

**City of Marion, Illinois
Annual Comprehensive Financial Report
For the Fiscal Year Ended April 30, 2021**

**City of Marion, Illinois
Comprehensive Annual Financial Report
For the Fiscal Year Ended April 30, 2021**

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INTRODUCTORY SECTION

CITY OF MARION, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2021

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**

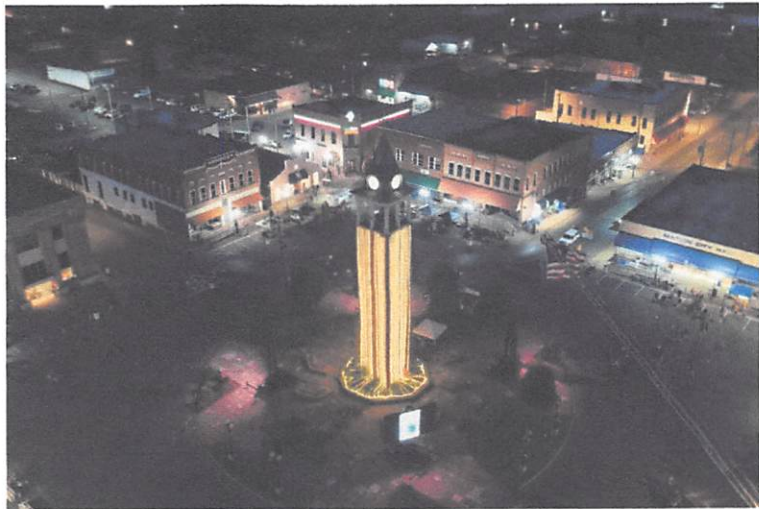
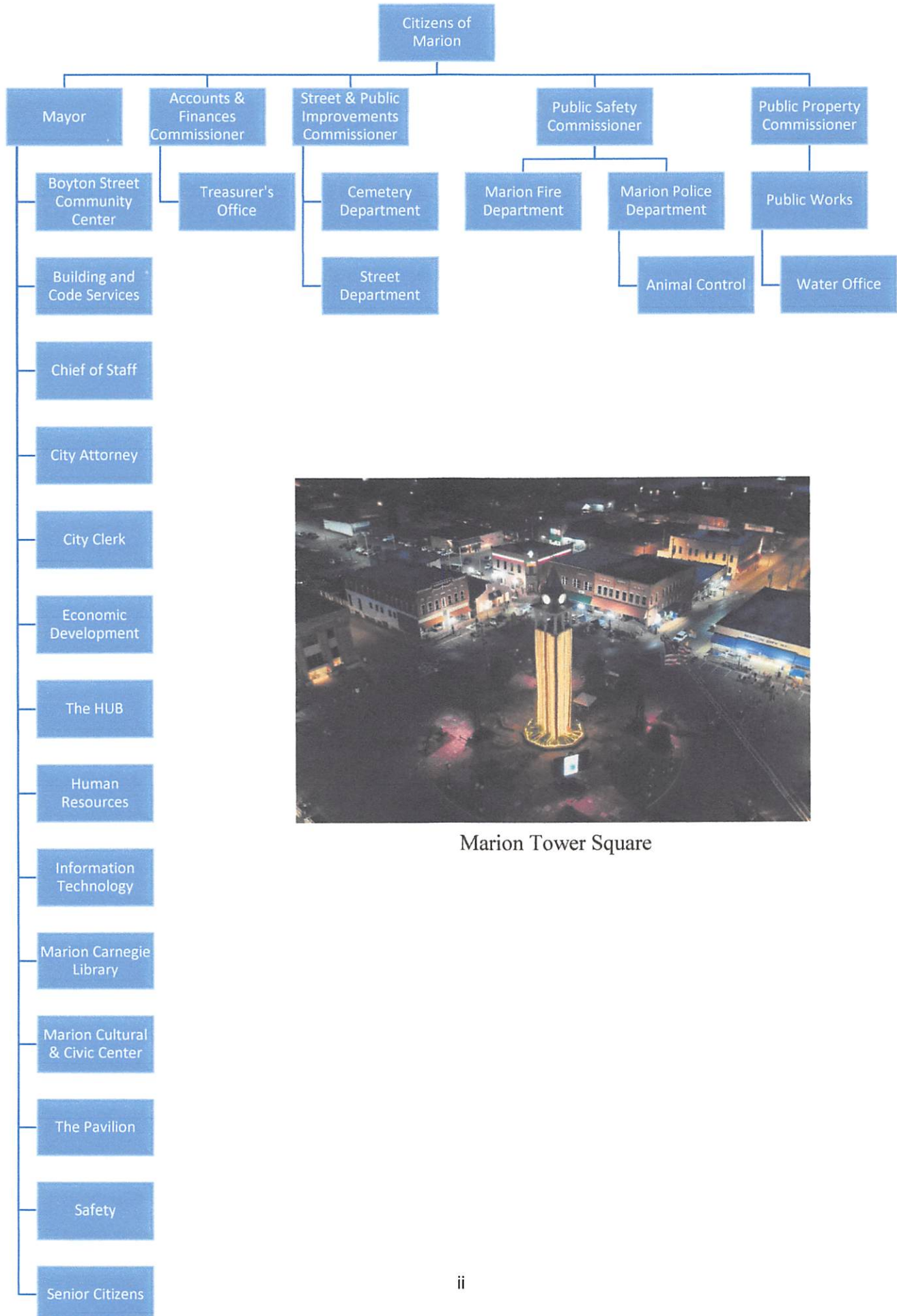
**John Barwick, Jr.
Public Health & Safety Commissioner**

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

December 17, 2021

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, 2021 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, 2021, 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, 2021, 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 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, Illinois. 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 16,855.

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 use 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 31st 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 30th, prior to the start of the new fiscal year on May 1st. 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 departments 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 Rent One Park and the Colt World Series. 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 2021, the City outperformed the prior year's municipal sales tax by nearly 1%. Additionally, the City maintained its home rule sales tax revenue from the previous year. The lack of any growth can be contributed to the various state mandates put into to play throughout the fiscal year as a result of the COVID-19 pandemic. Many of our peer towns experienced substantial losses in sales tax revenue, so in comparison, the City performed rather well.

Future growth in sales tax revenues will come from projects already in production or operation including a new 18 acre, \$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, extensive remodel to Aldi grocery store, 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 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 department 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.

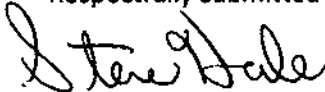
Purchasing:

- 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 Members of City Council
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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and pension information on pages 8 - 17 and 79 - 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Marion, Illinois
December 17, 2021



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

Honorable Mayor and Members of City Council
City of Marion
Marion, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois (the City), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2021.

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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATLAS CPAs & Advisors PLLC

Marion, Illinois
December 17, 2021

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control
Over Compliance Required by *Uniform Guidance***

Honorable Mayor and Members of City Council
City of Marion
Marion, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of Marion, Illinois' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies.. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

ATLAS CPAs & Advisors PLLC

Marion, Illinois
December 17, 2021

CITY OF MARION, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2021

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 18).

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 18-19) 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 19) 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.

2020 balances in table two have been restated to reflect various reclasses made in the 2021 balances. However, 2020 balances have not been changed to reflect any prior period adjustments.

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

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 20 and 22) 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 24-25) 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 29 through 78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide benefits to its employees and budget to actual information for the General Fund and major Special Revenue Funds. Required supplementary information can be found on pages 79 through 89 of this report.

Infrastructure Assets

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

**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, 2021
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 33,021	\$ 26,023	\$ 5,352	\$ 3,879	\$ 38,373	\$ 29,902
Capital Assets	101,705	102,183	30,231	30,458	131,936	132,641
Total Assets	\$ 134,726	\$ 128,206	\$ 35,583	\$ 34,337	170,309	\$ 162,543
Deferred Outflows of Resources	\$ 15,557	\$ 10,817	\$ 2,323	\$ 1,530	\$ 17,880	\$ 12,347
Current Liabilities	\$ 7,307	\$ 6,732	\$ 2,293	\$ 2,356	\$ 9,600	\$ 9,088
Noncurrent Liabilities	66,495	69,918	14,261	12,857	80,756	82,775
Total Liabilities	\$ 73,802	\$ 76,650	\$ 16,554	\$ 15,213	\$ 90,356	\$ 91,863
Deferred Inflows of Resources	\$ 17,325	\$ 11,774	\$ 1,082	\$ 967	\$ 18,407	\$ 12,741
Net Position:						
Invested in Capital Assets, Net of Related Debt	\$ 82,452	\$ 80,538	\$ 23,181	\$ 22,886	\$ 105,633	\$ 103,424
Restricted	9,860	5,319	288	768	10,148	6,087
Nonspendable	1	1	-	-	1	1
Unrestricted	(33,158)	(35,259)	(3,199)	(3,967)	(36,357)	(39,226)
Total Net Position	\$ 59,155	\$ 50,599	\$ 20,270	\$ 19,687	\$ 79,425	\$ 70,286

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 \$70.29 million to \$79.43 million for a total increase of \$9.14 million in net position. Of this increase, Governmental Activities increased by \$8.56 million and Business-type activities increased by \$583 thousand. Within Governmental Activities, Current and Other assets increased by \$7.00 million. Part of the reason for this increase was a \$3.76 million increase in cash which was due to unspent sales tax proceeds set aside for special purposes such as for payment of Police and Fire pension contributions to be made in the following year and the transfer of \$1.50 million from the Water Department due to the sale of the old city lake. \$2.06 million of the increase was due to the increase in Property Tax and Sales Tax receivable. Sales Tax Receivable was primarily due to a change in the way the State of Illinois collects out of states sales tax. Property Tax Receivable increase in due to increase activity and additional TIF Districts. These increases amount to \$5.82 million of the \$7.00 million increase in Current and Other Assets. Pension and OPEB Deferred Outflows of Resources increased in the amount of \$4.77 million due to a \$5.89 million increase in OPEB outflows. This will be recognized as an expense in future years. Noncurrent Liabilities decreased by \$3.42 million due to payoff of Long-Term Debt. Increase in OPEB liability was offset by decrease in Net Pension Liability. In Business Activities, the increase in Current and Other Assets is from \$1.2 million of unspent loan proceeds. The Deferred Outflows of Resources increase is due to Outflows from OPEB calculations. Borrowings in long-term debt was \$678 thousand greater than reduction in Long-Term Debt. Total OPEB liability increased by \$1.23 million. Net Pension Liability in prior year of \$408 thousand became a Net Pension Asset \$156 thousand in the current year.

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, 2021
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 1,881	\$ 3,062	\$ 7,181	\$ 7,378	\$ 9,062	\$ 10,440
Operating grants and contributions	1,261	1,321	-	-	1,261	1,321
Capital grants and contributions	1,284	280	815	-	2,099	280
General revenues:						
Property taxes	5,450	8,553	-	-	5,450	8,553
Sales Tax (shared and home rule)	20,739	17,002	-	-	20,739	17,002
Other taxes	7,295	5,785	-	-	7,295	5,785
Other	393	553	463	1	856	554
Total Revenues	\$ 38,303	\$ 36,556	\$ 8,459	\$ 7,379	\$ 46,762	\$ 43,935
EXPENSES:						
General government	\$ 4,199	\$ 3,945	\$ -	\$ -	\$ 4,199	\$ 3,945
Public health and safety	12,003	12,938	-	-	12,003	12,938
Streets, alleys & cemeteries	4,959	5,487	-	-	4,959	5,487
Culture and recreation	3,997	5,349	-	-	3,997	5,349
Development	4,264	3,969	-	-	4,264	3,969
Interest expense	319	596	-	-	319	596
Unallocated depreciation	1,297	1,267	-	-	1,297	1,267
Water	-	-	3,387	3,549	3,387	3,549
Sewer	-	-	3,198	3,054	3,198	3,054
Total Expenses	\$ 31,038	\$ 33,551	\$ 6,585	\$ 6,603	\$ 37,623	\$ 40,154
Excess before Transfers	\$ 7,265	\$ 3,005	\$ 1,874	\$ 776	\$ 9,139	\$ 3,781
Transfers	1,291	(796)	(1,291)	796	-	-
Change in Net Position	\$ 8,556	\$ 2,209	\$ 583	\$ 1,572	\$ 9,139	\$ 3,781
Net Position, May 1	\$ 50,599	\$ 48,390	\$ 19,687	\$ 18,115	\$ 70,286	\$ 66,505
Net Position, April 30	\$ 59,155	\$ 50,599	\$ 20,270	\$ 19,687	\$ 79,425	\$ 70,286

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 51.26% 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 54.14% of total Governmental Activities revenue. The second largest source of revenue is property taxes at 14.23% of total Governmental Activities revenue. Tax Increment Financing (TIF) districts generated \$5.34 million or 97.97% of the property tax. The variance in the above percentages from prior years are due to the City no longer levying property tax for Fire and Police Pension but instead using a portion of the City's three quarters of one percent increase in Home Rule Sales Tax to pay for those contributions. 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 increased by 4.78%. The net increase was due to an increase in capital grant revenue, sales tax and intergovernmental revenue which offset the decrease in property tax revenue and service charges and fees. The decrease in Charges for Services was a result of certain City revenue producing facilities being shut down by the Covid-19 pandemic.

Expenses:

Total expenses decreased by \$2.51 million from the prior year. \$1.35 million of the net decrease was due to a reduction in Culture and Recreation expense due to closure of facilities due to the pandemic. Public Health and Safety decreased by \$935 thousand due to reduction in GASB 68 pension expense. Streets Alleys and Cemeteries expense decreased by \$528 thousand due to a reduction of TIF expenditures. Gross payroll and benefits for the City for the current year was approximately 54.93% of total expenditures. The City contributes to three different defined benefit pension plans which are the Illinois Municipal Retirement Fund, Police Pension Fund and the Firefighters Pension Fund. See the Notes to Financial Statements for a detailed analysis of the various pension funds.

Business-type Activities

Revenues:

Charges for services decreased by \$197 thousand. The \$815 thousand in capital grants was the forgivable portion of two Illinois Environmental Protection Agency loans on two water projects. Other line item increase was from the sale of the old City lake.

