures</b>	<b>21,072,150</b>	<b>21,839,690</b>	<b>20,600,159</b>	<b>(1,239,531)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,376,710</b>	<b>4,108,860</b>	<b>4,559,053</b>	<b>450,193</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from long-term debt	406,800	406,800	395,585	(11,215)
Transfers in (out)	(3,691,090)	(3,837,090)	(3,922,670)	(85,580)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,284,290)</b>	<b>(3,430,290)</b>	<b>(3,527,085)</b>	<b>(96,795)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 92,420</b>	<b>\$ 678,570</b>	<b>\$ 1,031,968</b>	<b>\$ 353,398</b>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**TIF Redevelopment Fund**  
**For the Year Ended April 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 6,460,730	\$ 6,460,730	\$ 6,601,348	\$ 140,618
Investment Income	29,830	29,830	43,306	13,476
Grant revenue	120,000	120,000	535,699	415,699
Miscellaneous	-	-	44,484	44,484
<b>Total Revenues</b>	<u>\$ 6,610,560</u>	<u>\$ 6,610,560</u>	<u>\$ 7,224,837</u>	<u>\$ 614,277</u>
<b>Expenditures</b>				
Streets, alleys, and cemeteries	\$ 685,000	\$ 855,000	\$ 835,125	\$ (19,875)
Development	1,644,920	2,874,820	3,164,602	289,782
Debt service	708,200	1,433,200	1,452,157	18,957
Capital outlay	4,231,520	4,521,520	3,697,438	(824,082)
<b>Total Expenditures</b>	<u>7,269,640</u>	<u>9,684,540</u>	<u>9,149,322</u>	<u>(535,218)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(659,080)</u>	<u>(3,073,980)</u>	<u>(1,924,485)</u>	<u>1,149,495</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from long-term debt	-	-	743,000	743,000
Transfers in (out)	(1,116,030)	(1,116,030)	(1,225,317)	(109,287)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,116,030)</u>	<u>(1,116,030)</u>	<u>(482,317)</u>	<u>633,713</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,775,110)</u>	<u>\$ (4,190,010)</u>	<u>\$ (2,406,802)</u>	<u>\$ 1,783,208</u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**Debt Service Fund**  
**For the Year Ended April 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 68,580	\$ 68,580	\$ 69,228	\$ 648
Investment Income	<u>20,530</u>	<u>20,530</u>	<u>15,108</u>	<u>(5,422)</u>
<b>Total Revenues</b>	<u>89,110</u>	<u>89,110</u>	<u>84,336</u>	<u>(4,774)</u>
<b>Expenditures</b>				
Debt Service	\$ <u>3,955,090</u>	\$ <u>3,955,090</u>	\$ <u>3,943,589</u>	\$ <u>(11,501)</u>
<b>Total Expenditures</b>	<u>3,955,090</u>	<u>3,955,090</u>	<u>3,943,589</u>	<u>(11,501)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,865,980)</u>	<u>(3,865,980)</u>	<u>(3,859,253)</u>	<u>6,727</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	<u>3,910,830</u>	<u>3,910,830</u>	<u>3,890,216</u>	<u>(20,614)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,910,830</u>	<u>3,910,830</u>	<u>3,890,216</u>	<u>(20,614)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 44,850</u>	<u>\$ 44,850</u>	<u>\$ 30,963</u>	<u>\$ (13,887)</u>

**City of Marion, Illinois**  
**Notes to Required Supplemental Information**  
**April 30, 2020**

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

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

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Over (Under) Budget
<b><u>Expenditures</u></b>					
General					
General government	3,725,469	24,217	3,749,686	3,318,220	(431,466)
Public health and safety	10,927,349	(27,919)	10,899,430	12,330,890	1,431,460
Streets, alleys, and cemeteries	3,285,812	(16,873)	3,268,939	3,412,480	143,541
Culture and recreation	1,053,345	28,551	1,081,896	1,092,790	10,894
Development	758,577	(6,953)	751,624	638,900	(112,724)
Debt service	270,375	-	270,375	289,220	18,845
Capital outlay	<u>554,408</u>	<u>23,801</u>	<u>578,209</u>	<u>757,190</u>	<u>178,981</u>
<b>Total Expenditures</b>	<b>\$ <u>20,575,335</u></b>	<b><u>24,824</u></b>	<b><u>20,600,159</u></b>	<b><u>21,839,690</u></b>	<b><u>1,239,531</u></b>
TIF Redevelopment					
Streets, alleys, and cemeteries	\$ 835,304	\$ (179)	\$ 835,125	\$ 855,000	\$ 19,875
Development	3,210,732	(46,130)	3,164,602	2,874,820	(289,782)
Debt service	1,452,157	-	1,452,157	1,433,200	(18,957)
Capital outlay	<u>3,248,324</u>	<u>449,114</u>	<u>3,697,438</u>	<u>4,521,520</u>	<u>824,082</u>
<b>Total Expenditures</b>	<b>\$ <u>8,746,517</u></b>	<b><u>402,805</u></b>	<b><u>9,149,322</u></b>	<b><u>9,684,540</u></b>	<b><u>535,218</u></b>
Debt Service					
Debt Service	<u>\$ 3,943,589</u>	<u>\$ -</u>	<u>\$ 3,943,589</u>	<u>\$ 3,955,090</u>	<u>\$ 11,501</u>
<b>Total Expenditures</b>	<b>\$ <u>3,943,589</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,943,589</u></b>	<b><u>\$ 3,955,090</u></b>	<b><u>\$ 11,501</u></b>

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

**City of Marion, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Police Pension Fund**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>						
Service cost	\$ 618,466	\$ 559,356	\$ 541,348	\$ 515,566	\$ 489,508	\$ 480,209
Interest on the total pension liability	1,317,308	1,380,424	1,349,045	1,306,976	1,235,401	1,074,041
Changes of benefit terms	33,502	-	-	-	-	-
Differences Between Expected and Actual Experience	1,291,960	(1,755,490)	(487,598)	(279,109)	238,173	(850,327)
Changes of assumptions	40,371	-	-	-	-	2,526,327
Benefit payments and refunds	1,119,621	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
Other (Admin Expense)	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Total Pension Liability</b>	\$ 2,160,633	\$ (762,566)	\$ 472,447	\$ 631,845	\$ 1,067,888	\$ 2,437,439
<b>Total Pension Liability - Beginning</b>	<u>20,122,141</u>	<u>20,884,707</u>	<u>20,412,260</u>	<u>19,780,415</u>	<u>18,712,527</u>	<u>16,275,088</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$22,282,774</u>	<u>\$20,122,141</u>	<u>\$20,884,707</u>	<u>\$20,412,260</u>	<u>\$19,780,415</u>	<u>\$18,712,527</u>
<b>Plan Fiduciary Net Position</b>						
Member Contributions	\$ 225,133	\$ 213,300	\$ 202,395	\$ 200,549	\$ 180,337	\$ 178,949
Employer Contributions	1,012,811	1,014,558	997,462	850,449	722,600	662,900
Net Investment Income	(470,338)	802,525	838,002	996,676	173,455	738,694
Benefit Payments	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
Other (Net Transfer)	-	(35,303)	(25,250)	(22,663)	(11,262)	(10,054)
Other (Admin Expense)	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	\$ (373,368)	\$ 1,048,224	\$ 1,082,261	\$ 1,113,423	\$ 169,936	\$ 777,678
<b>Plan Fiduciary Net Position - Beginning</b>	<u>13,763,942</u>	<u>12,715,718</u>	<u>11,633,457</u>	<u>10,520,034</u>	<u>10,350,098</u>	<u>9,572,420</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$13,390,574</u>	<u>\$13,763,942</u>	<u>\$12,715,718</u>	<u>\$11,633,457</u>	<u>\$10,520,034</u>	<u>\$10,350,098</u>
<b>Net Pension Liability - Ending (A)-(B)</b>	<u>\$ 8,892,200</u>	<u>\$ 6,358,199</u>	<u>\$ 8,168,989</u>	<u>\$ 8,778,803</u>	<u>\$ 9,260,381</u>	<u>\$ 8,362,429</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	60.09 %	68.40 %	60.89 %	56.99 %	53.18 %	55.31 %
<b>Covered Valuation Payroll</b>	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	365.80 %	302.60 %	394.65 %	445.44 %	496.04 %	458.26 %

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

**City of Marion, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Fire Pension Fund**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2016
<b>Total Pension Liability</b>						
Service cost	\$ 421,285	\$ 380,816	\$ 373,215	\$ 365,360	\$ 356,987	\$ 347,912
Interest on the total pension liability	1,121,897	1,067,048	1,038,539	994,434	943,345	844,096
Changes of benefit terms	5,457	-	-	-	-	-
Differences Between Expected and Actual Experience	(46,100)	(4,911)	(458,631)	(182,202)	(31,022)	(101,072)
Changes of assumptions	272,648	-	-	-	-	870,309
Benefit payments	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
Other (Admin Expense)	(14,764)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	\$ 1,128,853	\$ 910,741	\$ 423,592	\$ 657,935	\$ 762,966	\$ 1,483,448
<b>Total Pension Liability - Beginning</b>	<u>16,962,796</u>	<u>16,052,055</u>	<u>15,628,463</u>	<u>14,970,528</u>	<u>14,207,562</u>	<u>12,724,114</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$18,091,649</u>	<u>\$16,962,796</u>	<u>\$16,052,055</u>	<u>\$15,628,463</u>	<u>\$14,970,528</u>	<u>\$14,207,562</u>
<b>Plan Fiduciary Net Position</b>						
Member Contributions	\$ 150,991	\$ 148,466	\$ 145,684	\$ 142,499	\$ 139,192	\$ 133,500
Employer Contributions	670,792	671,961	656,121	550,277	493,200	425,800
Net Investment Income	(392,343)	686,637	650,050	653,365	19,892	512,933
Benefit Payments	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
Other (Net Transfer)	-	(17,665)	(15,357)	(14,789)	(15,338)	(22,225)
Other (Admin Expense)	(14,764)	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	\$ (216,894)	\$ 957,187	\$ 906,967	\$ 811,695	\$ 130,602	\$ 572,211
<b>Plan Fiduciary Net Position - Beginning</b>	<u>12,188,804</u>	<u>11,231,617</u>	<u>10,324,650</u>	<u>9,512,955</u>	<u>9,382,353</u>	<u>8,810,142</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$11,971,910</u>	<u>\$12,188,804</u>	<u>\$11,231,617</u>	<u>\$10,324,650</u>	<u>\$ 9,512,955</u>	<u>\$ 9,382,353</u>
<b>Net Pension Liability - Ending (A)-(B)</b>	<u>\$ 6,119,739</u>	<u>\$ 4,773,992</u>	<u>\$ 4,820,438</u>	<u>\$ 5,303,813</u>	<u>\$ 5,457,573</u>	<u>\$ 4,825,209</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	66.17 %	71.86 %	69.97 %	66.06 %	63.54 %	66.04 %
<b>Covered Valuation Payroll</b>	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	381.37 %	298.30 %	312.24 %	350.83 %	369.92 %	337.18 %

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

**City of Marion, Illinois**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Illinois Municipal Retirement Plan**  
**Last Ten Fiscal Years**

Calendar Year Ended December 31,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 650,197	\$ 601,509	\$ 611,219	\$ 591,756	\$ 556,314
Interest on the total pension liability	2,001,545	1,963,085	1,982,884	1,919,498	1,813,559
Changes of benefit terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	757,224	(435,519)	(618,757)	(327,102)	372,714
Changes of assumptions	-	791,468	(837,535)	(31,862)	-
Benefit payments, including refunds of Employee Contributions	<u>1,580,644</u>	<u>(1,443,037)</u>	<u>(1,350,847)</u>	<u>(1,351,237)</u>	<u>(1,340,561)</u>
<b>Net Change in Total Pension Liability</b>	\$ 1,828,322	\$ 1,477,506	\$ (213,036)	\$ 801,053	\$ 1,402,026
<b>Total Pension Liability - Beginning</b>	<u>28,072,741</u>	<u>26,595,235</u>	<u>26,808,271</u>	<u>26,007,218</u>	<u>24,605,192</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 29,901,063</u>	<u>\$ 28,072,741</u>	<u>\$ 26,595,235</u>	<u>\$ 26,808,271</u>	<u>\$ 26,007,218</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 547,638	\$ 669,876	\$ 651,087	\$ 621,827	\$ 618,207
Contributions - Employees	298,579	312,701	274,662	258,102	253,187
Net Investment Income	4,580,448	(1,417,569)	4,125,252	1,554,011	112,070
Benefit Payments, including refunds of Employee Contributions	(1,580,644)	(1,443,037)	(1,350,847)	(1,351,237)	(1,340,561)
Other (Net Transfer)	<u>339,294</u>	<u>303,198</u>	<u>(1,129,183)</u>	<u>(157,298)</u>	<u>33,620</u>
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 4,185,315	\$ (1,574,831)	\$ 2,570,971	\$ 925,405	\$ (323,477)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>24,246,701</u>	<u>25,821,532</u>	<u>23,250,561</u>	<u>22,325,156</u>	<u>22,648,633</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 28,432,016</u>	<u>\$ 24,246,701</u>	<u>\$ 25,821,532</u>	<u>\$ 23,250,561</u>	<u>\$ 22,325,156</u>
<b>Net Pension Liability - Ending (A)-(B)</b>	<u>\$ 1,469,047</u>	<u>\$ 3,826,040</u>	<u>\$ 773,703</u>	<u>\$ 3,557,710</u>	<u>\$ 3,682,062</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	95.09 %	86.37 %	97.09 %	86.73 %	85.84 %
<b>Covered Valuation Payroll</b>	\$ 6,630,005	\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	22.16 %	58.60 %	12.68 %	62.42 %	65.84 %

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



**City of Marion, Illinois**  
**Multiyear Schedule of Contributions - Last 10 Fiscal Years**  
**Police Pension Fund**  
**Last Ten Fiscal Years**

Fiscal Year Ending April 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Employee Payroll
2020	\$ 1,101,703	\$ 1,012,811	\$ 88,892	\$ 2,430,908	41.66 %
2019	1,117,351	1,014,558	102,793	2,101,205	48.28 %
2018	1,102,293	997,462	104,831	2,069,936	48.19 %
2017	1,033,259	850,449	182,810	1,970,828	43.15 %
2016	722,504	722,600	(96)	1,866,868	38.71 %
2015	662,898	662,900	(2)	1,824,825	36.33 %
2014	590,755	592,000	(1,245)	1,737,719	34.07 %
2013	558,869	569,900	(11,031)	1,534,666	37.14 %
2012	624,046	569,900	54,146	1,529,445	37.26 %
2011	540,556	542,800	(2,244)	1,533,262	35.40 %

Note: Beginning in the year ending 2017, the Actuarially Determined Contribution computation was revised to provide a 100% funding target rather than the former 90%. Actuarially Determined Contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

**City of Marion, Illinois**  
**Multiyear Schedule of Contributions**  
**Fire Pension Fund**  
**Last Ten Fiscal Years**

Fiscal Year Ending April 30	Required Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2020	\$ 656,860	\$ 670,792	\$ (13,932)	\$ 1,604,657	41.80 %
2019	672,247	671,961	286	1,600,401	41.99 %
2018	656,860	656,121	739	1,543,819	42.50 %
2017	622,389	550,277	72,112	1,511,781	36.40 %
2016	423,633	493,200	(69,567)	1,475,356	33.43 %
2015	425,798	425,800	(2)	1,431,067	29.75 %
2014	402,828	421,500	(18,672)	1,396,133	30.19 %
2013	382,560	387,400	(4,840)	1,340,601	28.90 %
2012	411,634	384,670	26,964	1,440,119	26.71 %
2011	364,501	366,400	(1,899)	1,208,139	30.33 %

Note: Beginning in the year ending 2017, the Actuarially Determined Contribution computation was revised to provide a 100% funding target rather than the former 90%. Actuarially Determined Contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

**City of Marion, Illinois**  
**Multiyear Schedule of Employer Contributions**  
**Illinois Municipal Retirement Plan**  
**Last Ten Fiscal Years**

Calendar Year Ended December 31	Required Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2019	\$ 547,638	\$ 547,638	\$ -	\$ 6,630,005	8.26 %
2018	669,876	669,876	-	6,529,006	10.26 %
2017	635,324	651,087	(15,763)	6,103,020	10.67 %
2016	621,828	621,827	1	5,699,612	10.91 %
2015	610,097	618,207	(8,110)	5,592,090	11.06 %

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

**City of Marion, Illinois**  
**Schedule of Annual Money Rate of Return, Net of Investment Expense**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police Pension Plan	1.88 %	9.30 %	7.05 %	6.19 %	(3.40)%
Fire Pension Plan	2.50 %	6.75 %	6.18 %	6.00 %	(3.18)%

**City of Marion, Illinois**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**Other Postemployment Benefit Plan**

**Total OPEB Liability:**

	<u>2020</u>	<u>2019</u>
Service cost including administrative expenses	\$ 644,279	\$ 589,748
Interest on total OPEB liability	1,175,782	1,168,126
Benefit changes	-	-
Differences between expected and actual experience	-	-
Assumption changes	5,024,096	880,678
Benefit payments	<u>(1,076,671)</u>	<u>(1,001,554)</u>
<b>Net change in Total OPEB Liability</b>	<b>\$ 5,767,486</b>	<b>\$ 1,636,998</b>
<b>Total OPEB Liability-Beginning</b>	<b><u>31,561,605</u></b>	<b><u>29,924,607</u></b>
<b>Total OPEB Liability-Ending</b>	<b><u>\$37,329,091</u></b>	<b><u>\$31,561,605</u></b>
<b>Covered - employee payroll</b>	<b>\$ 8,786,287</b>	<b>\$ 8,489,166</b>
<b>Total OPEB Liability as a percentage of covered - employee payroll</b>	<b>424.86 %</b>	<b>371.79 %</b>

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

## **Combining and Individual Fund Statements and Schedules**

**City of Marion, Illinois**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**April 30, 2020**

	Permanent Fund	Capital Project Funds	Special Revenue Funds	Total Non-Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 152	\$ 1,067,136	\$ 1,067,288
Restricted cash and cash equivalents	-	-	47,066	47,066
Investments	-	223,049	184,153	407,202
Restricted investments	1,953	-	412,656	414,609
Accounts receivable	-	-	1,306	1,306
Property taxes receivable	-	-	149,330	149,330
Sales taxes receivable	-	-	711,532	711,532
Other taxes receivable	-	-	111,661	111,661
Intergovernmental receivable	-	-	50,992	50,992
Due from other funds	-	32,629	47,017	79,646
Prepaid items	-	-	5,350	5,350
<b>Total Assets</b>	<u>\$ 1,953</u>	<u>\$ 255,830</u>	<u>\$ 2,788,199</u>	<u>\$ 3,045,982</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 24,962	\$ 24,962
Due to other funds	-	-	352	352
Unearned revenue	-	-	34,393	34,393
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>59,707</u>	<u>59,707</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	149,330	149,330
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>149,330</u>	<u>149,330</u>
<b>Fund Balances</b>				
Nonspendable	1,000	-	-	1,000
Restricted for:				
Donor expenditures	-	-	416,021	416,021
Public safety	-	-	951,612	951,612
Capital projects	-	255,830	-	255,830
Cemetery	953	-	16,134	17,087
Maintenance of roadways	-	-	1,053,333	1,053,333
Tourism and recreation	-	-	142,062	142,062
<b>Total Fund Balances</b>	<u>1,953</u>	<u>255,830</u>	<u>2,579,162</u>	<u>2,836,945</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 1,953</u>	<u>\$ 255,830</u>	<u>\$ 2,788,199</u>	<u>\$ 3,045,982</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended April 30, 2020**

	Permanent Fund	Capital Project Funds	Special Revenue Funds	Total Non- Major Governmental Funds
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 275,669	\$ 275,669
Sales taxes	-	-	872,794	872,794
Other taxes and franchise fees	-	255,585	1,267,934	1,523,519
Intergovernmental	-	-	637,778	637,778
Service charges and fees	-	-	1,856,146	1,856,146
Grant revenue	-	-	40,709	40,709
Investment income	36	245	28,289	28,570
Miscellaneous income	-	-	42,740	42,740
<b>Total Revenues</b>	<u>36</u>	<u>255,830</u>	<u>5,022,059</u>	<u>5,277,925</u>
<b>Expenditures</b>				
Public health and safety	-	-	58,964	58,964
Streets, alleys, and cemeteries	-	-	864,456	864,456
Culture and recreation	-	-	3,168,944	3,168,944
Debt service:				
Principal	-	-	371,412	371,412
Interest	-	-	36,851	36,851
Capital outlay	-	-	230,510	230,510
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>4,731,137</u>	<u>4,731,137</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>36</u>	<u>255,830</u>	<u>290,922</u>	<u>546,788</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	-	-	636,417	636,417
General long-term debt issued	-	-	(75,200)	(75,200)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>711,617</u>	<u>711,617</u>
<b>Net Change in Fund Balances</b>	36	255,830	1,002,539	1,258,405
<b>Fund Balance, Beginning</b>	<u>1,917</u>	<u>-</u>	<u>1,576,623</u>	<u>1,578,540</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,953</u>	<u>\$ 255,830</u>	<u>\$ 2,579,162</u>	<u>\$ 2,836,945</u>



**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**Permanent Funds**  
**For the Year Ended April 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u>	<u>Final Budget -</u>
			<u>Budgetary</u>	<u>Over (Under)</u>
			<u>Basis</u>	
<b>Revenues</b>				
Investment Income	\$ <u>20</u>	\$ <u>20</u>	\$ <u>37</u>	\$ <u>17</u>
<b>Total Revenues</b>	<u>20</u>	<u>20</u>	<u>37</u>	<u>17</u>
<b>Expenditures</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>Expenditures</b>	<u>20</u>	<u>20</u>	<u>37</u>	<u>17</u>
<b>Net Change in Fund Balances</b>	\$ <u><u>20</u></u>	\$ <u><u>20</u></u>	\$ <u><u>37</u></u>	\$ <u><u>17</u></u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**Capital Projects Fund**  
**For the Year Ended April 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment Income	\$ -	\$ -	\$ 245	\$ 245
<b>Total Revenues</b>	\$ -	\$ -	\$ 245	\$ 245
<b>Expenditures</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	245	245
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	-	-	222,956	222,956
<b>Total Other Financing Sources (Uses)</b>	-	-	222,956	222,956
<b>Net Change in Fund Balances</b>	\$ -	\$ -	\$ 223,201	\$ 223,201

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**Actual (with Variances)**  
**Special Revenue Funds**  
**For the Year Ended April 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 272,500	\$ 272,500	\$ 275,669	\$ 3,169
Intergovernmental	478,000	478,000	624,842	146,842
Other taxes and franchise fees	1,320,870	1,320,870	1,211,917	(108,953)
Service charges and fees	2,189,350	2,189,350	1,856,523	(332,827)
Investment Income	11,660	11,660	19,676	8,016
Grant revenue	80,880	80,880	40,709	(40,171)
Miscellaneous	<u>840</u>	<u>840</u>	<u>43,482</u>	<u>42,642</u>
<b>Total Revenues</b>	<u>4,354,100</u>	<u>4,354,100</u>	<u>4,072,818</u>	<u>(281,282)</u>
<b>Expenditures</b>				
Public health and safety	\$ 4,750	\$ 18,550	\$ 15,418	\$ (3,132)
Streets, alleys, and cemeteries	856,950	882,950	867,812	(15,138)
Culture and recreation	3,688,620	3,709,220	3,285,467	(423,753)
Debt service	415,030	428,260	408,262	(19,998)
Capital outlay	<u>212,880</u>	<u>298,380</u>	<u>246,951</u>	<u>(51,429)</u>
<b>Total Expenditures</b>	<u>5,178,230</u>	<u>5,337,360</u>	<u>4,823,910</u>	<u>(513,450)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(824,130)</u>	<u>(983,260)</u>	<u>(751,092)</u>	<u>232,168</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from long-term debt	-	75,000	75,000	-
Transfers in (out)	<u>1,077,290</u>	<u>921,290</u>	<u>811,809</u>	<u>(109,481)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,077,290</u>	<u>996,290</u>	<u>886,809</u>	<u>(109,481)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 253,160</u>	<u>\$ 13,030</u>	<u>\$ 135,717</u>	<u>\$ 122,687</u>