Expenses:

Total expenses decreased by \$18 thousand over the prior year. The Water Department had a decrease of \$162 thousand and the Sewer Department had an increase of \$144 thousand. The decrease in the Water Department and increase in Sewer Department were due to various items.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2021, the governmental funds (as presented on the balance sheet on page 20) reported a fund balance of \$ 22.62 million which is a 36.77% increase from the beginning of the year (\$ 16.54 million.) The main portion of the net increase in the General Fund Balance was due to a combination of \$705 thousand dollars received in grant monies for prior year grant expenses and \$388 thousand collected on previous small business loans which were designated for Committed balance, \$982 thousand collected from the increase in the home rule tax designated for economic development. An increase in special revenue funds of \$1.33 million was due to unspent motor fuel tax and unspent Build Illinois Bonds totally \$649 thousand and \$836 thousand of the unspent portion of the home rule sales tax committed to payment of future police and fire pension contributions. The main portion of the increase in the capital project fund was the sale and transfer of the old city lake to the project fund. \$5.89 million is in unassigned general fund types indicating availability for continuing City services. The \$6.81 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 require 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 \$2.00 million in net increases. Capital Outlay had an increase of \$1.40 million \$1.125 million of the increase was for the purchase of the Motel Marion.

**Table 3
Budget Compared to Actual
For the Fiscal Year Ended April 30, 2021
(in thousands)**

General Fund Types	Original Budget	Amended Budget	Actual
Expenditures			
General government	\$4,136	\$4,430	\$3,932
Public health and safety	9,641	9,800	9,689
Streets, alleys & Cemeteries	3,463	3,463	3,437
Cultural and recreation	1,162	1,162	516
Development	761	905	958
Debt Service	273	283	272
Capital Outlay	551	1,946	2,055
Total	\$19,987	\$21,989	\$20,859

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

Capital Assets

At the end of Fiscal year 2021, 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.

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

	Balance April 30, 2020	Net Additions/ Deletions	Transfers	Balance April 30, 2021
Non-depreciable Assets				
Land	\$ 27,794	\$ 190	\$ -	\$ 27,984
Construction in Progress	1,836	(399)	(233)	1,204
Other Capital Assets				
Infrastructure	73,120	1,630	-	74,750
Parking Lot Improvements	538	25	-	563
Buildings	42,488	798	-	43,286
Machinery and Equipment	5,487	180	-	5,667
Vehicles	6,079	179	-	6,258
Software	171	28	-	199
Land Improvements	414	67	-	481
Less Accumulated Depreciation on Other Capital Assets	(55,744)	(2,944)	-	(58,688)
Totals	\$ 102,183	\$ (246)	\$ (233)	\$ 101,704

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, 2021, the City had total long-term debt and loans payable of \$31.88 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)**

	Balance April 30, 2020	Net Additions/ Deletions	Balance April 30, 2021
Governmental Activities			
General Obligation Debt	\$ 18,041	\$ (2,474)	\$ 15,567
Other Contractual Liabilities	8,791	(733)	8,058
Governmental Activities Total	\$ 26,832	\$ (3,207)	\$ 23,625

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

Business Activities			
General Obligation Debt	\$ 4,072	\$ (762)	\$ 3,310
Other Contractual Liabilities	3,500	1,440	4,940
Business Activities Total	\$ 7,572	678	8,250
Total Long-Term Debt	\$ 34,404	\$ (2,529)	\$ 31,875

The City during the year incurred bank loans and a refunding of bond debt in the amount of \$15.09 million while paying off \$17.62 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 driven by the pandemic and experienced a high of 17.7% in April 2020, and a low of 5.4% in November 2020. The 12-month unemployment average for the fiscal year was 5.07%, which is a slight increase over the previous fiscal year.

Commercial building permits increased in number but decreased in total investment with 38 permits issued, totaling \$10,696,941 while the previous year was 30 permits totaling \$15,505,487. 36 new home permits were issued, which was consistent to the previous year and there was 1 apartment/duplex building permit. A total of 71 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which is a decrease of 54% from the permits issued in the previous year whereas, the total dollars invested in these buildings was \$18,589,694 compared to previous year total of \$18,042,053.

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

Most notable commercial projects in this fiscal year were Love's Truck Stop, Aldi remodel, Popeye's Restaurant, Drive-In Theater, and Texas Roadhouse which is still in construction, 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 the Black Diamond family of businesses 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.

Basic Financial Statements

City of Marion, Illinois
Statement of Net Position
April 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,399,976	\$ 1,618,782	\$ 8,018,758
Restricted cash	62,285	1,748,526	1,810,821
Investments	9,812,939	793,650	10,606,589
Restricted investments	373,920	-	373,920
Receivables, net			
Accounts receivable	61,905	562,841	624,746
Property taxes	6,475,004	-	6,475,004
Sales taxes	5,648,785	-	5,648,785
Other taxes	496,080	-	496,080
Accrued interest	396,285	-	396,285
Grant receivable	40,091	15,105	55,196
Loans receivable	921,270	86,294	1,007,564
Bonds receivable	1,772,327	-	1,772,327
Intergovernmental receivable	508,443	-	508,443
Due from other funds	46,124	-	46,124
Inventory	-	370,966	370,966
Prepaid items	5,350	-	5,350
Capital assets, non-depreciable	29,187,785	5,414,217	34,602,002
Capital assets, net of accumulated depreciation	72,516,774	24,816,325	97,333,099
Net pension asset	-	155,656	155,656
Total Assets	\$ 134,725,353	\$ 35,582,362	\$ 170,307,715
Deferred Outflows of Resources			
Deferred outflows, pensions	\$ 5,181,408	\$ 565,421	\$ 5,746,829
Deferred outflows, other postemployment	10,250,761	1,757,829	12,008,590
Deferred outflows, debt refunding	124,628	-	124,628
Total Deferred Outflow of Resources	\$ 15,556,797	\$ 2,323,250	\$ 17,880,047
Liabilities			
Accounts payable	\$ 1,095,577	\$ 352,681	\$ 1,448,258
Property taxes payable	13,763	-	13,763
Accrued payroll	221,884	30,091	251,975
Accrued payroll related expenses	192,438	-	192,438
Accrued interest payable	10,939	17,522	28,461
Due to other funds	-	46,124	46,124
Customer deposits	-	670,598	670,598
Damage deposits	63,000	-	63,000
Unearned revenue	181,288	-	181,288
Noncurrent liabilities:			
Due within one year	5,527,952	1,175,565	6,703,517
Due in more than one year	18,690,193	7,149,827	25,840,020
Total OPEB liability	39,350,221	7,111,468	46,461,689
Net pension liability	8,454,304	-	8,454,304
Total Liabilities	\$ 73,801,559	\$ 16,553,876	\$ 90,355,435
Deferred Inflows of Resources			
Unavailable revenue - property taxes	\$ 6,475,004	\$ -	\$ 6,475,004
Deferred inflows, pensions	10,850,113	1,081,506	11,931,619
Total Deferred Inflows of Resources	\$ 17,325,117	\$ 1,081,506	\$ 18,406,623
Net Position			
Net investment in capital assets	\$ 82,452,446	\$ 23,181,168	\$ 105,633,614
Restricted for:			
Donor restricted expenditures	366,684	-	366,684
Public safety expenditures	1,861,703	-	1,861,703
Capital projects	2,234,031	-	2,234,031
Debt service	1,467,475	288,199	1,755,674
Cemetery	18,177	-	18,177
Maintenance of roadways	1,673,342	-	1,673,342
Tourism and recreation	1,681	-	1,681
Development	2,236,993	-	2,236,993
Nonspendable	1,000	-	1,000
Unrestricted (deficit)	(33,158,058)	(3,199,137)	(36,357,195)
Total Net Position	\$ 59,155,474	\$ 20,270,230	\$ 79,425,704

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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 4,198,496	611,510	1,179,934	405,006	\$ (2,002,046)		\$ (2,002,046)
Public health and safety	12,003,017	285,793	15,200	226,450	(11,475,574)		(11,475,574)
Streets, alleys, and cemeteries	4,959,099	95,515	-	652,869	(4,210,715)		(4,210,715)
Culture and recreation	3,997,435	888,126	66,088	-	(3,043,221)		(3,043,221)
Development	4,263,662	-	-	-	(4,263,662)		(4,263,662)
Interest expense	318,490	-	-	-	(318,490)		(318,490)
Unallocated depreciation	1,297,387	-	-	-	(1,297,387)		(1,297,387)
Total Governmental Activities	31,037,585	1,880,944	1,261,222	1,284,325	(26,611,095)		(26,611,095)
Business-Type Activities							
Water	3,387,490	3,764,438	-	800,000		1,176,948	1,176,948
Sewer	3,197,606	3,416,256	-	15,105		233,755	233,755
Total Business-Type Activities	6,585,096	7,180,694	-	815,105		1,410,703	1,410,703
Totals	\$ 37,622,682	\$ 9,061,638	\$ 1,261,222	\$ 2,099,430	(26,611,095)	1,410,703	(25,200,392)
General Revenues							
Taxes							
Property taxes					5,450,350	-	5,450,350
Sales taxes					20,739,475	-	20,739,475
Other taxes and franchise fees					3,741,881	-	3,741,881
Intergovernmental					3,552,775	-	3,552,775
Investment income					144,466	6,148	150,614
Miscellaneous					248,204	52,980	301,184
Sale of capital assets					-	403,647	403,647
Transfers					1,290,292	(1,290,292)	-
Total General Revenues, Transfers and Special Items					35,167,443	(827,517)	34,339,926
Change in Net Position					8,556,348	583,186	9,139,534
Net Position - Beginning of Year					50,599,126	19,687,044	70,286,170
Net Position - End of Year					\$ 59,155,474	\$ 20,270,230	\$ 79,425,704

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

**City of Marion, Illinois
Governmental Funds
Balance Sheet
April 30, 2021**

	<u>General</u>	<u>TIF Redevelopment</u>	<u>Debt Service</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 2,004,233	\$ 576,650	\$ 1,452,888	\$ 2,366,205	\$ 6,399,976
Restricted cash and cash equivalents	33,404	-	-	28,891	62,295
Investments	6,335,380	500,069	-	2,977,490	9,812,939
Restricted investments	10,814	-	-	363,106	373,920
Accounts receivable	51,390	-	-	10,515	61,905
Property taxes receivable	100	5,994,219	369,250	111,435	6,475,004
Sales taxes receivable	5,030,228	-	-	618,557	5,648,785
Other taxes receivable	358,423	-	-	137,657	496,080
Accrued interest receivable	10,575	-	-	-	10,575
Grant receivable	-	15,761	-	24,330	40,091
Loans receivable	517,858	403,412	-	-	921,270
Intergovernmental receivable	452,285	-	-	56,158	508,443
Due from other funds	50,423	-	-	65,941	116,364
Prepaid items	-	-	-	5,350	5,350
Total Assets	<u>\$ 14,855,113</u>	<u>\$ 7,490,111</u>	<u>\$ 1,822,138</u>	<u>\$ 6,765,635</u>	<u>\$ 30,932,997</u>
Liabilities					
Accounts payable	\$ 495,690	\$ 240,481	\$ -	\$ 359,406	\$ 1,095,577
Property taxes payable	-	-	-	13,763	13,763
Accrued payroll	192,025	-	-	29,859	221,884
Accrued payroll related expenses	192,438	-	-	-	192,438
Due to other funds	10,167	-	-	60,073	70,240
Damage deposits	63,000	-	-	-	63,000
Unearned revenue	130,360	-	-	50,928	181,288
Total Liabilities	<u>1,083,680</u>	<u>240,481</u>	<u>-</u>	<u>514,029</u>	<u>1,838,190</u>
Deferred Inflow of Resources					
Unavailable revenue - property taxes	100	5,994,219	369,250	111,435	6,475,004
Fund Balances					
Nonspendable	-	-	-	1,000	1,000
Restricted for:					
Donor restricted expenditures	13,232	-	-	353,452	366,684
Public safety	28,741	-	-	1,832,962	1,861,703
Capital projects	-	-	-	2,234,031	2,234,031
Debt service	-	-	1,452,888	25,526	1,478,414
Cemetery	-	-	-	18,177	18,177
Maintenance of roadways	-	-	-	1,673,342	1,673,342
Tourism and recreation	-	-	-	63,049	63,049
Development	981,582	1,255,411	-	-	2,236,993
Committed	6,807,288	-	-	-	6,807,288
Assigned	50,561	-	-	-	50,561
Unassigned	5,889,929	-	-	(61,368)	5,828,561
Total Fund Balances	<u>13,771,333</u>	<u>1,255,411</u>	<u>1,452,888</u>	<u>6,140,171</u>	<u>22,619,803</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 14,855,113</u>	<u>\$ 7,490,111</u>	<u>\$ 1,822,138</u>	<u>\$ 6,765,635</u>	<u>\$ 30,932,997</u>

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

City of Marion, Illinois
Reconciliation of the Governmental Fund Balances to the Governmental Activities in
the Statement of Net Position
April 30, 2021

Total Fund Balances of Governmental Funds	\$	22,619,803
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.		101,704,559
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(10,939)
Compensated absences are not due and payable in the current period and therefore, is not reported in the governmental funds.		(593,113)
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.		(23,500,404)
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.		2,158,037
Deferred inflows and outflows of resources related to pensions and OPEB Costs are not reported in governmental funds.		4,582,056
Net Pension Liability and Total OPEB Liability are not reported in the governmental funds.		<u>(47,804,525)</u>
Net Position of Governmental Activities	\$	<u>59,155,474</u>

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

**City of Marion, Illinois
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2021**

	General	TIF Redevelopment	Debt Service	Total Non-Major Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 51	\$ 5,339,831	\$ 68,792	\$ 110,468	\$ 5,519,142
Sales taxes	18,213,018	-	-	2,526,457	20,739,475
Other taxes and franchise fees	2,699,994	-	-	1,041,887	3,741,881
Licenses and permits	412,441	-	-	-	412,441
Intergovernmental revenue	2,889,305	-	-	683,470	3,552,775
Service charges and fees	537,968	-	-	930,535	1,468,503
Grant revenue	1,831,838	70,899	-	642,810	2,545,547
Investment income	94,667	5,859	3,124	9,466	113,116
Miscellaneous income	169,557	40,216	-	5,529	215,302
Restricted donations	9,400	-	-	4,502	13,902
Total Revenues	26,858,239	5,456,805	71,916	5,935,124	38,322,084
Expenditures					
General government	4,006,638	-	-	-	4,006,638
Public health and safety	9,609,400	-	-	1,743,613	11,353,013
Streets, alleys, and cemeteries	3,422,492	16,057	-	1,104,743	4,543,292
Culture and recreation	484,816	-	-	2,471,386	2,956,202
Development	829,106	2,579,475	-	-	3,408,581
Debt service:					
Principal	245,183	708,182	14,462,562	390,918	15,806,845
Interest	27,161	-	566,078	33,885	627,124
Capital outlay	2,405,294	528,919	-	1,520,434	4,454,647
Total Expenditures	21,030,080	3,832,633	15,028,640	7,264,979	47,156,342
Excess (Deficiency) of Revenues Over Expenditures	5,828,149	1,624,172	(14,956,724)	(1,329,855)	(8,834,258)
Other Financing Sources (Uses)					
Transfers in (out)	(4,841,651)	(1,076,535)	3,534,200	3,907,726	1,523,740
General long-term debt issued	1,330,160	-	-	450,355	1,780,515
Refunding of debt	-	-	11,154,371	-	11,154,371
Proceeds from sale of capital assets	181,919	-	-	275,000	456,919
Total Other Financing Sources (Uses)	(3,329,572)	(1,076,535)	14,688,571	4,633,081	14,915,545
Net Change In Fund Balances	2,498,577	547,637	(268,153)	3,303,226	6,081,287
Fund Balances - Beginning of Year	11,272,756	707,774	1,721,041	2,836,945	16,538,516
Fund Balances - End of Year	\$ 13,771,333	\$ 1,255,411	\$ 1,452,888	\$ 6,140,171	\$ 22,619,803

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

City of Marion, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	6,081,287
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities.</p>		
Depreciation expense	(3,272,327)	
Capital asset purchases, capitalized	4,454,647	1,182,320
<p>Transfer of capital assets reported as transfers in Statement of Activities, not reported as transfer in governmental funds.</p>		
		(232,757)
<p>The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.</p>		
		(1,428,042)
<p>The net effect of transactions involving the loan receivable on the Special Service Area.</p>		
		(37,542)
<p>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.</p>		
		271,744
<p>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.</p>		
Increase in OPEB expense	(2,008,608)	
Decrease in pension expense	1,569,462	(439,146)
<p>The issuance of long-term debt (bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:</p>		
Repayment of long-term debt	15,806,844	
Interest	4,283	
Amortization of bond premium	335,817	
Deferred amount on refunding	(31,465)	
Issuance of long-term debt	(1,780,515)	
Refunding of debt	(11,154,371)	3,180,593
<p>The Health Reimbursement fund is used by management to charge the costs of health insurance reimbursements to individual funds. The net revenue (expense) is reported with governmental activities.</p>		
		(22,109)
Change in Net Position of Governmental Activities	\$	8,556,348

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, 2021

	Enterprise Funds			Governmental Activities
	Water Department	Sewer Department	Total Business- Type Activities	Internal Service Health Reimbursement
Assets				
Current Assets:				
Cash and cash equivalents	\$ 1,048,289	\$ 570,493	\$ 1,618,782	\$ -
Restricted cash and cash equivalents	1,570,773	177,753	1,748,528	-
Investments	543,647	250,003	793,650	-
Accounts receivable	284,540	278,301	562,841	-
Grant receivable	-	15,105	15,105	-
Loans receivable	86,294	-	86,294	-
Inventory	283,710	87,256	370,966	-
Total Current Assets	3,817,253	1,378,911	5,196,164	-
Noncurrent Assets:				
Capital assets, non-depreciable	5,292,716	121,501	5,414,217	-
Capital assets, depreciable	9,709,614	15,106,711	24,816,325	-
Net pension asset	108,292	47,364	155,656	-
Total Noncurrent Assets	15,110,622	15,275,576	30,386,198	-
Total Assets	18,927,875	18,654,487	35,582,362	-
Deferred Outflows of Resources				
Deferred outflows, pensions	254,690	310,731	565,421	-
Grant revenue	678,755	1,079,074	1,757,829	-
Total Deferred Outflows of Resources	933,445	1,389,805	2,323,250	-
Liabilities				
Current Liabilities:				
Accounts payable	287,423	65,258	352,681	-
Accrued payroll	14,841	15,250	30,091	-
Accrued interest payable	5,038	12,484	17,522	-
Due to other funds	8,968	37,156	46,124	-
Compensated absences	36,259	39,755	76,014	-
Customer deposits	670,598	-	670,598	-
Bonds payable	225,148	558,284	783,412	-
Notes payable	168,560	223,593	392,153	-
Total Current Liabilities	1,416,835	951,760	2,368,595	-
Noncurrent Liabilities:				
Bonds payable	1,473,610	1,052,727	2,526,337	-
Notes payable	2,256,110	2,291,368	4,547,476	-
Total OPEB liability	2,849,318	4,262,150	7,111,468	-
Total Non-Current Liabilities	6,579,038	7,606,243	14,185,281	-
Total Liabilities	7,995,873	8,558,003	16,553,876	-
Deferred Inflows of Resources				
Deferred inflows, pensions	517,075	564,431	1,081,506	-
Total Deferred Inflows of Resources	517,075	564,431	1,081,506	-
Net Position				
Invested in capital assets, net of related debt	12,078,908	11,102,260	23,181,168	-
Restricted for:				
Debt service	110,446	177,753	288,199	-
Unrestricted	(840,982)	(2,358,155)	(3,199,137)	-
Total Net Position	\$ 11,348,372	\$ 8,921,858	\$ 20,270,230	\$ -

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

City of Marion, Illinois
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended April 30, 2021

	Enterprise Funds			Governmental
	Water Department	Sewer Department	Total Business-Type Activities	Internal Service Health Reimbursement
Operating Revenues				
Service charges and fees	\$ 3,764,438	\$ 3,416,256	\$ 7,180,694	\$ -
Miscellaneous income	27,412	16,223	43,635	6
Total Operating Revenues	3,791,850	3,432,479	7,224,329	6
Operating Expenses				
Personnel services	865,667	980,499	1,846,166	-
Contractual services	50,417	48,935	99,352	-
Utilities	80,409	287,619	368,028	-
Repairs and maintenance	158,139	384,888	543,027	-
Other supplies and expenses	68,531	381,633	450,164	-
Insurance claims and expenses	299,253	371,449	670,702	-
Water purchases	1,415,649	-	1,415,649	-
Depreciation	408,626	679,566	1,088,192	-
Total Operating Expenses	3,346,691	3,134,589	6,481,280	-
Operating Income (Loss)	445,159	297,890	743,049	6
Nonoperating Revenues (Expenses)				
Investment income	3,746	2,402	6,148	-
Grant revenue	800,000	15,105	815,105	-
Rental income	9,345	-	9,345	-
Bond premium amortization	5,031	32,314	37,345	-
Interest expense	(52,981)	(109,605)	(162,586)	-
Sale of capital assets	402,797	850	403,647	-
Total Nonoperating Revenues (Expenses)	1,167,938	(58,934)	1,109,004	-
Income (Loss) Before Transfers and Capital Contributions	1,613,097	238,956	1,852,053	6
Transfers in (out)	(1,509,912)	(13,137)	(1,523,049)	(691)
Capital contributions	232,757	-	232,757	-
Total Transfers and Capital Contributions	(1,277,155)	(13,137)	(1,290,292)	(691)
Change in Net Position	335,942	225,819	561,761	(585)
Net Position, Beginning	11,012,430	8,696,039	19,708,469	685
Net Position, Ending	\$ 11,348,372	\$ 8,921,858	\$ 20,270,230	\$ -

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

City of Marion, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2021

	Enterprise Funds			Governmental Activities
	Water Department	Sewer Department	Total Business- Type Activities	Internal Service Health Reimbursement
Cash Flows from Operating Activities				
Receipts from customers	\$ 3,734,796	\$ 3,429,754	\$ 7,164,550	\$ 6
Payments to employees	(835,984)	(847,499)	(1,683,483)	-
Payments to suppliers of goods and services	(2,129,307)	(1,784,140)	(3,913,447)	-
Net Cash Provided (Used) by Operating Activities	769,505	798,115	1,567,620	6
Cash Flows From Noncapital Financing Activities				
Net operating transfers	(1,249,078)	103,104	(1,145,974)	(362)
Proceeds from capital grants	800,000	15,105	815,105	-
Net Cash Provided (Used) by Noncapital Financing Activities	(449,078)	118,209	(330,869)	(362)
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	1,538,937	850	1,539,787	-
Interest paid on capital debt	(53,342)	(110,548)	(163,890)	-
Purchase of capital assets	(1,722,490)	(274,422)	(1,996,912)	-
Principal paid on capital debt	(220,031)	(729,769)	(949,800)	-
Bond premium amortization	5,031	-	5,031	-
Proceeds from long-term debt	1,573,498	-	1,573,498	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,121,603	(1,113,889)	7,714	-
Cash Flows from Investing Activities				
Interest on investments	3,746	2,402	6,148	-
Rental income, net	9,345	-	9,345	-
Net Cash Provided (Used) by Investing Activities	13,091	2,402	15,493	-
Increase (Decrease) in Cash and Cash Equivalents	1,455,121	(185,163)	1,259,958	(356)
Cash and Cash Equivalents at Beginning of Year	1,682,819	1,193,412	2,876,231	356
Change From Investment to Cash	(518,878)	(250,003)	(768,881)	-
Cash and Cash Equivalents at End of Year	\$ 2,619,062	\$ 748,246	\$ 3,367,308	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 445,159	\$ 297,880	\$ 743,049	\$ 6
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	408,626	679,566	1,088,192	-
(Increase) decrease in accounts receivable	5,861	(2,725)	3,136	-
(Increase) decrease in inventories	(73,512)	16,769	(56,743)	-
(Increase) decrease in deferred outflows	(269,941)	(523,465)	(793,406)	-
Increase (decrease) in customer deposits	22,739	-	22,739	-
Increase (decrease) in accounts payable	53,024	(200,150)	(147,126)	-
Increase (decrease) in accrued payroll	(42,442)	(40,897)	(83,339)	-
Increase (decrease) in deferred revenue	5,616	-	5,616	-
Increase (decrease) in total OPEB liability	440,750	793,961	1,234,711	-
Increase (decrease) in net pension liability	(284,078)	(279,634)	(563,712)	-
Increase (decrease) in deferred inflows	57,703	56,800	114,503	-
Total Adjustments	324,346	500,225	824,571	-
Net Cash Provided (Used) by Operating Activities	\$ 769,505	\$ 798,115	\$ 1,567,620	\$ 6

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

City of Marion, Illinois
Fiduciary Fund Types
Statement of Fiduciary Net Position
April 30, 2021

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 895,016
Accrued interest receivable	72,502
Investments -	
U.S. Government and agency obligations	7,433,994
Corporate bonds	3,038,078
Insurance company contracts	811,456
Mutual funds	8,802,632
Stocks	1,494,185
State and local obligations	257,099
Exchange traded funds	10,940,128
Payroll receivable	47,129
Total Assets	33,792,219
Liabilities	
Accounts payable	3,225
Payable from purchases of investments	452,365
Total Liabilities	455,590
Net Position	
Held in trust for pension benefits	\$ 33,336,629

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

**City of Marion, Illinois
Fiduciary Fund Types
Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2021**

	Totals
Additions	
Contributions:	
Employer	\$ 1,691,152
Plan members	420,772
Total Contributions	2,111,924
Investment Income:	
Net appreciation in fair value of investments	7,044,457
Interest and dividends	748,837
Investment expense	(50,045)
Net Investment Income	7,743,249
Total Additions	9,855,173
Deductions	
Benefits paid	1,776,547
Refunds of contributions	52,298
Administrative expense	52,183
Total Deductions	1,881,028
Change in Net Position	7,974,145
Net Position, Beginning	25,362,484
Net Position, Ending	\$ 33,336,629

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

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

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 Police Pension Fund and Fire Pension Fund have been included as fiduciary component units reported as a Pension Trust Fund. The Police Pension Fund functions for the benefit of the City's sworn police employees and is governed by a five-member pension board. Two members appointed by the Mayor, two elected police officers, and one elected beneficiary constitute the pension board. The Fire Pension Fund functions for the benefit of the City's sworn firemen and is governed by a five-member pension board. Two members appointed by the Mayor, two elected firemen, and one elected beneficiary constitute the pension board. The City and the Police Pension Fund participants are obligated to fund all the Police Pension Fund costs based upon actuarial valuations, including administrative costs. The City and the Fire Pension Fund participants are obligated to fund all the Fire Pension Fund costs based upon actuarial valuations, including administrative costs. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the Police Pension Fund and Fire Pension Fund is fiscally dependent on the City. Separate financial statements are not available for the Police Pension Fund and Fire Pension Fund. The significant accounting policies established in GAAP and used by the City are described below.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

Fund financial statements report detailed information about the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are organized into three major categories:

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

governmental, proprietary, and fiduciary. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

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

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

The following fund types are used by the City:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund Types - The General Fund and the Semi-Autonomous Departments (Cultural and Civic Center, Senior Citizens Council, Boyton Street Community Center, Revitalization, and Economic Incentive) 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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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.

Custodial 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.

Major and Non-major Funds:

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

<u>Fund</u>	<u>Brief Description</u>
Major Governmental:	
General Fund Types	Accounts for financial resources devoted to financing the general services that the City performs for its citizens.
Tax Increment Financing Redevelopment Fund	Accounts for revenues and expenditures 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.
Major Proprietary:	
Water	Accounts for activities related to providing water service to the citizens of the City.
Sewer	Accounts for activities related to providing sewer service to the citizens of the City.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

Non-major governmental:

Permanent:

Throgmorton Endowment Fund	Accounts for the revenues and expenditures to maintain the Throgmorton gravesite.
General Projects Fund	Accounts for revenues and expenditures to acquire and construct major capital facilities.
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.
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 home rule sales tax. The money shall be used for employer contributions to the police and firefighters pension funds.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

Non-major Proprietary:

Internal Service

Accounts for reimbursements to City employees and certain retirees to cover medical claims for deductibles over \$500.

C. Basis of Accounting

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

Accrual

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

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

Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available." Revenues are considered "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be "available" as they are collected within 60 days of the end of the current fiscal period except for sales tax and telecommunication taxes which are 90 days. 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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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 \$3,367,308 at April 30, 2021.

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

F. Investments

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

G. Receivables

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

Bad debts of the 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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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:

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:

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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, 2021. 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, 2021, the liability for sick leave is \$2,318,127.

M. Long-term obligations

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

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

N. 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

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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.