**City of Marion, Illinois  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
April 30, 2020**

	Pavilion	Goddard Chapel	HUB	Road and Bridge	Motor Fuel Tax	Gas Tax Fund	Foreign Fire Insurance	Special Revenue Police Fund	Carnegie Library fund	Property Tax Fund	Total Non-Major Special Revenue Funds
<b>Assets</b>											
Cash and cash equivalents	\$ 3,347	\$ 16,134	\$ 48,159	\$ 80,044	\$ 442,401	\$ 398,555	\$ 17,861	\$ 54,100	\$ 6,535	\$ -	\$ 1,067,136
Restricted cash and cash equivalents	25,476	-	-	-	-	-	-	18,225	3,365	-	47,066
Investments	-	-	-	-	-	-	-	-	22,824	161,329	184,153
Restricted investments	-	-	-	-	-	-	-	-	412,656	-	412,656
Accounts receivable	-	-	-	-	-	-	-	1,306	-	-	1,306
Property taxes receivable	-	-	-	149,330	-	-	-	-	-	-	149,330
Sales taxes receivable	-	-	-	-	-	-	-	-	-	711,532	711,532
Other taxes receivables	77,337	-	-	-	-	34,324	-	-	-	-	111,661
Intergovernmental receivable	-	-	-	-	50,992	-	-	-	-	-	50,992
Due from other funds	-	-	-	-	-	47,017	-	-	-	-	47,017
Prepaid items	-	-	-	-	-	-	5,350	-	-	-	5,350
<b>Total Assets</b>	<b>\$ 106,160</b>	<b>\$ 16,134</b>	<b>\$ 48,159</b>	<b>\$ 229,374</b>	<b>\$ 493,393</b>	<b>\$ 479,896</b>	<b>\$ 23,211</b>	<b>\$ 73,631</b>	<b>\$ 445,380</b>	<b>\$ 872,861</b>	<b>\$ 2,788,199</b>
<b>Liabilities</b>											
Accounts payable	\$ 2,523	\$ -	\$ 18,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,639	\$ -	\$ 24,962
Due to other funds	-	-	85	-	-	-	267	-	-	-	352
Unearned revenue	-	-	16,569	-	-	-	-	17,824	-	-	34,393
<b>Total Liabilities</b>	<b>2,524</b>	<b>-</b>	<b>35,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267</b>	<b>17,824</b>	<b>3,639</b>	<b>-</b>	<b>59,707</b>
<b>Deferred Inflows of Resources</b>											
Unavailable revenue - property taxes	-	-	-	149,330	-	-	-	-	-	-	149,330
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,330</b>
<b>Fund Balances</b>											
Restricted for:											
Donor restricted expenditures	-	-	-	-	-	-	-	-	416,021	-	416,021
Public safety	-	-	-	-	-	-	22,944	55,807	-	872,861	951,612
Tourism and recreation	103,637	-	12,705	-	-	-	-	-	25,720	-	142,062
Cemetery	-	16,134	-	-	-	-	-	-	-	-	16,134
Maintenance of roadways	-	-	-	80,044	493,393	479,896	-	-	-	-	1,053,333
<b>Total Fund Balances</b>	<b>103,637</b>	<b>16,134</b>	<b>12,705</b>	<b>80,044</b>	<b>493,393</b>	<b>479,896</b>	<b>22,944</b>	<b>55,807</b>	<b>441,741</b>	<b>872,861</b>	<b>2,579,162</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 106,160</b>	<b>\$ 16,134</b>	<b>\$ 48,159</b>	<b>\$ 229,374</b>	<b>\$ 493,393</b>	<b>\$ 479,896</b>	<b>\$ 23,211</b>	<b>\$ 73,631</b>	<b>\$ 445,380</b>	<b>\$ 872,861</b>	<b>\$ 2,788,199</b>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended April 30, 2020**

	Pavilion	Goddard Chapel	HUB	Road and Bridge	Motor Fuel Tax	Gas Tax Fund	Foreign Fire Insurance	Special Revenue Police Fund	Carnegie Library fund	Property Tax Fund	Total Non-Major Special Revenue Funds
<b>Revenues</b>											
Property taxes	\$ -	\$ -	\$ 139,012	\$ 136,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,669
Sales taxes	-	-	-	-	-	-	-	-	-	872,794	872,794
Other taxes and franchise fees	395,604	-	362	480	-	596,841	54,147	220,500	-	-	1,267,934
Intergovernmental	-	-	-	-	637,778	-	-	-	-	-	637,778
Service charges and fees	120,305	3,510	1,627,928	-	-	-	-	84,630	19,773	-	1,856,146
Grant revenue	-	500	2,983	-	-	-	-	-	37,226	-	40,709
Investment income	270	6	2,286	1,533	1,823	3,165	-	773	18,366	67	28,289
Miscellaneous income	<u>250</u>	<u>-</u>	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>40,492</u>	<u>-</u>	<u>-</u>	<u>508</u>	<u>-</u>	<u>42,740</u>
<b>Total Revenues</b>	<u>516,429</u>	<u>4,016</u>	<u>1,774,061</u>	<u>138,670</u>	<u>639,601</u>	<u>640,498</u>	<u>54,147</u>	<u>305,903</u>	<u>75,873</u>	<u>872,861</u>	<u>5,022,059</u>
											-
<b>Expenditures</b>											
Public health and safety	-	-	-	-	-	-	43,813	15,151	-	-	58,964
Streets, alleys, and cemeteries	-	3,019	-	232,567	388,841	240,029	-	-	-	-	864,456
Culture and recreation	348,757	-	1,975,826	-	-	-	-	-	844,361	-	3,168,944
Debt service:											-
Principal	204,755	-	31,224	-	-	135,433	-	-	-	-	371,412
Interest	25,744	-	1,596	-	-	9,511	-	-	-	-	36,851
Capital outlay	<u>40,352</u>	<u>-</u>	<u>65,888</u>	<u>-</u>	<u>-</u>	<u>85,928</u>	<u>7,967</u>	<u>30,375</u>	<u>-</u>	<u>-</u>	<u>230,510</u>
<b>Total Expenditures</b>	<u>619,608</u>	<u>3,019</u>	<u>2,074,534</u>	<u>232,567</u>	<u>388,841</u>	<u>470,901</u>	<u>51,780</u>	<u>45,526</u>	<u>844,361</u>	<u>-</u>	<u>4,731,137</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(103,179)</u>	<u>997</u>	<u>(300,473)</u>	<u>(93,897)</u>	<u>250,760</u>	<u>169,597</u>	<u>2,367</u>	<u>260,377</u>	<u>(768,488)</u>	<u>872,861</u>	<u>290,922</u>
											-
<b>Other Financing Sources (Uses)</b>											
Transfers in (out)	125,953	-	17,359	(40,000)	-	(27,444)	(14,750)	(240,192)	815,491	-	636,417
General long-term debt issued	<u>-</u>	<u>-</u>	<u>(75,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,200)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>125,953</u>	<u>-</u>	<u>92,559</u>	<u>(40,000)</u>	<u>-</u>	<u>(27,444)</u>	<u>(14,750)</u>	<u>(240,192)</u>	<u>815,491</u>	<u>-</u>	<u>711,617</u>
<b>Net Change in Fund Balances</b>	22,774	997	(207,914)	(133,897)	250,760	142,153	(12,383)	20,185	47,003	872,861	1,002,539
<b>Fund Balance, Beginning</b>	<u>80,863</u>	<u>15,137</u>	<u>220,619</u>	<u>213,941</u>	<u>242,633</u>	<u>337,743</u>	<u>35,327</u>	<u>35,622</u>	<u>394,738</u>	<u>-</u>	<u>1,576,623</u>
<b>Fund Balance, Ending</b>	<u>\$ 103,637</u>	<u>\$ 16,134</u>	<u>\$ 12,705</u>	<u>\$ 80,044</u>	<u>\$ 493,393</u>	<u>\$ 479,896</u>	<u>\$ 22,944</u>	<u>\$ 55,807</u>	<u>\$ 441,741</u>	<u>\$ 872,861</u>	<u>\$ 2,579,162</u>

**City of Marion, Illinois**  
**Combining Balance Sheet**  
**General Fund Types**  
**April 30, 2020**

	General	Cultural and Civic Center Fund	Senior Citizen Fund	Boyton St Fund	Total General Fund Types
<b>Assets</b>					
Cash and cash equivalents	\$ 2,333,796	\$ 186,533	\$ 41,318	\$ 3,964	\$ 2,565,611
Restricted cash and cash equivalents	67,625	-	-	2,288	69,913
Investments	4,913,779	2,583	-	-	4,916,362
Restricted investment	-	-	10,547	-	10,547
Accounts receivable	22,974	-	-	-	22,974
Property taxes receivable	100	-	-	-	100
Sales taxes receivable	3,496,364	-	-	-	3,496,364
Other taxes receivables	351,463	-	-	-	351,463
Accrued interest receivable	15,643	-	35	-	15,678
Loans receivable	610,078	-	-	-	610,078
Intergovernmental receivable	<u>332,324</u>	<u>8,278</u>	<u>-</u>	<u>-</u>	<u>340,602</u>
<b>Total Assets</b>	<u>\$ 12,144,146</u>	<u>\$ 197,394</u>	<u>\$ 51,900</u>	<u>\$ 6,252</u>	<u>\$ 12,399,692</u>
<b>Liabilities</b>					
Accounts payable	\$ 256,426	\$ 13,037	\$ 10,510	\$ 426	\$ 280,399
Due to other funds	174,798	479	786	-	176,063
Accrued payroll	421,795	-	14,195	-	435,990
Accrued payroll related expenses	12,408	-	-	-	12,408
Damage deposits	43,500	-	-	-	43,500
Unearned revenue	<u>-</u>	<u>178,476</u>	<u>-</u>	<u>-</u>	<u>178,476</u>
<b>Total Liabilities</b>	<u>908,927</u>	<u>191,992</u>	<u>25,491</u>	<u>426</u>	<u>1,126,836</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total Deferred Inflows of Resources</b>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Fund Balances</b>					
Restricted for:					
Donor restricted expenditures	-	-	10,582	2,288	12,870
Public safety	67,625	-	-	-	67,625
Committed	5,615,045	-	-	-	5,615,045
Assigned	50,561	-	-	-	50,561
Unassigned	<u>5,501,888</u>	<u>5,402</u>	<u>15,827</u>	<u>3,538</u>	<u>5,526,655</u>
<b>Total Fund Balances</b>	<u>11,235,119</u>	<u>5,402</u>	<u>26,409</u>	<u>5,826</u>	<u>11,272,756</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 12,144,146</u>	<u>\$ 197,394</u>	<u>\$ 51,900</u>	<u>\$ 6,252</u>	<u>\$ 12,399,692</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Types**  
**For the Year Ended April 30, 2020**