The City's policy is to maintain a reserve balance at minimum level equal to or greater than 25% of the General Fund current year budgeted expenses including transfers from the General Fund less capital outlays supported by specific revenue sources.

- 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. 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.

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

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 1 — Summary of Significant Accounting Policies (Continued)

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).

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

	Primary Government			Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and Cash Equivalents	\$ 6,399,976	\$ 1,618,782	\$ 8,018,758	\$ 895,016	\$ 8,913,774
Restricted Cash and Cash Equivalents	62,295	1,748,526	1,810,821	-	1,810,821
Investments	9,812,939	793,650	10,606,589	32,777,572	43,384,161
Restricted Investments	<u>373,920</u>	<u>-</u>	<u>373,920</u>	<u>-</u>	<u>373,920</u>
Total Cash and Investment	<u>\$ 16,649,130</u>	<u>\$ 4,160,958</u>	<u>\$ 20,810,088</u>	<u>\$ 33,672,588</u>	<u>\$ 54,482,676</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 2 — Deposits and Investments (Continued)

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, 2021, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$10,692,670 (excludes \$31,925 in cash on hand held at the City). The bank balance was \$17,231,459. As of April 30, 2021, 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, 2021, the depository banks used by the City had pledged \$1,419,432 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 in the City's name.

The City also had a \$11,225,000 irrevocable letter of credit issued by the Federal Home Loan Bank to cover deposits held by First Southern Bank.

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, 2021, the City, including pension trust funds, had the following investments and maturities:

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 2 — Deposits and Investments (Continued)

Investment Type	Fair Value	Investment Maturities (In Years)				Moody's Rating
		Less Than 1	1-5	6-10	More Than 10	
Mutual funds	\$ 8,802,632	\$ 8,802,632	\$ -	\$ -	\$ -	N/A
Common stocks	1,615,192	1,615,192	-	-	-	N/A
Municipal bonds	257,099	-	257,099	-	-	AA3-A2
Federal National Mortgage Association	441,120	-	-	79,623	361,497	AAA
Federal Home Loan Mortgage Corp.	85,890	-	-	35,921	49,969	
United States Treasury	6,906,984	415,370	4,776,923	1,714,691	-	N/A
Insurance contracts - Fixed	811,456	-	811,456	-	-	N/A
Illinois Funds Money Market	9,376,652	9,376,652	-	-	-	N/A
Corporate Bonds	3,038,078	119,741	1,842,084	1,076,253	-	AAA-BAA3
Exchange traded funds	10,940,128	10,940,128	-	-	-	N/A
IMET	1,482,850	1,482,850	-	-	-	N/A
Total	\$ 43,758,081	\$ 32,752,565	\$ 7,687,562	\$ 2,906,488	\$ 411,466	

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.

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:

Highly Sensitive Investments	Fair Value
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>\$ 527,010</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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 2 — Deposits and Investments (Continued)

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.

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, 2021.

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>
Cash	\$ -	\$ 25,526	\$ 30,991	\$ -	\$ 3,365	\$ 2,413
Certificates of deposit	1,957	-	-	10,814	361,149	-
<u>Total</u>	<u>\$ 1,957</u>	<u>\$ 25,526</u>	<u>\$ 30,991</u>	<u>\$ 10,814</u>	<u>\$ 364,514</u>	<u>\$ 2,413</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 3 — Restricted Assets (Continued)

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.

Enterprise Fund

	<u>Water Department</u>	<u>Sewer Department</u>
Cash	\$ <u>1,570,773</u>	\$ <u>177,753</u>

Restricted assets of the Water Department is for debt service, capital improvements, and escrow.

Restricted assets of the Sewer Department are for debt service.

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 August and the second installment is due in October. 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 in 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 2019 assessed valuation for property taxes collected in fiscal year 2021 in the City of Marion was \$342,807,730 and in the Tax Increment Funds were \$74,992,939. The tax levy for 2019 which represents the property taxes collected in fiscal year 2021 was 0.00002 per \$100 assessed valuation.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 5 — Capital Assets

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

<u>Governmental activities:</u>	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 27,794,344	\$ 1,585,539	\$ (1,396,192)	\$ -	\$ 27,983,691
Construction in Progress	<u>1,836,334</u>	<u>1,291,334</u>	<u>(1,690,817)</u>	<u>(232,757)</u>	<u>1,204,094</u>
<u>Total capital assets not being depreciated</u>	<u>29,630,678</u>	<u>2,876,873</u>	<u>(3,087,009)</u>	<u>(232,757)</u>	<u>29,187,785</u>
Capital assets being depreciated:					
Land improvements	414,180	67,300	-	-	481,480
Parking lot improvements	537,579	25,000	-	-	562,579
Office equipment	566,795	5,294	-	-	572,089
Fixed mechanical equipment	1,918,132	-	-	-	1,918,132
Major moveable equipment	3,001,433	363,593	(188,554)	-	3,176,472
Vehicles	6,078,850	359,530	(180,035)	-	6,258,345
Railroad improvements	610,953	-	-	-	610,953
Mall infrastructure	19,157,897	-	-	-	19,157,897
Buildings	42,488,451	797,257	-	-	43,285,708
Streets	40,096,451	1,607,674	-	-	41,704,125
Bridges	946,386	-	-	-	946,386
Storm sewers	3,762,769	-	-	-	3,762,769
Sidewalks	2,655,327	-	-	-	2,655,327
Flood control projects	5,050,469	-	-	-	5,050,469
Street lights	694,469	22,121	-	-	716,590
Traffic lights	145,694	-	-	-	145,694
Software	170,060	29,250	-	-	199,310
<u>Total capital assets being depreciated</u>	<u>128,295,895</u>	<u>3,277,019</u>	<u>(368,589)</u>	<u>-</u>	<u>131,204,325</u>
Less accumulated depreciation for:					
Land improvements	238,758	24,314	-	-	263,072
Parking lot improvements	185,561	31,789	-	-	217,350
Office equipment	421,280	23,254	-	-	444,534
Fixed mechanical equipment	1,151,847	117,740	-	-	1,269,587
Major moveable equipment	1,958,801	214,342	(163,647)	-	2,009,296
Vehicles	3,865,325	472,710	(164,664)	-	4,173,371
Railroad improvements	459,487	15,273	-	-	474,760
Mall infrastructure	19,157,897	-	-	-	19,157,897
Buildings	10,627,745	1,076,367	-	-	11,704,112
Streets	13,368,600	928,063	-	-	14,296,663
Bridges	524,555	23,660	-	-	548,215
Storm sewers	1,005,864	95,790	-	-	1,101,654
Sidewalks	438,273	88,461	-	-	526,734
Flood control projects	2,013,304	101,009	-	-	2,114,313
Street lights	170,200	35,553	-	-	205,753
Traffic lights	5,464	7,285	-	-	12,749
Software	150,774	16,717	-	-	167,491
<u>Total accumulated depreciation</u>	<u>55,743,535</u>	<u>3,272,327</u>	<u>(328,311)</u>	<u>-</u>	<u>58,687,551</u>
<u>Total capital assets being depreciated, net</u>	<u>72,552,360</u>	<u>4,692</u>	<u>(40,278)</u>	<u>-</u>	<u>72,516,774</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 102,183,038</u>	<u>\$ 2,881,565</u>	<u>\$ (3,127,287)</u>	<u>\$ (232,757)</u>	<u>\$ 101,704,559</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 5 — Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

<u>Governmental activities:</u>	
General government	\$ 104,162
Public health and safety	563,420
Streets, alleys and cemeteries	321,828
Cultural and recreation	985,530
Unallocated	<u>1,297,387</u>
<u>Total governmental activities depreciation expense</u>	<u>\$ 3,272,327</u>

<u>Business-type activities:</u>	Beginning Balance	Additions	Deletions	Transfer	Ending Balance
<u>Capital assets not being depreciated:</u>					
Land	\$ 3,544,128	\$ 24,129	\$ -	\$ -	\$ 3,568,257
Construction in progress	<u>893,011</u>	<u>1,899,070</u>	<u>(946,121)</u>	<u>-</u>	<u>1,845,960</u>
<u>Total capital assets not being depreciated</u>	<u>4,437,139</u>	<u>1,923,199</u>	<u>(946,121)</u>	<u>-</u>	<u>5,414,217</u>
<u>Capital assets being depreciated:</u>					
Land improvements	65,505	-	-	-	65,505
Structures	2,982,865	-	(184,560)	-	2,798,305
Buildings	18,764,039	-	-	-	18,764,039
Fixed equipment	3,183,227	77,470	(302,156)	-	2,958,541
Equipment and machinery	1,283,914	5,199	(140,604)	-	1,148,509
Trucks and tractors	1,380,299	68,513	(27,589)	-	1,421,223
Transmission and distribution systems	15,404,340	635,896	(2,669,797)	232,757	13,603,196
Lift stations	<u>1,148,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,148,934</u>
<u>Total capital assets being depreciated</u>	<u>44,213,123</u>	<u>787,078</u>	<u>(3,324,706)</u>	<u>232,757</u>	<u>41,908,252</u>
<u>Less accumulated depreciation for:</u>					
Land improvements	31,676	3,112	-	-	34,788
Structures	953,344	60,191	(163,088)	-	850,447
Buildings	8,694,369	448,523	-	-	9,142,892
Fixed equipment	992,867	100,895	(203,195)	-	890,567
Equipment and machinery	940,283	52,846	(168,938)	-	823,991
Trucks and tractors	1,038,840	83,700	(27,588)	-	1,094,952
Transmission and distribution systems	4,800,951	294,688	(1,625,756)	-	3,469,883
Lift stations	<u>739,970</u>	<u>44,437</u>	<u>-</u>	<u>-</u>	<u>784,407</u>
<u>Total accumulated depreciation</u>	<u>18,192,300</u>	<u>1,088,192</u>	<u>(2,188,565)</u>	<u>-</u>	<u>17,091,927</u>
<u>Total capital assets being depreciated, net</u>	<u>26,020,823</u>	<u>(68,357)</u>	<u>(1,136,141)</u>	<u>232,757</u>	<u>24,816,325</u>
<u>Business-type activities capital assets, net</u>	<u>\$ 30,457,962</u>	<u>\$ 1,622,085</u>	<u>\$ (2,082,262)</u>	<u>\$ 232,757</u>	<u>\$ 30,230,542</u>

<u>Business-type activities:</u>	
Water	\$ 408,626
Sewer	<u>679,566</u>
<u>Total business-type activities depreciation expense</u>	<u>\$ 1,088,192</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

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.

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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds-					
Pavilion Bonds, series					
2011	\$ 540,165	\$ -	\$ 212,991	\$ 327,174	\$ 221,558
GO Bonds, series 2014	3,230,000	-	290,000	2,940,000	300,000
GO Bonds, series 2013	2,625,000	-	2,625,000	-	-
GO Bonds, series 2012	9,720,000	-	9,720,000	-	-
GO Bonds, series 2011A	700,000	-	345,000	355,000	355,000
GO Bonds, series 2019	642,084	-	99,562	542,522	102,430
GO Bonds, series 2020	-	10,000,000	-	10,000,000	-
GO Bonds, series 2020A	-	902,000	-	902,000	902,000
Subtotal	<u>17,457,249</u>	<u>10,902,000</u>	<u>13,292,553</u>	<u>15,066,696</u>	<u>1,880,988</u>
Add - Premium on bonds	584,028	252,371	335,817	500,582	27,377
Total Bonds Payable	<u>18,041,277</u>	<u>11,154,371</u>	<u>13,628,370</u>	<u>15,567,278</u>	<u>1,908,365</u>
Other Liabilities -					
Capital Lease Payable	516,822	-	120,097	396,725	106,527
Notes Payable	8,274,624	1,780,615	2,394,210	7,661,029	3,513,060
Compensated Absences	864,860	-	271,747	593,113	-
Total OPEB Liability	31,452,335	7,897,886	-	39,350,221	-
Net Pension Liability	16,072,930	-	7,618,626	8,454,304	-
Total Other Liabilities	<u>57,181,571</u>	<u>9,678,501</u>	<u>10,404,680</u>	<u>56,455,392</u>	<u>3,619,587</u>
Total Long-Term Debt	<u>\$ 75,222,848</u>	<u>\$ 20,832,872</u>	<u>\$ 24,033,050</u>	<u>\$ 72,022,670</u>	<u>\$ 5,527,952</u>

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

The City's outstanding bonds and notes payable from direct borrowings related to governmental activities are \$1,771,696 and \$7,661,029, respectively. There are no special provisions to these issues. In regards to the notes payable, \$2,582,665 of the debt has specific collateral attached to it.

On October 29, 2020 the City completed a current refunding (Exempt General Obligation Bond - Series 2020) of the remaining \$9,720,000 of the Exempt General Obligation Bond -

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

Series 2012 and \$390,000 of the Exempt General Obligation Bond - Series 2013. The current refunding will increase cash flow over the life of the new bond by \$833,550. The economic gain on the refunding was \$817,998.

On November 17, 2020 the City completed a current refunding (Taxable General Obligation Bond - Series 2020A) of the remaining \$902,000 of the Exempt General Obligation Bond - Series 2013. The current refunding will increase cash flow over the life of the new bond by \$18,536. The economic gain on the refunding was \$18,445.

General Obligation Bonds payable at April 30, 2021, 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%.	\$ 355,000
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%.	327,174
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%.	2,940,000
The City issued \$10,000,000 General Obligation Bonds, Series 2020, for capital projects, dated October 29, 2020, due in annual principal installments ranging from \$745,000 to \$1,330,000 from November 1, 2022 through November 1, 2032; interest rate is variable from 1.00% to 2.00%.	10,000,000
The City issued \$902,000 General Obligation Refunding Bonds, Series 2020A, for capital projects, dated November 17, 2020, due in November 1, 2021; interest rate is 0.75%.	902,000
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%.	<u>542,522</u>
General Obligation Bonds payable	15,066,696
Add: Premium on bonds	<u>500,582</u>
Total	<u>\$ 15,567,278</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

As of April 30, 2021, \$1,478,414 is available in Debt Service Funds to service General Obligation Bonds and one note payable.

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

Fiscal Year Ending April 30	Principal	Interest	Total
2022	\$ 1,880,988	\$ 288,036	\$ 2,169,024
2023	1,855,996	243,152	2,099,148
2024	1,948,418	212,218	2,160,636
2025	1,981,540	180,889	2,162,429
2026	1,599,754	153,297	1,753,051
2027-2031	4,325,000	323,269	4,648,269
2032-2033	1,475,000	29,650	1,504,650
Total	<u>\$ 15,066,696</u>	<u>\$ 1,430,511</u>	<u>\$ 16,497,207</u>

Notes payable at April 30, 2021 are comprised of the following individual notes:

a)	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.	\$ 360,000
b)	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.	3,709,091
c)	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.	1,406,000
d)	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.	14,168
e)	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.	4,360
f)	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.	4,083
g)	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.	3,335
h)	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.	2,397

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

i)	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.	5,794
j)	3.240% note payable to First Southern Bank for two Caterpillars for MFT Dept. in monthly installments of \$3,258 beginning September 30, 2018 through August 30, 2023.	87,756
k)	3.240% note payable to First Southern Bank for a truck for MFT Dept. in monthly installments of \$994 beginning December 30, 2018 through November 30, 2021.	6,876
l)	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.	65,036
m)	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.	38,510
n)	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.	45,453
o)	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.	167,940
p)	1.90% note payable to First Southern Bank for police cars in monthly installments of \$ 2,606 beginning October 28, 2020 through October 30, 2023.	76,281
q)	2.10% note payable to First Southern Bank for police cars in monthly installments of \$ 1,897 beginning September 9, 2020 through September 15, 2023.	53,590
r)	2.25% note payable to First Southern Bank for Kubota and attachments in monthly installments of \$ 1,388 beginning June 22, 2020 through June 30, 2023.	35,004
s)	1.50% \$10,000,000 Line of Credit with Banterra Bank beginning June 1, 2020 through May 31, 2021.	1,125,000
t)	2.50% note payable to First Southern Bank for construction loan beginning January 12, 2021 through January 15, 2032.	<u>450,355</u>
Total		<u>\$ 7,661,029</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

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

Fiscal Year Ending April 30	Principal	Interest	Total
2022	\$ 3,513,060	\$ 40,905	\$ 3,553,965
2023	1,372,672	5,612	1,378,284
2024	793,134	1,620	794,754
2025	745,799	388	746,187
2026	618,182	-	618,182
2027	618,182	-	618,182
Total	\$ 7,661,029	\$ 48,525	\$ 7,709,554

Leases payable at April 30, 2021 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.	\$ 10,629
b) 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.	51,842
c) 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>334,254</u>
Total Leases Payable	\$ <u>396,725</u>

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

Fiscal Year Ending April 30	Principal	Interest	Total
2022	\$ 106,527	\$ 8,134	\$ 114,661
2023	82,683	5,840	88,523
2024	65,652	4,201	69,853
2025	67,222	2,631	69,853
2026	68,830	1,023	69,853
2027	5,811	12	5,823
Total	\$ 396,725	\$ 21,841	\$ 418,566

The City also has \$10,000,000 line of credit of which \$1,125,000 has been used.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

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, 2021:

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds -					
GO bonds, series 2014	\$ 2,025,000	\$ -	\$ 510,000	\$ 1,515,000	\$ 525,000
GO refunding bonds series 2017	<u>1,870,000</u>	<u>-</u>	<u>215,000</u>	<u>1,655,000</u>	<u>220,000</u>
Subtotal	3,895,000	-	725,000	3,170,000	745,000
Add - Premium on Bonds	<u>177,094</u>	<u>-</u>	<u>37,345</u>	<u>139,749</u>	<u>38,412</u>
Total Bonds Payable	<u>4,072,094</u>	<u>-</u>	<u>762,345</u>	<u>3,309,749</u>	<u>783,412</u>
Other Liabilities -					
Lease Payable	15,471	1,200,000	6,305	1,209,166	118,110
Note Payable	3,484,135	951,990	705,662	3,730,463	274,043
Compensated Absences	113,428	-	37,414	76,014	-
Total OPEB Liability	5,876,757	1,234,711	-	7,111,468	-
Net Pension Liability	<u>408,056</u>	<u>-</u>	<u>408,056</u>	<u>-</u>	<u>-</u>
Total Other Liabilities	<u>9,897,847</u>	<u>3,386,701</u>	<u>1,157,437</u>	<u>12,127,111</u>	<u>392,153</u>
Total Long-Term Debt	<u>\$ 13,969,941</u>	<u>\$ 3,386,701</u>	<u>\$ 1,919,782</u>	<u>\$ 15,436,860</u>	<u>\$ 1,175,565</u>

The City's outstanding notes payable from direct borrowings related to business-type activities of \$3,730,463 are secured with specific collateral for each borrowing.

Enterprise Funds bonds payable at April 30, 2021, 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%.	\$ 1,515,000
\$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%.	<u>1,655,000</u>
General Obligation Bonds Payable	3,170,000
Add: Premium on bonds	<u>139,749</u>
Net Enterprise Funds Bonds Payable	<u>\$ 3,309,749</u>

As of April 30, 2021, \$288,199 is available in water and sewer funds to service general obligation bonds and IEPA loans.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

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, 2021:

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds -					
GO bonds, series 2014	\$ 2,025,000	\$ -	\$ 510,000	\$ 1,515,000	\$ 525,000
GO refunding bonds series 2017	<u>1,870,000</u>	<u>-</u>	<u>215,000</u>	<u>1,655,000</u>	<u>220,000</u>
Subtotal	3,895,000	-	725,000	3,170,000	745,000
Add - Premium on Bonds	<u>177,094</u>	<u>-</u>	<u>37,345</u>	<u>139,749</u>	<u>38,412</u>
Total Bonds Payable	<u>4,072,094</u>	<u>-</u>	<u>762,345</u>	<u>3,309,749</u>	<u>783,412</u>
Other Liabilities -					
Lease Payable	15,471	1,200,000	6,305	1,209,166	118,110
Note Payable	3,484,135	951,990	705,662	3,730,463	274,043
Compensated Absences	113,428	-	37,414	76,014	-
Total OPEB Liability	5,876,757	1,234,711	-	7,111,468	-
Net Pension Liability	<u>408,056</u>	<u>-</u>	<u>408,056</u>	<u>-</u>	<u>-</u>
Total Other Liabilities	<u>9,897,847</u>	<u>3,386,701</u>	<u>1,157,437</u>	<u>12,127,111</u>	<u>392,153</u>
Total Long-Term Debt	<u>\$ 13,969,941</u>	<u>\$ 3,386,701</u>	<u>\$ 1,919,782</u>	<u>\$ 15,436,860</u>	<u>\$ 1,175,565</u>

The City's outstanding notes payable from direct borrowings related to business-type activities of \$3,730,463 are secured with specific collateral for each borrowing.

Enterprise Funds bonds payable at April 30, 2021, 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%. \$ 1,515,000

\$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%. 1,655,000

General Obligation Bonds Payable 3,170,000

Add: Premium on bonds 139,749

Net Enterprise Funds Bonds Payable \$ 3,309,749

As of April 30, 2021, \$288,199 is available in water and sewer funds to service general obligation bonds and IEPA loans.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

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>
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	240,000	18,150	258,150
2027-2028	505,000	15,225	520,225
Total	<u>\$ 3,170,000</u>	<u>\$ 262,363</u>	<u>\$ 3,432,363</u>

Enterprise Fund notes payable at April 30, 2021, 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.	\$ 423,856
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.	231,583
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.	777,144
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.	1,313,958
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.	401,758
F. Initial disbursement by State of Illinois Environmental Protection Agency for water main loop and high service pump installation.	366,600
G. 1.50% note payable to the State of Illinois for elevated water storage tank improvements, in semi-annual installments ranging from \$4,330 to \$6,333 beginning November 15, 2021 through May 15, 2041.	<u>215,564</u>
Total	<u>\$ 3,730,463</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 6 — Legal Debt Margin and Long-Term Debt (Continued)

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

Fiscal Year Ending April 30	Principal	Interest	Total
2022	\$ 274,043	\$ 50,204	\$ 324,247
2023	311,723	50,806	362,529
2024	307,796	45,887	353,683
2025	312,816	40,866	353,682
2026	317,940	35,742	353,682
2027-2031	1,353,299	114,513	1,467,812
2032-2036	709,885	37,290	747,175
2037-2041	137,793	7,767	145,560
2042	5,168	47	5,215
Totals	<u>\$ 3,730,463</u>	<u>\$ 383,122</u>	<u>\$ 4,113,585</u>

Enterprise Fund lease payable as of April 30, 2021 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	\$ 9,166
B. 1.582% lease payable to US Bancorp for water tower due in semi-annual installments of \$65,108 tax exempt beginning July 13, 2021 through January 13, 2031	<u>1,200,000</u>
Total	<u>\$ 1,209,166</u>

Debt service requirement to maturity for lease payable is as follows:

Fiscal Year Ending April 30	Principal	Interest	Total
2022	\$ 118,110	\$ 18,676	\$ 136,786
2023	116,172	16,781	132,953
2024	115,247	14,969	130,216
2025	117,077	13,138	130,215
2026	118,936	11,279	130,215
2027-2031	623,624	27,451	651,075
Total	<u>\$ 1,209,166</u>	<u>\$ 102,294</u>	<u>\$ 1,311,460</u>

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
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans

Summary:

Net Pension Liability

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

	<u>Net Pension Liability/(Asset)</u>
Illinois Municipal Retirement Fund	\$ (1,046,221)
Fire Pension Fund	3,715,192
Police Pension Fund	<u>5,629,677</u>
Total Aggregate Net Pension Liability	<u>\$ 8,298,648</u>

Deferred Inflows and Outflows of Resources

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

	<u>Net Differences Between Expected & Actual Experience</u>	<u>Employer Contributions</u>	<u>Net Differences Between Projected and Actual Earnings</u>	<u>Changes in Assumptions</u>
Illinois Municipal Retirement Fund	\$ (13,585)	\$ 216,947	\$ (2,505,895)	\$ (98,838)
Fire Pension Fund	(57,255)	-	(1,494,182)	220,871
Police Pension Fund	<u>(770,468)</u>	-	<u>(1,725,283)</u>	<u>42,899</u>
Totals	<u>\$ (841,308)</u>	<u>\$ 216,947</u>	<u>\$ (5,725,360)</u>	<u>\$ 164,932</u>

Pension Expense

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

	<u>Pension Expense</u>
Illinois Municipal Retirement Fund	\$ (437,778)
Fire Pension Fund	345,830
Police Pension Fund	<u>582,042</u>
Total Pension Expense	<u>\$ 490,094</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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.

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
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

Employees Covered by Benefit Terms:

As of December 31, 2020, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	102
Inactive plan members entitled to but not yet receiving benefits	64
Active plan members	140
Total	306

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 2020 was 9.04%. For the fiscal year ended April 30, 2021, the City contributed \$580,220 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, 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 at December 31, 2020

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

Mortality For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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, 2020:

<u>Asset class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real estate	9.00%	6.20%
Alternative Investments	7.00%	2.85-6.95%
Cash Equivalents	1.00%	0.70%
Total	<u>100.00%</u>	

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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 (to the extent that the plan's 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%

F. Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balances at December 31, 2019	\$ 29,901,063	\$ 28,432,016	\$ 1,469,047
Changes for the year:			
Service Cost	651,066	-	651,066
Interest on the Total Pension Liability	2,128,698	-	2,128,698
Differences Between Expected and Actual Experience of the Total Pension Liability	(102,736)	-	(102,736)
Changes of Assumptions	(272,871)	-	(272,871)
Contributions—Employer	-	567,142	(567,142)
Contributions—Employee	-	286,524	(286,524)
Net Investment Income	-	4,097,305	(4,097,305)
Benefit Payments, including Refunds of Employee Contributions	(1,730,486)	(1,730,486)	-
Other (Net Transfer)	-	(31,546)	31,546
Net changes	673,671	3,188,939	(2,515,268)
Balances at December 31, 2020	\$ 30,574,734	\$ 31,620,955	\$ (1,046,221)

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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:

	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset)	\$ 2,598,476	\$ (1,046,221)	\$ (3,863,041)

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

For the year ended April 30, 2021, the City recognized pension expense of \$(437,778). At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Deferred Amounts Related to Pensions		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 491,428	\$ 505,013
Changes of assumptions	376,421	475,259
Net difference between projected and actual earnings on pension plan investments	1,339,316	3,845,211
Total Deferred Amounts to be recognized in pension expense in future periods	2,207,165	4,825,483
Pension Contributions made subsequent to the measurement date	216,947	-
Total Deferred Amounts Related to Pensions	\$ 2,424,112	\$ 4,825,483

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

Year Ending December 31	Net Deferred Inflows of Resources
2021	\$ (960,636)
2022	(358,570)
2023	(870,399)
2024	(388,036)
2025	(40,677)
Total	\$ (2,618,318)

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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, 2021, the Fire Pension Plan membership consisted of:

Active members	25
Retirees and beneficiaries	16
Inactive, Non-retired members	1
<u>Total</u>	<u>42</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 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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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, 2021, the City's contribution was 42.04% of covered payroll.