	General	Cultural and Civic Center Fund	Senior Citizen Fund	Boyton St Fund	Total General Fund Types
<b>Revenues</b>					
Property taxes	\$ 1,675,862	\$ -	\$ -	\$ -	\$ 1,675,862
Sales taxes	16,128,924	-	-	-	16,128,924
Other taxes and franchise fees	2,487,136	50,952	-	-	2,538,088
Licences and permits	193,879	-	-	-	193,879
Intergovernmental	1,723,701	-	-	-	1,723,701
Service charges and fees	458,947	494,981	58,448	-	1,012,376
Grant revenue	483,239	18,875	16,871	40,459	559,444
Investment income	183,294	1,531	261	-	185,086
Miscellaneous income	<u>323,091</u>	<u>-</u>	<u>4,736</u>	<u>1,884</u>	<u>329,711</u>
<b>Total Revenues</b>	<u>23,658,073</u>	<u>566,339</u>	<u>80,316</u>	<u>42,343</u>	<u>24,347,071</u>
<b>Expenditures</b>					
General government	2,865,287	-	547,479	312,702	3,725,468
Public health and safety	10,927,350	-	-	-	10,927,350
Streets, alleys, and cemeteries	3,285,812	-	-	-	3,285,812
Culture and recreation	-	1,053,345	-	-	1,053,345
Development	758,577	-	-	-	758,577
Debt service:					
Principal	252,476	-	-	-	252,476
Interest	17,899	-	-	-	17,899
Capital outlay	<u>512,709</u>	<u>41,699</u>	<u>-</u>	<u>-</u>	<u>554,408</u>
<b>Total Expenditures</b>	<u>18,620,110</u>	<u>1,095,044</u>	<u>547,479</u>	<u>312,702</u>	<u>20,575,335</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>5,037,963</u>	<u>(528,705)</u>	<u>(467,163)</u>	<u>(270,359)</u>	<u>3,771,736</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)	(4,868,724)	579,211	472,038	278,403	(3,539,072)
General long-term debt issued	<u>(395,985)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(395,985)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,472,739)</u>	<u>579,211</u>	<u>472,038</u>	<u>278,403</u>	<u>(3,143,087)</u>
<b>Net Change in Fund Balances</b>	565,224	50,506	4,875	8,044	628,649
<b>Fund Balance, Beginning</b>	<u>10,669,895</u>	<u>(45,104)</u>	<u>21,534</u>	<u>(2,218)</u>	<u>10,644,107</u>
<b>Fund Balance, Ending</b>	<u>\$ 11,235,119</u>	<u>\$ 5,402</u>	<u>\$ 26,409</u>	<u>\$ 5,826</u>	<u>\$ 11,272,756</u>

**City of Marion, Illinois**  
**Combining Balance Sheet**  
**TIF Redevelopment Fund**  
**April 30, 2020**

	TIF #1	TIF #5	TIF #7	TIF #8	TIF #10	TIF #11	TIF #12
<b>Assets</b>							
Cash and cash equivalents	\$ 338,196	\$ 5	\$ -	\$ 482,018	\$ 5	\$ 9	\$ 21,693
Property taxes receivable	3,047,680	145,881	-	150,822	942,440	256,616	3,053
Loans receivable	-	-	-	-	-	-	-
Grant receivable	<u>49,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 3,435,222</u></u>	<u><u>\$ 145,886</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 632,840</u></u>	<u><u>\$ 942,445</u></u>	<u><u>\$ 256,625</u></u>	<u><u>\$ 24,746</u></u>
<b>Liabilities</b>							
Accounts payable	\$ 40,787	\$ 1,604	\$ -	\$ 1,379	\$ 5,067	\$ 152,293	\$ 965
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>40,787</u>	<u>1,604</u>	<u>-</u>	<u>1,379</u>	<u>5,067</u>	<u>152,293</u>	<u>965</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	<u>3,047,680</u>	<u>145,881</u>	<u>-</u>	<u>150,822</u>	<u>942,440</u>	<u>256,616</u>	<u>3,053</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,047,680</u>	<u>145,881</u>	<u>-</u>	<u>150,822</u>	<u>942,440</u>	<u>256,616</u>	<u>3,053</u>
<b>Fund Balances</b>							
Restricted for:							
Development	<u>346,755</u>	<u>(1,599)</u>	<u>-</u>	<u>480,639</u>	<u>(5,062)</u>	<u>(152,284)</u>	<u>20,728</u>
<b>Total Fund Balances</b>	<u>346,755</u>	<u>(1,599)</u>	<u>-</u>	<u>480,639</u>	<u>(5,062)</u>	<u>(152,284)</u>	<u>20,728</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u><u>\$ 3,435,222</u></u>	<u><u>\$ 145,886</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 632,840</u></u>	<u><u>\$ 942,445</u></u>	<u><u>\$ 256,625</u></u>	<u><u>\$ 24,746</u></u>



**City of Marion, Illinois  
Combining Balance Sheet  
TIF Redevelopment Fund  
April 30, 2020**

TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF Redevelopment Fund
\$ 8	\$ 3,902	\$ 87,588	\$ 1	\$ 2	\$ 1,531	\$ 7	\$ -	\$ 934,965
402,012	20,979	222,721	1,038	23,113	22,551	6,573	93,263	5,338,742
50,000	-	-	-	-	-	-	-	50,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,346</u>
<u>\$ 452,020</u>	<u>\$ 24,881</u>	<u>\$ 310,309</u>	<u>\$ 1,039</u>	<u>\$ 23,115</u>	<u>\$ 24,082</u>	<u>\$ 6,580</u>	<u>\$ 93,263</u>	<u>\$ 6,373,053</u>
\$ 100,329	\$ 1,342	\$ 17,602	\$ 1,315	\$ 1,268	\$ 1,268	\$ 1,250	\$ -	\$ 326,469
<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68</u>
<u>100,376</u>	<u>1,342</u>	<u>17,602</u>	<u>1,315</u>	<u>1,289</u>	<u>1,268</u>	<u>1,250</u>	<u>-</u>	<u>326,537</u>
<u>402,012</u>	<u>20,979</u>	<u>222,721</u>	<u>1,038</u>	<u>23,113</u>	<u>22,551</u>	<u>6,573</u>	<u>93,263</u>	<u>5,338,742</u>
<u>402,012</u>	<u>20,979</u>	<u>222,721</u>	<u>1,038</u>	<u>23,113</u>	<u>22,551</u>	<u>6,573</u>	<u>93,263</u>	<u>5,338,742</u>
<u>(50,368)</u>	<u>2,560</u>	<u>69,986</u>	<u>(1,314)</u>	<u>(1,287)</u>	<u>263</u>	<u>(1,243)</u>	<u>-</u>	<u>707,774</u>
<u>(50,368)</u>	<u>2,560</u>	<u>69,986</u>	<u>(1,314)</u>	<u>(1,287)</u>	<u>263</u>	<u>(1,243)</u>	<u>-</u>	<u>707,774</u>
<u>\$ 452,020</u>	<u>\$ 24,881</u>	<u>\$ 310,309</u>	<u>\$ 1,039</u>	<u>\$ 23,115</u>	<u>\$ 24,082</u>	<u>\$ 6,580</u>	<u>\$ 93,263</u>	<u>\$ 6,373,053</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**TIF Redevelopment Fund**  
**For the Year Ended April 30, 2020**

	TIF #1	TIF #5	TIF #7	TIF #8	TIF #10	TIF #11	TIF #12
<b>Revenues</b>							
Property taxes	\$ 3,280,191	\$ 155,303	\$ 1,174,432	\$ 160,626	\$ 1,054,557	\$ 137,721	\$ 3,251
Grant revenue	86,571	277,112	-	-	-	-	-
Investment income	31,668	541	2,390	5,160	1,888	1	237
Miscellaneous	<u>44,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>3,442,914</u>	<u>432,956</u>	<u>1,176,822</u>	<u>165,786</u>	<u>1,056,445</u>	<u>137,722</u>	<u>3,488</u>
<b>Expenditures</b>							
Streets, alleys, and cemeteries	379,833	183,412	46,796	-	-	-	-
Development	515,241	125,393	21,914	121,095	458,389	1,521,584	4,775
Debt service:							
Principal	618,182	-	-	-	743,500	76,500	-
Interest	-	-	-	-	13,975	-	-
Capital outlay	<u>275,561</u>	<u>447,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308,623</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,788,817</u>	<u>756,217</u>	<u>68,710</u>	<u>121,095</u>	<u>1,215,864</u>	<u>2,906,707</u>	<u>4,775</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,654,097</u>	<u>(323,261)</u>	<u>1,108,112</u>	<u>44,691</u>	<u>(159,419)</u>	<u>(2,768,985)</u>	<u>(1,287)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in (out)	(3,735,063)	479,818	(1,174,132)	-	(809,909)	2,694,360	-
Proceeds from long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,735,063)</u>	<u>479,818</u>	<u>(1,174,132)</u>	<u>-</u>	<u>(64,909)</u>	<u>2,694,360</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(2,080,966)	156,557	(66,020)	44,691	(224,328)	(74,625)	(1,287)
<b>Fund Balance, Beginning</b>	<u>2,427,721</u>	<u>(158,156)</u>	<u>66,020</u>	<u>435,948</u>	<u>219,266</u>	<u>(77,659)</u>	<u>22,015</u>
<b>Fund Balance, Ending</b>	<u>\$ 346,755</u>	<u>\$ (1,599)</u>	<u>\$ -</u>	<u>\$ 480,639</u>	<u>\$ (5,062)</u>	<u>\$ (152,284)</u>	<u>\$ 20,728</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**TIF Redevelopment Fund**  
**For the Year Ended April 30, 2020**

TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF Redevelopment Fund
\$ 420,304	\$ 7,512	\$ 199,354	\$ 1,027	\$ 456	\$ 6,615	\$ -	\$ -	\$ 6,601,349
-	-	-	-	-	-	-	-	363,683
313	32	1,044	1	-	32	-	-	43,307
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,484</u>
<u>420,617</u>	<u>7,544</u>	<u>200,398</u>	<u>1,028</u>	<u>456</u>	<u>6,647</u>	<u>-</u>	<u>-</u>	<u>7,052,823</u>
217,743	-	-	-	7,520	-	-	-	835,304
277,866	6,263	135,106	6,553	5,968	6,384	4,203	-	3,210,734
-	-	-	-	-	-	-	-	1,438,182
-	-	-	-	-	-	-	-	13,975
<u>1,177,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,248,324</u>
<u>1,672,633</u>	<u>6,263</u>	<u>135,106</u>	<u>6,553</u>	<u>53,192</u>	<u>6,384</u>	<u>4,203</u>	<u>-</u>	<u>8,746,519</u>
<u>(1,252,016)</u>	<u>1,281</u>	<u>65,292</u>	<u>(5,525)</u>	<u>(52,736)</u>	<u>263</u>	<u>(4,203)</u>	<u>-</u>	<u>(1,693,696)</u>
1,286,135	2,596	(29,040)	5,510	51,449	-	2,960	-	(1,225,316)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>
<u>1,286,135</u>	<u>2,596</u>	<u>(29,040)</u>	<u>5,510</u>	<u>51,449</u>	<u>-</u>	<u>2,960</u>	<u>-</u>	<u>(480,316)</u>
34,119	3,877	36,252	(15)	(1,287)	263	(1,243)	-	(2,174,012)
<u>(84,487)</u>	<u>(1,317)</u>	<u>33,734</u>	<u>(1,299)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,881,786</u>
<u>\$ (50,368)</u>	<u>\$ 2,560</u>	<u>\$ 69,986</u>	<u>\$ (1,314)</u>	<u>\$ (1,287)</u>	<u>\$ 263</u>	<u>\$ (1,243)</u>	<u>\$ -</u>	<u>\$ 707,774</u>

**City of Marion, Illinois**  
**Combining Statement of Plan Net Position**  
**Fiduciary Fund Types**  
**April 30, 2020**

	Police Pension	Fire Pension	Total Pension Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 92,328	\$ 119,099	\$ 211,427
Accrued interest receivable	28,959	27,303	56,262
Receivable from sales of investments	3,062	3,065	6,127
Investments -			
U.S. Government and agency obligations	1,819,375	2,280,751	4,100,126
Corporate bonds	1,683,555	1,883,197	3,566,752
Insurance company contracts	757,527	-	757,527
Mutual funds	3,491,277	3,108,749	6,600,026
Stocks	579,357	515,668	1,095,025
State and local obligations	444,648	86,547	531,195
Exchange traded funds	<u>4,491,313</u>	<u>3,948,390</u>	<u>8,439,703</u>
<b>Total Assets</b>	<u>13,391,401</u>	<u>11,972,769</u>	<u>25,364,170</u>
<b>Liabilities</b>			
Due to other funds	<u>827</u>	<u>859</u>	<u>1,686</u>
<b>Total Liabilities</b>	<u>827</u>	<u>859</u>	<u>1,686</u>
<b>Net Position</b>			
Held in trust for pension benefits	<u>\$ 13,390,574</u>	<u>\$ 11,971,910</u>	<u>\$ 25,362,484</u>

**City of Marion, Illinois**  
**Combining Statement of Changes in Plan Net Position**  
**Fiduciary Fund Types**  
**For the Year Ended April 30, 2020**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total Pension Trust Funds</u>
<b>Additions</b>			
Contributions:			
Employer	\$ 1,012,811	\$ 670,792	\$ 1,683,603
Plan members	<u>225,133</u>	<u>150,991</u>	<u>376,124</u>
Total contributions	<u>1,237,944</u>	<u>821,783</u>	<u>2,059,727</u>
Investment income:			
Gain on sale of investments	219,977	220,555	440,532
Net decrease in fair value of investments	(1,037,310)	(887,056)	(1,924,366)
Interest and dividends	376,707	302,535	679,242
Investment expense	<u>(29,939)</u>	<u>(28,603)</u>	<u>(58,542)</u>
Net investment income (loss)	<u>(470,565)</u>	<u>(392,569)</u>	<u>(863,134)</u>
Miscellaneous income	<u>226</u>	<u>226</u>	<u>452</u>
<b>Total Additions</b>	<u>767,605</u>	<u>429,440</u>	<u>1,197,045</u>
<b>Deductions</b>			
Benefits paid	998,735	631,569	1,630,304
Refund of contributions	120,887	-	120,887
Administrative expense	<u>21,351</u>	<u>14,765</u>	<u>36,116</u>
<b>Total Deductions</b>	<u>1,140,973</u>	<u>646,334</u>	<u>1,787,307</u>
<b>Change in Net Position</b>	(373,368)	(216,894)	(590,262)
<b>Net Position, Beginning</b>	<u>13,763,942</u>	<u>12,188,804</u>	<u>25,952,746</u>
<b>Net Position, Ending</b>	<u>\$ 13,390,574</u>	<u>\$ 11,971,910</u>	<u>\$ 25,362,484</u>

## **STATISTICAL SECTION**

City of Marion, Illinois  
Net Position by Component  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 48,259,716	\$ 48,418,691	\$ 48,988,714	\$ 49,821,327	\$ 56,384,124	\$ 62,047,732	\$ 64,802,887	\$ 70,354,133	\$ 77,220,678	\$ 80,538,278
Restricted	6,973,836	7,996,015	8,787,744	9,714,621	6,306,101	6,897,029	5,808,163	3,253,750	6,276,399	5,317,774
Nonspendable	1,000	1,000			1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	9,236,733	1,214,501	1,430,785	1,155,681	3,551,954	(11,673,454)	(14,332,100)	(15,246,222)	(35,108,461)	(35,257,926)
<b>Total Governmental Activities net position</b>	<b>64,471,285</b>	<b>57,630,207</b>	<b>59,207,243</b>	<b>60,691,629</b>	<b>66,243,179</b>	<b>57,272,307</b>	<b>56,279,950</b>	<b>58,362,661</b>	<b>48,389,616</b>	<b>50,599,126</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 14,045,231	\$ 16,061,850	\$ 16,023,309	\$ 16,682,661	\$ 17,507,218	\$ 17,984,674	\$ 19,021,088	\$ 20,586,601	\$ 21,509,808	\$ 22,886,259
Restricted	1,417,154	1,040,330	1,771,424	1,584,620	993,495	1,057,109	608,764	538,239	647,651	767,698
Unrestricted	238,726	452,046	507,295	469,822	270,046	(506,364)	518,054	(168,842)	(4,042,028)	(3,966,913)
<b>Total Business-Type Activities Net Position</b>	<b>\$ 15,701,111</b>	<b>\$ 17,554,226</b>	<b>\$ 18,302,028</b>	<b>\$ 18,737,103</b>	<b>\$ 18,770,759</b>	<b>\$ 18,535,419</b>	<b>\$ 20,147,906</b>	<b>\$ 20,955,998</b>	<b>\$ 18,115,431</b>	<b>\$ 19,687,044</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 62,304,947	\$ 64,480,541	\$ 65,012,023	\$ 66,503,988	\$ 73,891,342	\$ 80,032,406	\$ 83,823,975	\$ 90,940,734	\$ 98,730,486	\$ 103,424,537
Restricted	8,390,990	9,036,345	10,559,168	11,299,241	7,299,596	7,954,138	6,416,927	3,791,989	6,924,050	6,085,472
Nonspendable	1,000	1,000	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	9,475,459	1,666,547	1,938,080	1,625,503	3,822,000	(12,179,818)	(13,814,046)	(15,415,064)	(39,150,489)	(39,224,839)
<b>Total Primary Government Net Position</b>	<b>\$ 80,172,396</b>	<b>\$ 75,184,433</b>	<b>\$ 77,509,271</b>	<b>\$ 79,428,732</b>	<b>\$ 85,013,938</b>	<b>\$ 75,807,726</b>	<b>\$ 76,427,856</b>	<b>\$ 79,318,659</b>	<b>\$ 66,505,047</b>	<b>\$ 70,286,170</b>

Note: Large decrease in Unrestricted fund balance for FY 2016 was due to implementation of GASB 68  
Large decrease in Unrestricted fund balance for FY 2019 was due to implementation of GASB 75.

City of Marion, Illinois  
Changes in Net Position  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 3,288,838	\$ 2,947,126	\$ 3,137,439	\$ 3,034,930	\$ 3,044,488	\$ 2,887,404	\$ 2,905,642	\$ 2,988,731	\$ 3,383,178	\$ 3,944,817
Public, health and safety	7,397,605	7,739,122	7,987,798	9,116,936	10,391,875	10,717,970	11,010,205	11,556,371	11,710,576	12,937,664
Streets, alleys and cemeteries	3,964,567	3,850,271	4,287,758	3,653,773	3,266,538	4,131,493	4,731,698	4,603,839	5,280,601	5,487,412
Culture and recreation	1,814,501	2,378,823	2,383,392	2,617,267	3,451,285	4,868,411	4,954,123	5,445,073	5,285,483	5,348,849
Development	4,154,001	4,321,029	4,543,137	4,103,739	3,411,208	3,158,929	3,849,973	2,999,672	2,871,426	3,969,309
Interest	883,150	762,036	724,105	997,268	1,429,749	1,531,122	1,791,774	897,069	646,396	596,237
Unallocated depreciation expense	1,815,672	1,426,627	1,129,993	1,116,753	1,102,063	1,165,719	1,320,963	1,183,040	1,214,361	1,266,569
<b>Total Governmental Activities Expenses</b>	<b>23,318,334</b>	<b>23,425,034</b>	<b>24,193,622</b>	<b>24,640,666</b>	<b>26,097,206</b>	<b>28,461,048</b>	<b>30,564,378</b>	<b>29,673,795</b>	<b>30,392,021</b>	<b>33,550,857</b>
<b>Business-Type Activities</b>										
Water	3,196,557	3,351,965	3,394,232	3,418,034	3,555,727	3,451,019	3,483,060	3,568,810	3,340,696	3,549,492
Sewer	2,737,472	2,692,361	2,800,924	2,891,501	2,959,136	3,014,816	3,315,934	3,218,668	3,087,514	3,053,532
<b>Total Business-Type Activities Expenses</b>	<b>5,934,029</b>	<b>6,044,326</b>	<b>6,195,156</b>	<b>6,309,535</b>	<b>6,514,863</b>	<b>6,465,835</b>	<b>6,798,994</b>	<b>6,787,478</b>	<b>6,428,210</b>	<b>6,603,024</b>
<b>TOTAL GOVERNMENT EXPENSES</b>	<b>29,252,363</b>	<b>29,469,360</b>	<b>30,388,778</b>	<b>30,950,201</b>	<b>32,612,069</b>	<b>34,926,883</b>	<b>37,363,372</b>	<b>36,461,273</b>	<b>36,820,231</b>	<b>40,153,881</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for Services										
General government	206,589	199,751	212,298	240,997	263,636	259,680	403,481	343,011	365,579	\$ 359,645
Public, health and safety	211,071	227,627	279,995	279,359	299,545	206,155	202,967	305,639	361,725	352,754
Streets, alleys and cemeteries	78,407	92,441	175,840	92,250	94,276	97,407	90,637	94,046	117,232	87,015
Culture and recreation	264,317	370,881	367,452	419,543	845,505	2,434,950	2,500,938	2,657,089	2,581,198	2,262,979
Development	48,804	49,650	38,534	50,130	45,835	47,751	44,571	33,208	-	-
Operating Grants and Contributions	945,027	1,371,933	955,858	962,603	973,519	833,299	703,151	889,252	1,339,796	1,321,274
Capital Grants and Contributions	816,350	1,686,323	339,633	30,727	2,463,824	3,512,458	466,748	638,620	1,934,015	280,340
<b>Total Governmental Activities Program Revenues</b>	<b>2,570,565</b>	<b>3,998,606</b>	<b>2,369,610</b>	<b>2,075,609</b>	<b>4,986,140</b>	<b>7,391,700</b>	<b>4,412,493</b>	<b>4,960,865</b>	<b>6,699,545</b>	<b>4,664,007</b>
<b>Business-Type Activities</b>										
Charges for Services										
Water	3,240,846	3,267,614	3,654,871	3,432,244	3,569,711	3,490,646	3,699,540	3,825,170	3,723,442	3,571,541
Sewer	2,572,999	2,788,083	3,105,602	3,013,746	3,104,756	3,108,394	3,224,683	3,350,002	3,358,505	3,805,914
Operating Grants and Contributions	-	-	-	-	16,106	75,098	-	-	-	-
Capital Grants and Contributions	218,329	1,170,277	-	225,956	-	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>6,032,174</b>	<b>7,225,974</b>	<b>6,760,473</b>	<b>6,671,946</b>	<b>6,690,573</b>	<b>6,674,138</b>	<b>6,924,223</b>	<b>7,175,172</b>	<b>7,081,947</b>	<b>7,377,455</b>
<b>TOTAL GOVERNMENT PROGRAM REVENUES</b>	<b>8,602,739</b>	<b>11,224,580</b>	<b>9,130,083</b>	<b>8,747,555</b>	<b>11,676,713</b>	<b>14,065,838</b>	<b>11,336,716</b>	<b>12,136,037</b>	<b>13,781,492</b>	<b>12,041,462</b>
<b>NET REVNUe (EXPENSE)</b>										
Governmental Activities	(20,747,769)	(19,426,428)	(21,824,012)	(22,565,057)	(21,111,066)	(21,069,348)	(26,151,885)	(24,712,930)	(23,692,476)	(28,886,850)
Business-Type Activities	98,145	1,181,648	565,317	362,411	175,710	208,303	125,229	387,694	653,737	774,431
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>(20,649,624)</b>	<b>(18,244,780)</b>	<b>(21,258,695)</b>	<b>(22,202,646)</b>	<b>(20,935,356)</b>	<b>(20,861,045)</b>	<b>(26,026,656)</b>	<b>(24,325,236)</b>	<b>(23,038,739)</b>	<b>(28,112,419)</b>