B. Net Pension Liability

The City's net pension liability was measured as of April 30, 2021. 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
Asset Valuation Method	5-Year smoothed market, no corridor for contribution determination
Salary Increases	Graded by age from 6.3611% to ultimate of 2.6220%
Payroll Growth	3.50% per year
Investment Rate of Return	6.75% per year
Retirement Age	Graded by age Tier 1 – 10% at 50 to 100% at age 65 Tier 2 – 3% at 50 to 100% at age 65
Mortality	RP 2014 Base Rates with Blue Collar Adjustment Projected to 2021 with Scale MP 2020

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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	17.50%	6.75%
US Mid Cap Equity	11.00%	7.75%
US Small Cap Equity	7.00%	8.25%
International Developed Equity	13.50%	8.30%
International Small Cap Equity	4.50%	9.10%
Emerging Markets Equity	6.00%	11.15%
Real Estate Investment Trusts	5.50%	8.00%
Fixed Income (Investment Grade Only)	<u>35.00%</u>	1.95%
Total	<u>100.00%</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 (to the extent that the plan's 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.12%, and the resulting single discount rate is 6.75%.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

F. Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balances at April 30, 2020	\$ 18,091,649	\$ 11,971,910	\$ 6,119,739
Changes for the year:			
Service Cost	416,887	-	416,887
Interest on the Total Pension Liability	1,193,796	-	1,193,796
Differences Between Expected and Actual Experience of the Total Pension Liability	432,935	-	432,935
Changes of Assumptions	11,817	-	11,817
Contributions—Employer	-	673,801	(673,801)
Contributions—Employee	-	159,422	(159,422)
Net Investment Income	-	3,626,759	(3,626,759)
Benefit Payments, including Refunds of Employee Contributions	(749,145)	(749,145)	-
Other (Admin. Expenses)	(16,971)	(16,971)	-
Net Changes	1,289,319	3,693,866	(2,404,547)
Balances at April 30, 2021	\$ 19,380,968	\$ 15,665,776	\$ 3,715,192

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 80.83%

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

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

	1% Lower (5.75%)	Discount Rate (6.75%)	1% Higher (7.75%)
Net Pension Liability	\$ 6,559,679	\$ 3,715,192	\$ 1,395,959

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

For the year ended April 30, 2021, the City recognized pension expense of \$345,830. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Deferred Amounts Related to Pensions		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 382,601	\$ 439,856
Changes in assumptions	220,871	-
Net difference between projected and actual earnings on pension plan investments	758,930	2,253,112
Total Deferred Amounts Related to Pensions	\$ 1,362,402	\$ 2,692,968

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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

Year Ending April 30	Net Deferred Inflows of Resources
2022	\$ (288,445)
2023	(293,885)
2024	(304,328)
2025	(548,529)
2026	14,749
Thereafter	89,872
Total	\$ (1,330,566)

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, 2021, the Police Pension Plan membership consisted of:

Active members	40
Retirees and beneficiaries	24
Inactive, Non-retired members	2
<u>Total</u>	66

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

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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.

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, 2021, the City's contribution was 38.93% 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, 2021. 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
Asset Valuation Method	5-Year smoothed market, no corridor
Salary Increases	Graded by age from 7.3611% initially to ultimate rate of 3.622%
Payroll Growth	3.50% per year
Investment Rate of Return	6.75% per year
Retirement Age	Graded by age Tier 1 – 15% at 50 to 100% at age 65 Tier 2 – 5% at 50 to 100% at age 65
Mortality	RP 2014 Base Rates with Blue Collar Adjustment Projected to 2021 with Scale MP 2020

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

D. Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	17.50%	6.75%
US Mid Cap Equity	11.00%	7.75%
US Small Cap Equity	7.00%	8.25%
International Developed Equity	13.50%	8.30%
International Small Cap Equity	4.50%	9.10%
Emerging Markets Equity	6.00%	11.15%
Real Estate Investment Trusts	5.50%	8.00%
Fixed Income (Investment Grade Only)	<u>35.00%</u>	1.95%
Total	<u>100.00%</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 (to the extent that the plan's 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.12%, and the resulting single discount rate is 6.75%.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

F. Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balances at April 30, 2020	\$ 22,282,774	\$ 13,390,574	\$ 8,892,200
Changes for the year:			
Service Cost	767,261	-	767,261
Interest on the Total Pension Liability	1,464,611	-	1,464,611
Differences Between Expected and Actual Experience of the Total Pension Liability	(114,210)	-	(114,210)
Changes of Assumptions	15,008	-	15,008
Contributions—Employer	-	1,017,351	(1,017,351)
Contributions—Employee	-	261,350	(261,350)
Net Investment Income	-	4,116,492	(4,116,492)
Benefit Payments, including Refunds of Employee Contributions	(1,079,701)	(1,079,701)	-
Other (Admin. Expenses)	(35,212)	(35,212)	-
Net Changes	1,017,757	4,280,280	(3,262,523)
Balances at April 30, 2021	\$ 23,300,531	\$ 17,670,854	\$ 5,629,677

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 75.84%

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

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

	1% Lower (5.75%)	Discount Rate (6.75%)	1% Higher (7.75%)
Net Pension Liability	\$ 8,941,459	\$ 5,629,677	\$ 2,927,336

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

For the year ended April 30, 2021, the City recognized pension expense of \$582,042. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Deferred Amounts Related to Pensions		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 1,062,051	\$ 1,832,519
Changes in assumptions	42,899	-
Net difference between projected and actual earnings on pension plan investments	855,366	2,580,649
Total Deferred Amounts Related to Pensions	\$ 1,960,316	\$ 4,413,168

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 8 — Defined Benefit Pension Plans (Continued)

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 Inflows of Resources</u>
2022	\$ (416,695)
2023	(401,727)
2024	(408,604)
2025	(689,141)
2026	(47,721)
Thereafter	<u>(488,964)</u>
Total	<u>\$ (2,452,852)</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.

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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 10 — Other Postemployment Benefits (Continued)

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, 2021, membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Active employees	158
<u>Total</u>	<u>241</u>
Participating employer	<u>1</u>

B. Total OPEB Liability

The City's OPEB liability of \$46,461,689 was measured as of April 30, 2021, and was determined by an actuarial valuation as of that date.

C. Actuarial Assumptions and Other Inputs

Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal
Discount (Interest) Rate	2.12%
Salary Increases	3.50% per year
Mortality	Probabilities of death for participants were according to RP 2014 Blue Collar base rates projected to 2021 using scale MP 2020 for Police and Fire. For all others the RP 2014 base rates projected to 2021 using scale MP 2020 was used.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 10 — Other Postemployment Benefits (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2020	<u>\$ 37,329,092</u>
Changes for the year:	
Service Cost	818,612
Interest	1,070,225
Benefit changes*	(279,752)
Differences Between Expected and Actual Experience	288,949
Assumption Changes	8,337,778
Benefit Payments	<u>(1,103,215)</u>
Net Changes	<u>9,132,597</u>
Balance at April 30, 2021	<u>\$ 46,461,689</u>

*Reduction of \$270,125 due to elimination of Cadillac tax. Reduction of \$9,627 due to reducing the subsidy to 50% for Police and Firefighters hired after May 1, 2021.

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 (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 55,640,006	\$ 46,461,689	\$ 39,336,228

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 (6.0 percent decreasing to 3.0 percent) or 1 percentage-point higher (8.0 percent decreasing to 5.0 percent) than the current healthcare cost trend rates.

	1% Decrease (6.0%) Decreasing to 3.0%	Discount Rate (7.0%) Decreasing to 4.0%	1% Increase (8.0%) Decreasing to 5.0%
Total OPEB liability	\$ 38,972,847	\$ 46,461,689	\$ 56,186,360

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 10 — Other Postemployment Benefits (Continued)

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

For the year ended April 30, 2021, the City recognized OPEB expense of \$3,338,077. At April 30, 2021, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 254,178
Changes of assumptions or other inputs	11,754,412
Total Deferred Amounts Related to OPEB	\$ 12,008,590

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

Year Ending April 30	Net Deferred Outflows of Resources
2022	\$ 1,728,992
2023	1,728,992
2024	1,728,992
2025	1,728,992
2026	1,728,992
Thereafter	3,363,630
Total	\$ 12,008,590

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.

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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 11 — Fund Balance Reporting (Continued)

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. \$415,179 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.

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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 11 — Fund Balance Reporting (Continued)

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
Fund Balances						
Nonspendable	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Restricted for -						
Donor expenditures	13,232	-	-	353,452	-	366,684
Public health and safety	28,741	-	-	1,832,962	-	1,861,703
Capital projects	-	-	2,234,031	-	-	2,234,031
Debt service	-	-	-	-	1,452,888	1,452,888
Cemetery	-	957	-	17,220	-	18,177
Maintenance of roadways	-	-	-	1,673,342	-	1,673,342
Tourism and recreation	-	-	-	88,575	-	88,575
Development	981,582	-	-	1,255,411	-	2,236,993
Committed for -						
Cash reserve	6,807,288	-	-	-	-	6,807,288
Assigned						
Library	50,561	-	-	-	-	50,561
Unassigned	5,889,929	-	-	(61,368)	-	5,828,561
Total Fund Balances	<u>\$ 13,771,333</u>	<u>\$ 1,957</u>	<u>\$ 2,234,031</u>	<u>\$ 5,159,594</u>	<u>\$ 1,452,888</u>	<u>\$ 22,619,803</u>

At April 30, 2021, the HUB Recreation Center Fund, a non-major special revenue fund, has a deficit fund balance of \$61,368.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

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, 2021 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 50,423	\$ -
Carnegie Library Fund	-	207
HUB Recreational Center	-	57,338
Gas Tax Fund	55,507	-
Foreign Fire Insurance Fund	-	515
Pavillion Fund	-	2,013
Water Fund	-	8,968
Sewer Fund	-	37,156
Capital Project Fund	10,167	-
Goddard Chapel Fund	267	-
Revitalization Fund	-	10,167
<u>Total</u>	<u>\$ 116,364</u>	<u>\$ 116,364</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	\$ 6,191,899	\$ 109,036
Cultural and Civic Center Fund	-	472,457
Senior Citizen Council Fund	-	580,407
Boyton St Fund	-	187,348
	<u>6,191,899</u>	<u>1,349,248</u>
<u>Special Revenue Funds -</u>		
Pavilion Fund	-	81,670
HUB Recreational Center Fund	781,600	1,336,903
Motor Fuel Fund	-	789
Gas Tax Fund	30,463	-
Foreign Fire Insurance Fund	1,395	-
Special Revenues Police Fund	13,725	2,813
Carnegie Library Fund	-	664,861
TIF Redevelopment Fund	1,076,535	-
	<u>1,903,718</u>	<u>2,087,036</u>

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 12 — Interfund Transactions (Continued)

<u>Capital Project Fund -</u>			
Capital Project Fund	-	2,647,873	
	-	2,647,873	
<u>Debt Service Fund -</u>			
Debt Service Fund	-	3,534,200	
	-	3,534,200	
<u>Enterprise Funds -</u>			
Water Dept. Fund	1,509,912	-	
Sewer Dept. Fund	13,137	-	
	1,523,049	-	
<u>Internal Service Fund -</u>			
Health Reimbursement Fund	691	-	
	691	-	
<u>Total</u>	<u>\$ 9,619,357</u>	<u>\$ 9,618,357</u>	

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, 2021, 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 paid along with proof of payment.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

Note 14 — Pledged Revenue (Continued)

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, 2021, the Developer's portion of the home rule sales tax increase amounted to \$599,873.

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, 2021, 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.

City of Marion, Illinois
Notes to the Financial Statements
April 30, 2021

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.

Note 18 — Subsequent Events

The City has evaluated for inclusion as a subsequent event disclosure those events that occurred prior to December 17, 2021, the date the financial statements were available to be issued. There were no events that require disclosure except as noted below:

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 the City used \$1,125,000 of the line of credit for a purchase of property. The borrowed amount was repaid in the following year.

Required Supplemental Information

City of Marion, Illinois
General Fund Types
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 100	\$ 100	\$ 51	\$ (49)
Sales taxes	19,100,000	19,100,000	19,298,585	198,585
Other taxes and franchise fees	2,955,520	2,955,520	2,693,034	(262,486)
Licenses and permits	429,950	429,950	412,441	(17,509)
Intergovernmental revenue	2,440,700	2,440,700	2,769,345	328,645
Service charges and fees	1,304,500	1,358,000	503,266	(854,734)
Grant revenue	532,300	1,577,700	1,422,365	(155,335)
Investment income	143,670	143,670	73,812	(69,858)
Miscellaneous income	160,950	160,950	243,979	83,029
Total Revenues	27,067,690	28,166,590	27,416,878	(749,712)
Expenditures				
General government	4,135,840	4,430,290	3,932,001	(498,289)
Public health and safety	9,641,020	9,800,220	9,688,687	(111,533)
Streets, alleys, and cemeteries	3,463,180	3,463,180	3,437,397	(25,783)
Cultural and recreation	1,162,270	1,162,270	516,378	(645,892)
Development	760,690	904,950	957,813	52,863
Debt service:				
Principal	251,400	251,400	245,183	(6,217)
Interest	21,800	31,510	27,161	(4,349)
Capital outlay	550,700	1,945,980	2,055,389	109,409
Total Expenditures	19,986,900	21,989,800	20,860,009	(1,128,791)
Excess (Deficiency) of Revenues Over Expenditures	7,080,790	6,176,790	6,556,869	380,079
Other Financing Sources (Uses)				
Transfers in (out)	(6,664,020)	(7,302,490)	(7,459,242)	(156,752)
General long-term debt issued	426,800	1,316,600	1,330,160	13,560
Proceeds from sale of capital assets	-	48,400	117,763	69,363
Total Other Financing Sources (Uses)	(6,237,420)	(5,937,490)	(6,011,319)	(73,829)
Net Change in Fund Balances	\$ 843,370	\$ 239,300	\$ 545,550	\$ 306,250

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

City of Marlon, Illinois
TIF Redevelopment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 5,074,830	\$ 5,385,190	\$ 5,339,832	\$ (45,358)
Grant revenue	-	104,480	104,483	3
Investment income	8,160	8,160	3,916	(4,244)
Miscellaneous income	-	40,220	40,216	(4)
Total Revenues	5,082,990	5,538,050	5,488,447	(49,603)
Expenditures				
Streets, alleys and cemeteries	486,050	518,920	40,529	(478,391)
Development	1,825,760	2,163,280	2,608,043	444,763
Debt service:				
Principal	708,200	708,200	708,182	(18)
Capital outlay	-	553,560	558,492	4,932
Total Expenditures	3,020,010	3,943,960	3,915,246	(28,714)
Excess (Deficiency) of Revenues Over Expenditures	2,062,980	1,594,090	1,573,201	(20,889)
Other Financing Sources (Uses)				
Transfers in (out)	(1,221,570)	(1,221,570)	(1,078,375)	143,195
Total Other Financing Sources (Uses)	(1,221,570)	(1,221,570)	(1,078,375)	143,195
Net Change in Fund Balances	\$ 841,410	\$ 372,520	\$ 494,826	\$ 122,306

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

City of Marion, Illinois
Notes to Required Supplemental Information
April 30, 2021