City of Marion, Illinois  
Changes in Net Position (continued)  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes										
Property taxes	5,887,518	5,876,897	5,715,304	6,189,554	6,546,608	7,170,616	7,476,252	7,880,710	8,311,961	8,552,881
Sales taxes	12,750,926	13,230,885	13,554,579	13,175,074	13,392,948	13,873,245	13,902,723	15,061,272	15,613,523	17,001,718
Other taxes and franchise fees	1,129,494	1,476,059	2,339,509	3,314,407	3,724,286	3,792,258	3,769,412	3,775,796	3,866,235	4,061,606
Intergovernmental	1,352,577	1,479,662	1,650,931	1,667,310	1,757,467	1,779,036	1,697,480	1,588,865	1,804,882	1,723,701
Investment Income	102,059	86,827	76,052	43,887	40,546	58,784	86,469	130,972	316,468	321,022
Miscellaneous	115,268	162,477	64,205	96,528	320,264	68,481	858	121,493	110,748	231,881
Gain (Loss) on sale of capital assets	(31,554)	-	42,241	(51,743)	(26,411)	(29,481)	-	-	(53)	
Special Items	-	(9,068,948)	-	-	-	-	-	(1,652,165)	-	
Residual equity transfer	-	(12,962)	-	-	-	-	-	-	-	
Transfers	(156,383)	(645,544)	(137,773)	3,617	(305,006)	21,288	(1,773,665)	(175,465)	(21,678)	(796,449)
<b>Total Governmental Activities</b>	<b>21,149,905</b>	<b>12,585,353</b>	<b>23,305,048</b>	<b>24,438,634</b>	<b>25,450,702</b>	<b>26,734,227</b>	<b>25,159,529</b>	<b>26,731,478</b>	<b>30,002,086</b>	<b>31,096,360</b>
<b>Business-Type Activities</b>										
Investment Income	3,306	1,403	2,085	830	747	1,350	4,951	26,134	33,328	28,000
Miscellaneous	31,869	24,518	42,627	28,820	10,864	6,633	11,524	12,260	9,246	35,590
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	(2,882)	(93,461)	39,146	(62,857)
Loss Recovery	-	-	-	140,751	-	-	-	-	-	
Special Item	-	-	-	-	(407,285)	-	-	-	-	
Transfers	156,383	645,544	137,773	(3,617)	253,621	(21,288)	1,773,665	175,465	21,678	796,449
<b>Total Business-Type Activities</b>	<b>191,558</b>	<b>671,465</b>	<b>182,485</b>	<b>166,784</b>	<b>(142,053)</b>	<b>(13,305)</b>	<b>1,787,258</b>	<b>120,398</b>	<b>103,398</b>	<b>797,182</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>21,341,463</b>	<b>13,256,818</b>	<b>23,487,533</b>	<b>24,605,418</b>	<b>25,308,649</b>	<b>26,720,922</b>	<b>26,946,787</b>	<b>26,851,876</b>	<b>30,105,484</b>	<b>31,893,542</b>
<b>CHANGES IN NET POSITION</b>										
Governmental Activities	402,136	(6,841,075)	1,481,036	1,873,577	4,339,636	5,664,879	(992,356)	2,018,548	6,309,610	2,209,510
Business-Type Activities	289,703	1,853,113	747,802	529,195	33,657	194,998	1,912,487	508,092	757,135	1,571,613
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>691,839</b>	<b>(4,987,962)</b>	<b>2,228,838</b>	<b>2,402,772</b>	<b>4,373,293</b>	<b>5,859,877</b>	<b>920,131</b>	<b>2,526,640</b>	<b>7,066,745</b>	<b>3,781,123</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>										
Governmental Activities	-	-	96,000	-	-	-	-	-	(16,282,655)	
Business-Type Activities	-	-	-	-	-	-	-	-	(3,597,702)	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>-</b>	<b>-</b>	<b>96,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,880,357)</b>	<b>-</b>
<b>CHANGES IN NET POSITION AFTER PRIOR PERIOD ADJUSTMENT</b>										
Governmental Activities	402,136	(6,841,075)	1,577,036	1,873,577	4,339,636	5,664,879	(992,356)	2,018,548	(9,973,045)	2,209,510
Business-Type Activities	289,703	1,853,113	747,802	529,195	33,657	194,998	1,912,487	508,092	(2,840,567)	1,571,613
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 691,839</b>	<b>\$ (4,987,962)</b>	<b>\$ 2,324,838</b>	<b>\$ 2,402,772</b>	<b>\$ 4,373,293</b>	<b>\$ 5,859,877</b>	<b>\$ 920,131</b>	<b>\$ 2,526,640</b>	<b>\$ (12,813,612)</b>	<b>\$ 3,781,123</b>

City of Marion, Illinois  
Fund Balances Governmental Funds  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL FUND</b>										
Restricted	\$ 415,030	\$ 285,495	\$ 207,693	\$ 168,382	\$ 205,425	\$ 194,866	\$ 272,970	\$ 211,370	\$ 554,462	\$ 80,495
Assigned		480,804	72,523	72,536	89,007	62,132	54,532	97	102,107	50,561
Committed		4,430,678	4,658,748	4,767,505	4,934,514	4,601,530	5,324,178	5,317,947	5,457,326	5,615,045
Unassigned	10,929,647	6,729,171	8,102,763	7,956,287	5,147,327	5,517,321	4,281,458	4,449,408	4,924,950	5,526,655
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,344,677</b>	<b>\$ 11,926,148</b>	<b>\$ 13,041,727</b>	<b>\$ 12,964,710</b>	<b>\$ 10,376,273</b>	<b>\$ 10,375,849</b>	<b>\$ 9,933,138</b>	<b>\$ 9,978,822</b>	<b>\$ 11,038,845</b>	<b>\$ 11,272,756</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Special revenue funds										
Restricted	\$ 5,656,290	\$ 6,209,287	\$ 7,081,129	\$ 8,010,607	\$ 10,001,190	\$ 11,592,448	\$ 9,167,583	\$ 5,894,610	\$ 4,063,671	\$ 3,286,936
Capital project funds										
Restricted	544	-	7,218,432	8,348,120	2,192,382	575	-	-	-	255,830
Unassigned	-	(186,000)	-	-	-	-	-	-	-	-
Debt service fund										
Restricted	829,275	1,186,400	1,240,422	1,714,318	2,030,882	2,007,390	2,060,270	1,652,220	1,690,076	1,721,041
Permanent fund										
Nonspendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restricted	842	834	842	842	843	845	853	875	917	953
<b>TOTAL ALL OTHER GERNMENTAL FUNDS</b>	<b>\$ 6,487,951</b>	<b>\$ 7,211,521</b>	<b>\$ 15,541,825</b>	<b>\$ 18,074,887</b>	<b>\$ 14,226,297</b>	<b>\$ 13,602,258</b>	<b>\$ 11,229,706</b>	<b>\$ 7,548,705</b>	<b>\$ 5,755,664</b>	<b>\$ 5,265,760</b>

City of Marion, Illinois  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Property taxes	\$ 5,887,518	\$ 6,245,343	\$ 6,083,479	\$ 6,561,085	\$ 6,915,311	\$ 7,541,116	\$ 7,845,967	\$ 7,947,961	\$ 8,378,165	\$ 8,622,108
Sales Taxes	12,750,926	13,230,885	13,554,579	13,175,074	13,392,948	13,871,400	13,902,723	15,061,272	15,613,523	17,001,718
Grant revenue	857,156	928,787	673,638	379,379	2,834,398	1,897,603	620,796	915,218	2,143,674	963,836
Licenses and permits	79,640	80,004	96,586	109,883	134,848	135,814	196,159	177,895	205,274	193,879
Intergovernmental revenue	1,870,471	1,988,163	2,144,632	2,179,741	2,341,172	2,232,422	2,103,310	2,041,314	2,254,675	2,361,479
Other taxes and franchise fees	1,170,870	1,518,515	2,387,160	3,369,112	3,726,122	3,794,103	3,771,172	4,027,684	4,145,323	4,061,607
Service charges and fees	636,143	821,845	844,451	946,239	1,454,841	2,886,849	2,981,795	2,899,531	2,899,567	2,868,522
Investment income	150,862	86,827	76,052	43,746	40,548	58,783	96,797	120,864	301,591	272,073
Restricted Donations	253,105	39,833	10,450	16,701	16,349	1,960,345	57,096	53,363	636,305	8,468
Miscellaneous Revenue	266,896	396,295	352,602	228,607	385,530	125,578	219,001	379,201	208,791	408,467
<b>Total revenues</b>	<b>23,923,587</b>	<b>25,336,497</b>	<b>26,223,629</b>	<b>27,009,567</b>	<b>31,242,067</b>	<b>34,504,013</b>	<b>31,794,816</b>	<b>33,624,403</b>	<b>36,786,888</b>	<b>36,762,157</b>
<b>EXPENDITURES</b>										
General government	3,340,522	2,934,652	3,528,712	3,224,133	2,859,345	3,095,427	3,029,997	3,116,284	3,507,190	3,725,468
Public, health and safety	6,910,366	7,105,481	7,344,306	8,463,207	9,304,123	9,447,754	9,906,545	10,289,669	10,839,566	10,986,314
Streets, alleys and cemeteries	3,430,432	3,403,312	3,360,702	3,397,904	3,168,355	3,984,181	4,541,950	3,977,856	4,905,927	4,985,572
Culture and recreation	1,436,131	2,131,024	2,040,895	2,246,813	3,097,183	3,926,022	3,940,925	4,162,323	4,259,080	4,222,289
Capital outlay	2,134,259	2,321,245	3,684,826	11,135,450	3,411,209	8,402,937	1,903,849	4,890,021	6,509,936	4,033,242
Development	4,154,001	4,321,029	4,564,453	4,169,397	16,797,470	3,154,664	3,744,462	2,999,447	2,840,508	3,969,311
Debt service	2,189,256	2,104,343	2,470,791	2,797,520	4,489,873	12,339,634	6,112,923	5,924,296	5,504,289	6,074,384
<b>Total Expenditures</b>	<b>23,594,967</b>	<b>24,321,086</b>	<b>26,994,685</b>	<b>35,434,424</b>	<b>43,127,558</b>	<b>44,350,619</b>	<b>33,180,651</b>	<b>35,359,896</b>	<b>38,366,496</b>	<b>37,996,580</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>328,620</b>	<b>1,015,411</b>	<b>(771,056)</b>	<b>(8,424,857)</b>	<b>(11,885,491)</b>	<b>(9,846,606)</b>	<b>(1,385,835)</b>	<b>(1,735,493)</b>	<b>(1,579,608)</b>	<b>(1,234,423)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from long-term debt	417,612	5,352,880	10,204,013	10,865,781	5,753,469	9,200,855	344,236	268,663	429,484	1,216,185
Transfers in (out)	(13,157)	-	12,925	15,120	(305,006)	21,288	(1,773,665)	22,559	(21,678)	(237,755)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>404,455</b>	<b>5,352,880</b>	<b>10,216,938</b>	<b>10,880,901</b>	<b>5,448,463</b>	<b>9,222,143</b>	<b>(1,429,429)</b>	<b>291,222</b>	<b>407,806</b>	<b>978,430</b>
<b>SPECIAL ITEMS</b>										
Payment to SSA bondholders	-	(2,981,339)	-	-	-	-	-	-	-	-
Payment to Pavilion bondholders	-	(2,068,948)	-	-	-	-	-	-	-	-
Close out of Revolving Loan Fund	-	-	-	-	-	-	-	(1,652,165)	-	-
Payment to County for property taxes	-	-	-	-	-	-	-	(603,045)	-	-
<b>TOTAL SPECIAL ITEMS</b>	<b>-</b>	<b>(5,050,287)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,255,210)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ 733,075</b>	<b>\$ 1,318,004</b>	<b>\$ 9,445,882</b>	<b>\$ 2,456,044</b>	<b>\$ (6,437,028)</b>	<b>\$ (624,463)</b>	<b>\$ (2,815,264)</b>	<b>\$ (3,699,481)</b>	<b>\$ (1,171,802)</b>	<b>\$ (255,993)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>										
	10.20%	9.57%	10.60%	11.51%	11.30%	34.33%	19.54%	19.44%	17.28%	17.89%