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

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

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Over (Under)
Expenditures					
General					
General Government	\$ 4,006,638	\$ 32,925	\$ 3,932,001	\$ 4,430,290	\$ 498,289
Public health and safety	9,609,400	26,061	9,688,687	9,800,220	111,533
Streets, alleys and cemeteries	3,422,492	14,905	3,437,397	3,463,180	25,783
Cultural and recreation	484,816	30,677	516,378	1,162,270	645,892
Development	829,106	128,707	957,813	904,950	(52,863)
Debt service					
Principal	245,183	-	245,183	251,400	6,217
Interest	27,161	-	27,161	31,510	4,349
Capital outlay	<u>528,919</u>	<u>1,526,470</u>	<u>2,055,389</u>	<u>1,945,980</u>	<u>(109,409)</u>
Total Expenditures	<u>\$ 19,153,715</u>	<u>\$ 1,759,745</u>	<u>\$ 20,860,009</u>	<u>\$ 21,989,800</u>	<u>\$ 1,129,791</u>
TIF Redevelopment					
Streets, alleys and cemeteries	\$ 16,057	\$ 24,472	\$ 40,529	\$ 518,920	\$ 478,391
Development	2,579,475	28,568	2,608,043	2,163,280	(444,763)
Debt Service					
Principal	708,182	-	708,182	708,200	18
Capital outlay	<u>528,919</u>	<u>29,573</u>	<u>558,492</u>	<u>553,560</u>	<u>(4,932)</u>
Total Expenditures	<u>\$ 3,832,633</u>	<u>\$ 82,613</u>	<u>\$ 3,915,246</u>	<u>\$ 3,943,960</u>	<u>\$ 28,714</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 767,261	\$ 618,466	\$ 559,356	\$ 541,348	\$ 515,566	\$ 489,508	\$ 480,209
Interest on the total pension liability	1,464,611	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	(114,210)	1,291,960	(1,755,490)	(487,598)	(279,109)	238,173	(850,327)
Changes of assumptions	15,008	40,371	-	-	-	-	2,526,327
Benefit payments and refunds	(1,079,701)	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
Other (Admin Expense)	(35,212)	(21,353)	-	-	-	-	-
Net Change in Total Pension Liability	\$ 1,017,757	\$ 2,160,633	\$ (762,566)	\$ 472,447	\$ 631,845	\$ 1,067,888	\$ 2,437,439
Total Pension Liability - Beginning	<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>	<u>16,275,088</u>
Total Pension Liability - Ending (A)	<u>\$ 23,300,531</u>	<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>
Plan Fiduciary Net Position							
Member contributions	\$ 261,350	\$ 225,133	\$ 213,300	\$ 202,395	\$ 200,549	\$ 180,337	\$ 178,949
Employer contributions	1,017,351	1,012,811	1,014,558	997,462	850,449	722,600	662,900
Net investment income	4,116,492	(470,338)	802,525	838,002	996,676	173,455	738,694
Benefit payments	(1,079,701)	(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)	(35,212)	(21,353)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 4,280,280	\$ (373,368)	\$ 1,048,224	\$ 1,082,261	\$ 1,113,423	\$ 169,936	\$ 777,678
Plan Fiduciary Net Position - Beginning	<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>	<u>9,572,420</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 17,670,854</u>	<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>
Net Pension Liability - Ending (A)-(B)	<u>\$ 5,629,677</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.84%	60.09%	68.40%	60.98%	56.99%	53.18%	55.31%
Covered Valuation Payroll	\$ 2,613,422	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825
Net Pension Liability as a Percentage of Covered Valuation Payroll	215.41%	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 416,887	\$ 421,285	\$ 380,816	\$ 373,215	\$ 365,360	\$ 356,987	\$ 347,912
Interest on the total pension liability	1,193,796	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	432,935	(46,100)	(4,911)	(458,631)	(182,202)	(31,022)	(101,072)
Changes of assumptions	11,817	272,648	-	-	-	-	870,309
Benefit payments and refunds	(749,145)	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
Other (Admin Expense)	(16,971)	(14,764)	-	-	-	-	-
Net Change in Total Pension Liability	\$ 1,289,319	\$ 1,128,853	\$ 910,741	\$ 423,592	\$ 657,935	\$ 762,966	\$ 1,483,448
Total Pension Liability - Beginning	<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>	<u>12,724,114</u>
Total Pension Liability - Ending (A)	<u>\$ 19,380,968</u>	<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>
Plan Fiduciary Net Position							
Member contributions	\$ 159,422	\$ 150,991	\$ 148,466	\$ 145,684	\$ 142,499	\$ 139,192	\$ 133,500
Employer contributions	673,801	670,792	671,961	656,121	550,277	493,200	425,800
Net investment income	3,626,759	(392,343)	686,637	650,050	653,365	19,892	512,933
Benefit payments	(749,145)	(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)	(16,971)	(14,764)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 3,693,866	\$ (216,894)	\$ 957,187	\$ 906,967	\$ 811,695	\$ 130,602	\$ 572,211
Plan Fiduciary Net Position - Beginning	<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>	<u>8,810,142</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 15,665,776</u>	<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>
Net Pension Liability - Ending (A)-(B)	<u>\$ 3,715,192</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.83%	66.17%	71.86%	69.97%	66.06%	63.54%	66.04%
Covered Valuation Payroll	\$ 1,602,842	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067
Net Pension Liability as a Percentage of Covered Valuation Payroll	231.79%	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,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 651,066	\$ 650,197	\$ 601,509	\$ 611,219	\$ 591,756	\$ 556,314
Interest on the total pension liability	2,128,698	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	(102,736)	757,224	(435,519)	(618,757)	(327,102)	372,714
Changes of assumptions	(272,871)	-	791,468	(837,535)	(31,862)	-
Benefit payments, including refunds of Employee Contributions	<u>(1,730,486)</u>	<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>
Net Change in Total Pension Liability	\$ 673,671	\$ 1,828,322	\$ 1,477,506	\$ (213,036)	\$ 801,053	\$ 1,402,026
Total Pension Liability - Beginning	<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>	<u>24,605,192</u>
Total Pension Liability - Ending (A)	<u>\$ 30,574,734</u>	<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>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 567,142	\$ 547,638	\$ 669,876	\$ 651,087	\$ 621,827	\$ 618,207
Contributions - Employees	286,524	298,579	312,701	274,662	258,102	253,187
Net investment income	4,097,305	4,580,448	(1,417,569)	4,125,252	1,554,011	112,070
Benefit payments, including refunds of Employee Contributions	(1,730,486)	(1,580,644)	(1,443,037)	(1,350,847)	(1,351,237)	(1,340,561)
Other (Net Transfer)	<u>(31,546)</u>	<u>339,294</u>	<u>303,198</u>	<u>(1,129,183)</u>	<u>(157,298)</u>	<u>33,620</u>
Net Change in Plan Fiduciary Net Position	\$ 3,188,939	\$ 4,185,315	\$ (1,574,831)	\$ 2,570,971	\$ 925,405	\$ (323,477)
Plan Fiduciary Net Position - Beginning	<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>	<u>22,648,633</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 31,620,955</u>	<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>
Net Pension Liability - Ending (A)-(B)	<u>\$ (1,046,221)</u>	<u>\$ 1,469,047</u>	<u>\$ 3,826,040</u>	<u>\$ 773,703</u>	<u>\$ 3,557,710</u>	<u>\$ 3,682,062</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.42%	95.09%	86.37%	97.09%	86.73%	85.94%
Covered Valuation Payroll	\$ 6,267,830	\$ 6,630,005	\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
Net Pension Liability as a Percentage of Covered Valuation Payroll	(16.69)%	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
Police Pension Fund
Last Ten Fiscal Years**

<u>Fiscal Year Ending April 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a Percentage of Covered Employee Payroll</u>
2021	\$ 1,058,015	\$ 1,017,351	\$ 40,664	\$ 2,613,422	38.93%
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%

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**

<u>Fiscal Year Ending April 30</u>	<u>Required Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a Percentage of Covered Employee Payroll</u>
2021	\$ 672,247	\$ 673,801	\$ (1,554)	\$ 1,602,842	42.04%
2020	656,860	670,792	(13,932)	1,604,657	41.80%
2019	673,801	671,961	1,840	1,600,401	41.99%
2018	657,794	656,121	1,673	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%

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**

<u>Calendar Year Ended December 31</u>	<u>Required Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2020	\$ 566,612	\$ 567,142	\$ (530)	\$ 6,267,830	9.05%
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%
2014	585,535	594,889	(9,354)	5,131,769	29.75%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police Pension Plan	30.52%	(3.40)%	6.19%	7.05%	9.30%	1.88%	7.53%
Fire Pension Plan	30.17%	(3.18)%	6.00%	6.18%	6.75%	2.50%	6.05%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost including administrative expenses	\$ 818,612	\$ 644,279	\$ 589,748
Interest on total OPEB liability	1,070,225	1,175,782	1,168,126
Benefit changes	(279,752)	-	-
Differences between expected and actual experience	288,949	-	-
Assumption changes	8,337,779	5,024,096	880,678
Benefit payments	<u>(1,103,215)</u>	<u>(1,076,671)</u>	<u>(1,001,554)</u>
Net Change in Total OPEB Liability	\$ 9,132,598	\$ 5,767,486	\$ 1,636,998
Total OPEB Liability - Beginning	<u>37,329,091</u>	<u>31,561,605</u>	<u>29,924,607</u>
Total OPEB Liability - Ending	<u>\$ 46,461,688</u>	<u>\$ 37,329,091</u>	<u>\$ 31,561,605</u>
Covered – employee payroll	\$ 8,598,325	\$ 8,786,287	\$ 8,489,166
Total OPEB Liability as a percentage of Covered – employee payroll	540.36%	424.86%	371.79%

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
Non-Major Governmental Funds
Combining Balance Sheet
April 30, 2021

	<u>Permanent Fund</u>	<u>Capital Project Funds</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ -	\$ 643,941	\$ 1,722,264	\$ 2,366,205
Restricted cash and cash equivalents	-	-	28,891	28,891
Investments	-	1,863,983	1,113,507	2,977,490
Restricted investments	1,957	-	361,149	363,106
Accounts receivable	-	-	10,515	10,515
Property taxes receivable	-	-	111,435	111,435
Sales taxes receivable	-	-	618,557	618,557
Other taxes receivable	-	-	137,657	137,657
Grant receivable	-	-	24,330	24,330
Intergovernmental receivable	-	-	56,158	56,158
Due from other funds	-	10,167	55,774	65,941
Prepaid items	-	-	5,350	5,350
Total Assets	<u>\$ 1,957</u>	<u>\$ 2,518,091</u>	<u>\$ 4,245,587</u>	<u>\$ 6,765,635</u>
Liabilities				
Accounts payable	\$ -	\$ 270,297	\$ 89,109	\$ 359,406
Property taxes payable	-	13,763	-	13,763
Accrued payroll	-	-	29,859	29,859
Due to other funds	-	-	60,073	60,073
Unearned revenue	-	-	50,928	50,928
Total Liabilities	<u>-</u>	<u>284,060</u>	<u>229,969</u>	<u>514,029</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	111,435	111,435
Fund Balances				
Nonspendable	1,000	-	-	1,000
Restricted for:				
Donor restricted expenditures	-	-	353,452	353,452
Public safety	-	-	1,832,962	1,832,962
Capital projects	-	2,234,031	-	2,234,031
Debt service	-	-	25,526	25,526
Cemetery	957	-	17,220	18,177
Maintenance of roadways	-	-	1,673,342	1,673,342
Tourism and recreation	-	-	63,049	63,049
Unassigned	-	-	(61,368)	(61,368)
Total Fund Balances	<u>1,957</u>	<u>2,234,031</u>	<u>3,904,183</u>	<u>6,140,171</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,957</u>	<u>\$ 2,518,091</u>	<u>\$ 4,245,587</u>	<u>\$ 6,765,635</u>

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

City of Marion, Illinois
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2021

	<u>Permanent Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 110,468	\$ 110,468
Sales taxes	-	-	2,526,457	2,526,457
Other taxes and franchise fees	-	-	1,041,887	1,041,887
Intergovernmental revenue	-	-	663,470	663,470
Service charges and fees	-	-	930,535	930,535
Grant revenue	-	3,000	639,810	642,810
Investment income	4	712	8,750	9,466
Miscellaneous revenue	-	-	5,529	5,529
Restricted donations	-	-	4,502	4,502
Total Revenues	<u>4</u>	<u>3,712</u>	<u>5,931,408</u>	<u>5,935,124</u>
Expenditures				
Public health and safety	-	-	1,743,613	1,743,613
Streets, alleys, and cemeteries	-	7,914	1,096,829	1,104,743
Culture and recreation	-	-	2,471,386	2,471,386
Debt service:				
Principal	-	-	390,918	390,918
Interest	-	4,007	29,878	33,885
Capital outlay	-	1,386,818	133,616	1,520,434
Total Expenditures	<u>-</u>	<u>1,398,739</u>	<u>5,866,240</u>	<u>7,264,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4</u>	<u>(1,395,027)</u>	<u>65,168</u>	<u>(1,329,855)</u>
Other Financing Sources (Uses)				
Transfers in (out)	-	2,647,873	1,259,853	3,907,726
General long-term debt issued	-	450,355	-	450,355
Proceeds from sale of capital assets	-	275,000	-	275,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,373,228</u>	<u>1,259,853</u>	<u>4,633,081</u>
Net Change in Fund Balances	<u>4</u>	<u>1,978,201</u>	<u>1,325,021</u>	<u>3,303,226</u>
Fund Balances - Beginning	1,953	255,830	2,579,162	2,836,945
Fund Balances - Ending	<u>\$ 1,957</u>	<u>\$ 2,234,031</u>	<u>\$ 3,904,183</u>	<u>\$ 6,140,171</u>

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

City of Marion, Illinois
Permanent Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 20	\$ 20	\$ 4	\$ (16)
Total Revenues	<u>20</u>	<u>20</u>	<u>4</u>	<u>(16)</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20</u>	<u>20</u>	<u>4</u>	<u>(16)</u>
Net Change in Fund Balances	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 4</u>	<u>\$ (16)</u>

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

City of Marion, Illinois
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Grant revenue	\$ -	\$ 3,000	\$ 3,000	\$ -
Investment income	-	-	712	712
Total Revenues	-	3,000	3,712	712
Expenditures				
Streets, alleys and cemeteries	-	-	18,080	18,080
Debt service:				
Interest	-	4,010	4,007	(3)
Capital outlay	-	1,116,530	1,116,521	(9)
Total Expenditures	-	1,120,540	1,138,608	18,068
Excess (Deficiency) of Revenues Over Expenditures	-	(1,117,540)	(1,134,896)	(17,356)
Other Financing Sources (Uses)				
Transfers in (out)	310,000	2,648,000	2,647,874	(126)
General long-term debt issued	-	450,360	450,355	(5)
Proceeds from sale of capital assets	-	-	275,000	275,000
Total Other Financing Sources (Uses)	310,000	3,098,360	3,373,229	274,869
Net Change in Fund Balances	\$ 310,000	\$ 1,980,820	\$ 2,238,333	\$ 257,513