**City of Marion, Illinois**  
**Taxable Sales by Category - Municipal Tax**  
**Last Ten Calendar Years**

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$ 1,781,028	\$ 1,448,414	\$ 1,714,822	\$ 1,678,796	\$ 1,676,599	\$ 1,696,741	\$ 1,196,812	\$ 1,105,635	\$ 1,102,880	\$ 1,161,140
Food	598,034	675,855	710,496	777,861	749,398	710,905	1,191,796	1,266,470	1,317,227	1,342,746
Drinking and Eating Places	704,891	700,163	714,878	725,745	750,666	801,532	821,182	860,726	867,807	884,106
Apparel	79,639	414,013	210,729	207,371	191,686	177,750	155,387	153,404	157,921	144,071
Furniture & H.H. & Radio	68,332	82,276	67,974	71,215	61,394	69,064	53,170	49,520	64,539	97,606
Lumber, Bldg., Hardware	763,297	743,574	774,491	769,470	779,378	825,783	847,350	879,159	839,450	835,742
Automotive & Filing Stations	1,654,627	1,625,438	1,884,950	1,821,876	1,812,976	1,810,741	1,848,754	1,747,596	1,929,102	1,990,760
Drugs & Miscellaneous Retail	781,263	834,199	893,505	844,975	860,748	1,101,557	1,145,230	1,149,109	1,103,551	1,172,294
Agriculture & All Others	291,361	260,883	237,984	229,023	214,627	225,661	261,433	307,578	346,752	367,574
Manufactures	111,166	109,625	106,528	101,206	107,715	105,856	95,803	101,960	79,042	89,639
<b>TOTAL</b>	<b>\$ 6,833,638</b>	<b>\$ 6,894,440</b>	<b>\$ 7,316,357</b>	<b>\$ 7,227,538</b>	<b>\$ 7,205,187</b>	<b>\$ 7,525,590</b>	<b>\$ 7,616,917</b>	<b>\$ 7,621,157</b>	<b>\$ 7,808,271</b>	<b>\$ 8,085,678</b>
CITY DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Data by category is not available from the State of Illinois for categories with less than four taxpayers. Any nonreported totals are included in the General Merchandise category.

**City of Marion, Illinois**  
**Taxable Sales by Category - Home Rule Tax**  
**Last Ten Calendar Years**

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$ 1,640,143	\$ 1,280,361	\$ 1,499,832	\$ 1,439,666	\$ 1,411,470	\$ 1,417,128	\$ 1,046,629	\$ 1,076,999	\$ 1,132,320	\$ 1,089,745
Food	309,926	382,150	416,799	483,673	445,977	387,205	799,213	873,891	985,466	1,021,584
Drinking and Eating Places	875,702	868,355	887,608	897,607	928,621	992,553	1,017,522	1,174,232	1,291,109	1,328,349
Apparel	99,530	429,221	263,387	259,165	239,600	222,176	194,207	212,147	236,447	216,080
Furniture & H.H. & Radio	85,410	102,843	84,966	89,018	76,742	86,328	66,461	67,920	96,808	146,408
Lumber, Bldg., Hardware	883,363	882,718	925,047	913,601	893,298	952,274	973,344	1,123,200	1,250,246	1,239,608
Automotive & Filing Stations	490,470	527,783	627,859	575,741	604,218	596,176	573,576	597,220	752,307	728,967
Drugs & Miscellaneous Retail	823,568	843,947	873,293	810,148	757,670	811,985	817,151	885,825	867,884	859,513
Agriculture & All Others	266,327	267,466	273,040	266,617	246,398	260,013	304,745	396,527	473,775	488,584
Manufactures	125,689	122,381	121,249	112,723	119,721	122,241	114,135	131,685	113,510	129,732
<b>TOTAL</b>	<b>\$ 5,600,128</b>	<b>\$ 5,707,225</b>	<b>\$ 5,973,080</b>	<b>\$ 5,847,959</b>	<b>\$ 5,723,715</b>	<b>\$ 5,848,079</b>	<b>\$ 5,906,983</b>	<b>\$ 6,539,646</b>	<b>\$ 7,199,872</b>	<b>\$ 7,248,570</b>
<b>CITY DIRECT SALES TAX RATE</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>

Data Source

Illinois Department of Revenue

Data by category is not available from the State of Illinois for categories with less than four taxpayers. Any nonreported totals are included in the General Merchandise category.

In July of 2017 the home rule tax rate increased from 1.25% to 1.50%.

In January of 2020 the home rule tax rate increased from 1.50% to 2.25%

**City of Marion, Illinois  
Direct and Overlapping Sales Tax Rates  
Last Ten Calendar Years**

Calendar Year	City Direct Rate	County Rate	State Rate	County School Facility Rate	Total
2010	2.25%	0.25%	5.00%	1.00%	8.50%
2011	2.25%	0.25%	5.00%	1.00%	8.50%
2012	2.25%	0.25%	5.00%	1.00%	8.50%
2013	2.25%	0.25%	5.00%	1.00%	8.50%
2014	2.25%	0.25%	5.00%	1.00%	8.50%
2015	2.25%	0.25%	5.00%	1.00%	8.50%
2016	2.25%	0.25%	5.00%	1.00%	8.50%
2017	2.50%	0.25%	5.00%	1.00%	8.75%
2018	2.50%	0.25%	5.00%	1.00%	8.75%
2019	2.50%	0.25%	5.00%	1.00%	8.75%

Data Source

City and County Records

Home rule tax increase .25% on July 1,2017.

City of Marion, Illinois  
Direct and Overlapping Property Tax Rates  
Last Ten Years  
(Rate Per \$100 of Assessed Value)

City Direct Rates								Overlapping Rates							
Tax Year Levied	Corporate	Fire Pension	Police Pension	Debt Service	Recreation	IMRF	Total Direct Rate	Williamson County	Williamson County Building Commission	Williamson County Airport	John A. Logan College	Marion Unit #2 School District	Marion Park District	Total Overlapping Rates	Total All Rates
2010		0.12443	0.20455	0.05385			0.38283	1.32979	0.18419	0.09622	0.55434	3.73922	0.22638	6.13014	6.51297
2011		0.13444	0.19778	0.05206			0.38428	1.34328	0.22958	0.09610	0.54842	3.73698	0.22830	6.18266	6.56694
2012		0.14696	0.20641	0.05230	0.05000		0.45567	1.31761	0.22958	0.09967	0.55535	4.04395	0.24323	6.48939	6.94506
2013		0.14360	0.22356	0.05059	0.04721		0.46496	1.36506	0.23255	0.10055	0.56323	4.08750	0.25279	6.60168	7.06664
2014		0.16634	0.24371	0.05060	0.04721		0.50786	1.41689	0.24071	0.10320	0.59101	4.21779	0.26473	6.83433	7.34219
2015		0.17905	0.27672		0.04557		0.50134	1.40990	0.24927	0.10270	0.61581	4.20029	0.26575	6.84372	7.34506
2016		0.20804	0.31627	0.00000	0.04427		0.56858	1.32663	0.24727	0.10122	0.61545	4.14139	0.26955	6.70151	7.27009
2017		0.21124	0.31894		0.04389		0.57407	1.35475	0.25426	0.10297	0.62445	4.26466	0.28054	6.88163	7.45570
2018		0.20864	0.31502		0.04335		0.56701	1.38753	0.25966	0.10453	0.62530	4.35777	0.28890	7.02369	7.59070
2019	0.00002						0.00002	1.40411	0.26491	0.10578	0.63145	4.42781	0.29333	7.12739	7.12741

Source: Williamson County Clerk's Office

**City of Marion, Illinois**  
**Assessed and Estimated Actual Value of Taxable Property in Areas Outside of TIFS**  
**Last Ten Years**

Tax Year	Commercial Property	Industrial Property	Residential Property	Railroads Property	Farm Property	Minerals	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value
2010	109,503,893	9,861,785	156,964,388	324,440	1,941,646	3,060	278,599,212	-4.26%	0.38283	835,797,636
2011	115,935,245	8,510,080	161,410,595	309,583	1,968,397	3,060	288,136,960	3.42%	0.38428	864,410,880
2012	115,248,607	6,672,276	162,322,065	345,561	2,215,724	3,060	286,807,293	-0.46%	0.45567	860,421,879
2013	125,251,925	5,969,351	162,488,590	400,107	2,398,406	3,060	296,511,439	3.38%	0.46496	889,534,317
2014	124,526,776	5,957,078	162,964,649	424,262	2,623,226	3,060	296,499,051	0.00%	0.50786	889,497,153
2015	130,506,548	5,910,219	167,569,447	496,672	2,680,151	3,060	307,166,097	3.60%	0.50134	921,498,291
2016	134,600,739	7,105,007	171,244,570	506,656	2,722,727	3,060	316,182,759	2.94%	0.56858	948,548,277
2017	136,247,648	7,101,377	172,372,579	510,716	2,736,084	3,060	318,971,464	0.88%	0.57407	956,914,392
2018	138,812,188	7,101,377	173,683,675	510,716	2,829,348	360	322,937,664	1.24%	0.56701	968,812,992
2019	141,778,900	7,098,104	190,382,668	510,716	3,035,252	2,090	342,807,730	6.15%	0.00000	1,028,423,190

Source: Williamson County Clerk's Office



**City of Marion, Illinois**  
**Assessed and Estimated Actual Value of Taxable Property in TIF Areas**  
**Last Ten Years**

Tax Year	Commercial Property	Industrial Property	Residential Property	Railroads Property	Farm Property	Minerals	Total Taxable Assessed Value	Percent Growth	Actual Taxable Value
2010	56,967,807	-	14,748,993	7,350	1,902,641	-	73,626,791	-2.52%	220,880,373
2011	53,503,747	38,213	15,096,059	7,493	1,966,011	-	70,611,523	-4.10%	211,834,569
2012	52,897,324	35,231	15,832,288	7,485	2,118,516	-	70,890,844	0.40%	212,672,532
2013	55,819,270	38,213	16,469,077	7,493	2,116,625	-	74,450,678	5.02%	223,352,034
2014	58,410,061	29,851	17,308,888	-	1,945,155	-	77,693,955	4.36%	233,081,865
2015	61,306,782	91,383	17,853,786	77	2,015,283	-	81,267,311	4.60%	243,801,933
2016	64,623,089	123,293	18,243,284	144	2,167,018	-	85,156,828	4.79%	255,470,484
2017	66,731,120	123,293	18,539,393	144	2,195,341	-	87,589,291	2.86%	262,767,873
2018	67,791,177	123,293	18,393,218	144	2,179,252	-	88,487,084	1.03%	265,461,252
2019	68,175,555	123,166	4,525,676	144	2,168,398	-	74,992,939	-15.25%	224,978,817

Source: Williamson County Clerk's Office

**City of Marion, Illinois**  
**Property Tax Levies and Collections**  
**Areas outside of TIF Districts**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Total Tax Levy Extended	Current Tax Collections	Percent of Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	2006	892,982		0.00%		-	0.00%
2009	2007	929,974		0.00%		-	0.00%
2010	2008	1,070,772		0.00%		-	0.00%
2011	2009	1,089,142		0.00%		-	0.00%
2012	2010	1,066,561		0.00%		-	0.00%
2013	2011	1,107,253	1,109,014	100.16%		1,109,014	100.16%
2014	2012	1,301,334	1,297,754	99.72%	1,589	1,299,343	99.85%
2015	2013	1,375,445	1,369,529	99.57%	1,253	1,370,782	99.66%
2016	2014	1,503,013	1,500,674	99.84%	(3,564)	1,497,110	99.61%
2017	2015	1,541,322	1,539,683	99.89%	968	1,540,651	99.96%
2018	2016	1,793,612	1,785,685	99.56%	(12,019)	1,773,666	98.89%
2019	2017	1,826,125	1,817,176	99.51%	2,989	1,820,165	99.67%
2020	2018	1,826,551	1,812,593	99.24%	2,281	1,814,874	99.36%

Source: Williamson County Treasurer's Office

**City of Marion, Illinois**  
**Property Tax Levies and Collections**  
**Within TIF Districts**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Total Tax Levy Extended	Current Tax Collections	Percent of Current Tax Collections	Prior Year Tax Collections (Refunds)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	2006	892,982		0.00%	0	0	0.00%
2009	2007	929,974		0.00%		0	0.00%
2010	2008	4,567,610	4,570,376	100.06%	0	4,570,376	100.06%
2011	2009	4,677,286	4,677,067	100.00%	0	4,677,067	100.00%
2012	2010	4,659,643	4,659,541	100.00%	0	4,659,541	100.00%
2013	2011	4,501,601	4,500,815	99.98%	(5,438)	4,495,377	99.86%
2014	2012	4,776,013	4,775,376	99.99%	0	4,775,376	99.99%
2015	2013	5,113,521	5,113,321	100.00%	(59,838)	5,053,483	98.83%
2016	2014	5,548,966	5,547,540	99.97%	0	5,547,540	99.97%
2017	2015	5,808,198	5,807,907	99.99%	0	5,807,907	99.99%
2018	2016	6,028,357	5,977,889	99.16%	0	5,977,889	99.16%
2019	2017	6,356,345	6,355,985	99.99%	0	6,355,985	99.99%
2020	2018	6,553,670	6,551,861	99.97%	49,488	6,601,349	100.73%

Source: Williamson County Treasurer's Office

**City of Marion, Illinois**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SSA BOND	Loans Payable	Capital Leases	General Obligation Bonds	Loans Payable	Capital Leases	IEPA Loans Payable			
2011	15,782,049	-	741,078	-	4,909,849	11,789	-	6,990,340	28,435,105	6.97%	1,648.60
2012	16,560,022	3,115,000	8,517,848	-	4,494,116	3,144	-	6,925,555	39,615,685	9.65%	2,316.57
2013	25,079,175	2,840,000	8,473,805	-	4,161,779	42,990	-	9,246,502	49,844,251	12.14%	2,898.26
2014	34,207,060	2,555,000	8,120,689	559,274	3,827,397	26,609	-	8,702,455	57,998,484	13.81%	3,356.01
2015	36,410,959	2,265,000	8,431,394	556,934	8,119,793	9,606	-	3,450,219	59,243,905	14.11%	3,414.04
2016	33,373,748	1,970,000	8,491,888	1,361,944	6,791,153	554,501	-	3,739,221	56,282,455	13.51%	3,200.05
2017	30,021,578	1,665,000	7,731,038	859,590	6,141,876	285,162	-	3,539,082	50,243,326	12.03%	2,838.12
2018	26,638,508	1,350,000	6,695,172	821,094	5,538,785	617,082	27,684	3,331,326	45,019,651	10.82%	2,532.89
2019	23,430,046	1,030,000	5,997,188	661,389	4,813,458	545,640	21,642	3,131,451	39,630,814	9.52%	2,245.88
2020	20,120,276	710,000	5,485,626	516,821	4,072,094	485,642	15,470	2,998,495	34,404,424	8.30%	1,963.72

Note: For comparative purposes the 2015 Refunding Chase loan has been included with the bonded debt

**City of Marion, Illinois**  
**Ratio of General Bonded Debt Outstanding**  
**Paid with Sales Tax and Hotel Tax**  
**Last Ten Years**

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Total Hotel and Sales Tax	Net General Obligation Debt Per Capita	Total Hotel and Sales Tax Per Capita
2011	14,507,049	127,652	14,379,397	12,503,271	833.68	724.91
2012	15,340,022	644,675	14,695,347	13,252,301	847.24	764.04
2013	21,437,659	719,794	20,717,865	14,477,275	1,193.49	833.99
2014	26,843,620	1,020,747	25,822,873	14,169,930	1,454.24	797.99
2015	25,025,314	1,212,240	23,813,074	14,577,735	1,341.81	821.42
2016	22,706,390	1,235,555	21,470,835	15,072,278	1,219.03	855.75
2017	20,149,888	1,292,106	18,857,782	15,041,676	1,068.01	851.88
2018	17,579,131	1,173,362	16,405,769	16,286,369	932.78	925.99
2019	15,291,464	1,200,877	14,090,587	16,739,738	800.51	951.01
2020	12,765,051	1,228,633	11,536,418	16,854,086	658.47	961.99

Note: For comparative purposes the 2015 Refunding Chase loan has been included with the bonded debt

**City of Marion, Illinois**  
**Ratio of General Bonded Debt Outstanding**  
**Paid with Tax Increment Financing Districts Funds**  
**Last Ten Years**

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Tax Increment Financing Fund Balance	Percent of TIF Fund Balance To Net General Obligation Debt	Net Debt Per Capita
2011	1,275,000	130,400	1,144,600	3,155,678	275.70%	66.36
2012	1,220,000	131,456	1,088,544	3,430,420	315.14%	62.76
2013	3,641,516	120,215	3,521,301	3,973,120	112.83%	202.85
2014	7,363,440	294,542	7,068,898	4,558,294	64.48%	398.09
2015	11,385,645	421,751	10,963,894	5,747,259	52.42%	617.79
2016	10,667,358	372,839	10,294,519	7,933,730	77.07%	584.48
2017	9,871,690	368,177	9,503,513	5,614,346	59.08%	538.23
2018	9,059,377	379,893	8,679,484	4,475,282	51.56%	493.49
2019	8,138,582	389,713	7,748,869	2,881,768	37.19%	440.23
2020	7,355,225	391,103	6,964,122	707,772	10.16%	397.50

**City of Marion, Illinois**  
**Ratio of General Bonded Debt Outstanding**  
**Paid with Water and Sewer Service Charges and Fees**  
**Last Ten Years**

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Water and Sewer Debt Service Billings	Percentage of Water and Sewer Debt Service Billings To GO Debt	Per Capita GO Debt
2011	4,909,849	258,052	4,651,797	918,580	19.75%	269.70
2012	4,494,116	212,602	4,281,514	1,059,067	24.74%	246.84
2013	4,161,779	221,082	3,940,697	1,115,821	28.32%	227.01
2014	3,827,397	226,737	3,600,660	1,141,178	31.69%	202.77
2015	8,119,793	311,651	7,808,142	1,121,742	14.37%	439.97
2016	6,791,153	219,910	6,571,243	1,137,504	17.31%	373.09
2017	6,141,876	224,362	5,917,514	1,141,443	19.29%	335.14
2018	5,538,785	105,423	5,433,362	1,144,106	21.06%	308.92
2019	4,813,458	109,802	4,703,656	1,145,625	24.36%	267.22
2020	4,072,094	108,858	3,963,236	1,135,250	28.64%	226.21

**City of Marion, Illinois**  
**Direct and Overlapping Bonded Debt**  
**April 30, 2020**

Governmental Unit	Gross Bonded Debt (1)	Estimated Percentage Debt Applicable In the City of Marion (2)	City of Marion Share of Debt
City of Marion	\$12,765,051	100.00%	\$12,765,051
Williamson County	21,235,000	31.72%	\$6,735,742
Williamson Co. CUSD 2	20,000,000	56.96%	\$11,392,000
Williamson CUSD 5	37,363,843	6.46%	\$2,413,704
Williamson County Airport	3,915,000	31.77%	\$1,243,796
John A. Logan College	23,205,000	17.31%	\$4,016,786
Marion Park District	812,000	99.48%	\$807,778
	<u>\$119,295,894</u>		<u>\$39,374,856</u>

Per Capita Direct and Overlapping Debt

(1) Gross bonded debt does not include the debt being paid with Tax Increment Financing funds.

(2) Determined by ratio of assessed value of property subject to taxation in the City to assessed value of property subject to taxation in the overlapping unit.

(3) Williamson County Clerk's Office and [www.EMMA.MSRB.org](http://www.EMMA.MSRB.org) (excludes principal due on or before September 1, 2020.)



**City of Marion, Illinois**  
**Full Time Equivalent City Government**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Functions/Programs										
General Government										
Mayor and Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Administrator	-	1.00	1.00	1.00	1.00	NA	NA	NA	NA	NA
Code Enforcement	3.00	3.00	3.12	3.38	3.00	NA	NA	NA	NA	NA
Information Technology	3.00	3.00	3.00	2.00	2.00	NA	NA	NA	NA	NA
Treasurer's Office	5.00	5.00	5.00	5.00	5.00	NA	NA	NA	NA	NA
City Clerk's Office	2.42	2.46	2.45	2.39	2.18	NA	NA	NA	NA	NA
Human Resources	1.00	-	-	-	-	-	-	-	-	-
Mayor's Chief of Staff	1.00	-	-	-	-	-	-	-	-	-
City Attorney	1.00	-	-	-	-	-	-	-	-	-
Senior Citizens Center	6.94	6.92	7.17	7.10	7.01	NA	NA	NA	NA	NA
Boyton St. Community Center	5.10	4.90	3.96	4.31	4.27	NA	NA	NA	NA	NA
Public Health & Safety										
Police Department	54.47	50.67	48.35	47.92	45.27	NA	NA	NA	NA	NA
Fire Department	26.00	26.00	26.00	25.39	25.16	NA	NA	NA	NA	NA
Emergency Management	0.25	0.25	0.50	0.50	0.50	NA	NA	NA	NA	NA
Safety Department	1.00	1.00	1.00	1.00	1.00	NA	NA	NA	NA	NA
Animal Control	2.65	2.82	2.50	2.45	2.49	NA	NA	NA	NA	NA
Streets, Alleys and Cemeteries										
Street Department	22.82	23.18	22.05	22.29	20.54	NA	NA	NA	NA	NA
Cemetery Department	6.92	6.90	6.60	6.53	6.59	NA	NA	NA	NA	NA
Cultural and Recreation										
Cultural & Civic Center	8.56	6.95	6.76	6.81	6.11	NA	NA	NA	NA	NA
Carnegie Library	13.50	14.08	14.23	13.55	12.32	NA	NA	NA	NA	NA
The Pavilion	4.46	4.37	4.24	4.24	4.19	NA	NA	NA	NA	NA
Hub Recreational Center	39.32	43.33	41.27	39.10	35.62	NA	NA	NA	NA	NA
Public Utilities										
Water-Outside and Plant	11.00	10.83	10.00	10.00	10.91	NA	NA	NA	NA	NA
Water Office	5.85	6.00	5.87	5.76	4.50	NA	NA	NA	NA	NA
Sewer - Outside and Plant	11.74	12.21	12.57	12.72	12.43	NA	NA	NA	NA	NA
	242.00	239.87	232.64	228.44	217.09					

Note: Years ending 2011 thru 2015 were under a previous accounting system and information is insufficient to calculate FTE's.

**City of Marion, Illinois**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Population	Median Household Income	Per Capita Income	Median Age	K thru 12 School Enrolment	Unemployment Rate
2011	17,248	37,500	23,658	40.2	3,730	8.86%
2012	17,345	39,167	24,869	41.2	3,744	8.90%
2013	17,359	38,260	24,054	40.8	3,828	8.90%
2014	17,757	41,319	26,126	41.2	3,749	8.64%
2015	17,747	42,489	26,088	40.8	3,804	6.71%
2016	17,613	42,839	25,205	42.9	3,886	6.70%
2017	17,657	43,146	25,204	40.1	3,835	5.72%
2018	17,588	43,407	25,851	40.3	3,819	4.80%
2019	17,602	43,587	26,395	39.2	3,820	5.00%
2020	17,520	N/A	N/A	N/A	3,794	4.80%

N/A - Not available

Data Sources

- (1) U.S Census Bureau
- (2) CityData.com
- (3) Data,USA
- (3) Marion Unit 2 School District