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

City of Marlon, Illinois
Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (with Variances)
For the year ended April 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 136,500	\$ 136,500	\$ 110,468	\$ (26,032)
Other taxes and franchise fees	1,163,480	1,163,480	958,464	(205,016)
Intergovernmental	717,920	717,920	656,334	(61,586)
Service charges and fees	1,959,690	1,959,690	958,758	(1,000,932)
Grant revenue	63,750	63,750	615,480	551,730
Investment income	13,670	13,670	11,277	(2,393)
Miscellaneous revenue	4,100	4,100	3,558	(542)
Restricted donations	-	-	4,502	4,502
Total Revenues	<u>4,059,110</u>	<u>4,059,110</u>	<u>3,318,841</u>	<u>(740,269)</u>
Expenditures				
Public health and safety	1,696,150	1,709,730	1,708,020	(1,710)
Streets, alleys and cemeteries	1,233,950	1,234,800	1,598,126	363,326
Cultural and recreation	3,076,780	3,076,790	1,907,100	(1,169,690)
Debt service:				
Principal	395,130	395,130	390,918	(4,212)
Interest	30,330	30,330	29,878	(452)
Capital outlay	220,910	220,910	102,247	(118,663)
Total Expenditures	<u>6,653,260</u>	<u>6,667,690</u>	<u>5,736,289</u>	<u>(931,401)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,594,150)</u>	<u>(2,608,580)</u>	<u>(2,417,448)</u>	<u>191,132</u>
Other Financing Sources (Uses)				
Transfers in (out)	3,362,390	3,279,590	3,879,286	599,696
Total Other Financing Sources (Uses)	<u>3,362,390</u>	<u>3,279,590</u>	<u>3,879,286</u>	<u>599,696</u>
Net Change in Fund Balances	<u>\$ 768,240</u>	<u>\$ 671,010</u>	<u>\$ 1,461,838</u>	<u>\$ 790,828</u>

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

City of Marion, Illinois
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 April 30, 2021

	Devillon	Goddard Chapel Restoration	HUB	Road and Bridge	Motor Fuel Tax	Gas Tax	Foreign Fire Insurance	Special Revenue Police	Carnegie Library	Property Tax	Total - Special Revenue Funds
Assets											
Cash and cash equivalents	\$ -	\$ 16,953	\$ 116,071	\$ 115,759	\$ 1,088,248	\$ 272,402	\$ 33,153	\$ 78,874	\$ 5,006	\$ -	\$ 1,722,284
Restricted cash and cash equivalents	25,526	-	-	-	-	-	-	-	3,365	-	28,891
Investments	-	-	-	-	-	-	-	-	22,879	1,090,628	1,113,507
Restricted Investments	-	-	-	-	-	-	-	-	361,149	-	361,149
Accounts receivable	-	-	-	-	-	-	-	10,515	-	-	10,515
Property taxes receivable	-	-	-	111,435	-	-	-	-	-	-	111,435
Sales taxes receivable	-	-	-	-	-	-	-	-	-	618,557	618,557
Other taxes receivable	61,939	-	-	-	-	75,718	-	-	-	-	137,657
Grant receivable	-	-	-	-	-	12,427	-	-	-	-	12,427
Intergovernmental receivable	-	-	-	-	58,155	-	-	-	11,903	-	70,058
Due from other funds	-	267	-	-	-	55,507	-	-	-	-	55,774
Prepaid items	-	-	-	-	-	-	5,350	-	-	-	5,350
Total Assets	\$ 87,485	\$ 17,220	\$ 116,071	\$ 227,194	\$ 1,142,404	\$ 416,054	\$ 38,503	\$ 87,189	\$ 404,302	\$ 1,709,185	\$ 4,245,587
Liabilities											
Accounts payable	\$ 11,994	\$ -	\$ 50,872	\$ -	\$ -	\$ 875	\$ 1,400	\$ -	\$ 23,968	\$ -	\$ 89,109
Accrued payroll	2,018	-	18,301	-	-	-	-	-	8,840	-	29,659
Due to other funds	2,013	-	57,338	-	-	-	515	-	207	-	60,073
Unearned revenue	-	-	50,928	-	-	-	-	-	-	-	50,928
Total Liabilities	18,025	-	177,439	-	-	875	1,915	-	32,815	-	229,069
Deferred Inflows of Resources											
Unavailable revenue - property taxes	-	-	-	111,435	-	-	-	-	-	-	111,435
Fund Balances											
Restricted for:											
Donor restricted expenditures	-	-	-	-	-	-	-	-	353,452	-	353,452
Public safety	-	-	-	-	-	-	36,588	87,189	-	1,709,185	1,832,962
Debt service	25,526	-	-	-	-	-	-	-	-	-	25,526
Cemetery	-	17,220	-	-	-	-	-	-	-	-	17,220
Maintenance of roadways	-	-	-	115,759	1,142,404	415,179	-	-	-	-	1,673,342
Tourism and recreation	45,014	-	-	-	-	-	-	-	18,035	-	63,049
Unassigned	-	-	(81,365)	-	-	-	-	-	-	-	(81,365)
Total Fund Balances	70,540	17,220	(81,365)	115,759	1,142,404	415,179	36,588	87,189	371,487	1,709,185	3,904,183
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 87,485	\$ 17,220	\$ 116,071	\$ 227,194	\$ 1,142,404	\$ 416,054	\$ 38,503	\$ 87,189	\$ 404,302	\$ 1,709,185	\$ 4,245,587

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

City of Marion, Illinois
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended April 30, 2021

	Pavilion	Goddard Chapel Restoration	HUB	Road and Bridge	Motor Fuel Tax	Gas Tax	Foreign Fire Insurance	Special Revenue Police	Carnegie Library	Property Tax	Total - Special Revenue Funds
Revenues											
Property taxes	\$ -	\$ -	\$ -	\$ 110,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,468
Sales taxes	-	-	-	-	-	-	-	-	-	2,526,457	2,526,457
Other taxes and franchise fees	357,510	-	-	458	-	595,206	57,427	1,286	-	-	1,041,887
Intergovernmental revenue	-	-	-	-	647,447	-	-	16,023	-	-	663,470
Service charges and fees	39,267	4,390	638,271	-	-	-	-	40,408	5,199	-	930,535
Grant revenue	-	-	-	-	566,543	12,427	-	-	60,640	-	639,610
Investment income	101	4	140	235	1,469	701	-	152	4,903	1,026	8,750
Miscellaneous revenue	-	-	3,075	-	-	-	1,971	-	483	-	5,529
Restricted donations	4,502	-	-	-	-	-	-	-	-	-	4,502
Total Revenues	431,380	4,394	841,485	111,161	1,215,476	608,334	59,396	57,869	74,425	2,527,483	5,931,405
Expenditures											
Public health and safety	-	-	-	-	-	-	41,879	10,575	-	1,891,159	1,743,613
Streets, alleys, and cemeteries	-	3,308	-	75,446	567,256	450,819	-	-	-	-	1,096,829
Culture and recreation	298,718	-	1,444,623	-	-	-	-	-	726,145	-	2,471,386
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal	212,991	-	24,655	-	-	153,272	-	-	-	-	390,918
Interest	17,506	-	1,684	-	-	10,606	-	-	-	-	29,876
Capital outlay	18,930	-	-	-	-	27,811	2,480	5,000	61,395	-	133,616
Total Expenditures	540,147	3,308	1,470,862	75,446	567,256	642,558	44,359	15,575	809,540	1,891,159	5,868,240
Excess (Deficiency) of Revenues Over Expenditures	(114,767)	1,086	(629,378)	35,715	648,222	(34,224)	15,039	42,294	(735,115)	636,324	65,168
Other Financing Sources (Uses)											
Transfers in (out)	81,670	-	555,303	-	789	(30,463)	(1,395)	(10,912)	664,661	-	1,259,853
Total Other Financing Sources (Uses)	81,670	-	555,303	-	789	(30,463)	(1,395)	(10,912)	664,661	-	1,259,853
Net Change in Fund Balances	(33,097)	1,086	(74,073)	35,715	649,011	(64,717)	13,644	31,382	(70,254)	636,324	1,325,021
Fund Balances - Beginning of Year	103,637	16,134	12,705	80,044	483,393	479,896	22,044	55,807	441,741	872,861	2,579,162
Fund Balances - End of Year	\$ 70,540	\$ 17,220	\$ (61,368)	\$ 115,759	\$ 1,142,404	\$ 415,179	\$ 36,568	\$ 87,189	\$ 371,487	\$ 1,709,185	\$ 3,904,183

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

City of Marion, Illinois
General Fund Types
Combining Balance Sheet
April 30, 2021

	General	Cultural and Civic Center	Senior Citizens Council	Boyton Street Community Center	Revitalization	Economic Incentive	Total General Fund Types
Assets							
Cash and cash equivalents	\$ 1,262,424	\$ 142,555	\$ 45,179	\$ 11,424	\$ 142,435	\$ 400,216	\$ 2,004,233
Restricted cash and cash equivalents	30,981	-	-	2,413	-	-	33,404
Investments	6,332,475	2,905	-	-	-	-	6,335,380
Restricted investments	-	-	10,814	-	-	-	10,814
Accounts receivable	51,390	-	-	-	-	-	51,390
Property taxes receivable	100	-	-	-	-	-	100
Sales taxes receivable	4,680,230	-	-	-	99,999	249,999	5,030,228
Other taxes receivable	358,423	-	-	-	-	-	358,423
Accrued interest receivable	10,570	-	5	-	-	-	10,575
Loans receivable	417,858	-	-	-	-	100,000	517,858
Intergovernmental receivable	452,285	-	-	-	-	-	452,285
Due from other funds	50,423	-	-	-	-	-	50,423
Total Assets	\$ 13,647,169	\$ 145,460	\$ 55,998	\$ 13,837	\$ 242,434	\$ 750,215	\$ 14,855,113
Liabilities							
Accounts payable	\$ 467,661	\$ 7,996	\$ 14,733	\$ 2,150	\$ 3,150	\$ -	\$ 495,690
Accrued payroll	180,803	3,554	3,998	3,670	-	-	192,025
Accrued payroll related expenses	192,438	-	-	-	-	-	192,438
Due to other funds	-	-	-	-	10,167	-	10,167
Damage deposits	63,000	-	-	-	-	-	63,000
Unearned revenue	-	130,360	-	-	-	-	130,360
Total Liabilities	903,902	141,910	18,731	5,820	13,317	-	1,083,680
Deferred Inflows of Resources							
Unavailable revenue - property taxes	100	-	-	-	-	-	100
Fund Balances							
Restricted for:							
Donor restricted expenditures	-	-	10,819	2,413	-	-	13,232
Public safety	28,741	-	-	-	-	-	28,741
Development	2,250	-	-	-	229,117	750,215	981,582
Committed	6,807,288	-	-	-	-	-	6,807,288
Assigned	50,561	-	-	-	-	-	50,561
Unassigned	5,854,327	3,550	28,448	5,804	-	-	5,889,929
Total Fund Balances	12,743,167	3,550	37,267	8,017	229,117	750,215	13,771,333
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 13,647,169	\$ 145,460	\$ 55,998	\$ 13,837	\$ 242,434	\$ 750,215	\$ 14,855,113

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

City of Marion, Illinois
General Fund Types
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2021

	General	Cultural and Civic Center	Senior Citizens Council	Boyton Street Community Center	Revitalization	Economic Incentive	Total General Fund Types
Revenues							
Property taxes	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51
Sales taxes	17,163,020	-	-	-	299,999	749,999	18,213,018
Other taxes and franchise fees	2,899,994	-	-	-	-	-	2,699,994
Licenses and permits	412,441	-	-	-	-	-	412,441
Intergovernmental revenue	2,889,305	-	-	-	-	-	2,889,305
Service charges and fees	421,360	2,389	114,219	-	-	-	537,968
Grant revenue	1,772,797	5,248	15,842	37,951	-	-	1,831,838
Investment income	93,358	772	236	-	85	216	94,667
Miscellaneous revenue	184,169	1,098	2,777	1,513	-	-	189,557
Restricted donations	9,400	-	-	-	-	-	9,400
Total Revenues	25,625,895	9,507	133,074	39,464	300,084	750,215	26,858,239
Expenditures							
General government	3,079,394	-	702,623	224,621	-	-	4,006,638
Public health and safety	9,609,400	-	-	-	-	-	9,609,400
Streets, alleys, and cemeteries	3,422,492	-	-	-	-	-	3,422,492
Culture and recreation	-	484,816	-	-	-	-	484,816
Development	812,945	-	-	-	16,161	-	829,106
Debt service:							
Principal	245,183	-	-	-	-	-	245,183
Interest	17,457	-	-	-	9,704	-	27,161
Capital outlay	1,235,192	-	-	-	1,170,102	-	2,405,294
Total Expenditures	18,422,063	484,816	702,623	224,621	1,195,967	-	21,030,090
Excess (Deficiency) of Revenues Over Expenditures	7,203,832	(475,309)	(569,549)	(185,157)	(895,883)	750,215	5,828,149
Other Financing Sources (Uses)							
Transfers in (out)	(6,082,883)	473,457	580,407	187,348	-	-	(4,841,651)
General long-term debt issued	205,160	-	-	-	1,125,000	-	1,330,160
Proceeds from sale of capital assets	181,919	-	-	-	-	-	181,919
Total Other Financing Sources (Uses)	(5,695,784)	473,457	580,407	187,348	1,125,000	-	(3,329,572)
Net Change in Fund Balances	1,508,048	(1,852)	10,858	2,191	229,117	750,215	2,498,577
Fund Balances - Beginning of Year	11,235,119	5,402	26,409	5,826	-	-	11,272,756
Fund Balances - End of Year	\$ 12,743,167	\$ 3,550	\$ 37,267	\$ 8,017	\$ 229,117	\$ 750,215	\$ 13,771,333

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

**City of Marlon, Illinois
Combining Balance Sheet
TIF Redevelopment Fund
April 30, 2021**

	<u>TIF #1</u>	<u>TIF #5</u>	<u>TIF #8</u>	<u>TIF #10</u>	<u>TIF #11</u>	<u>TIF #12</u>
Assets						
Cash and cash equivalents	\$ 388,309	\$ 2	\$ 19,301	\$ 4	\$ 5	\$ 19,893
Investments	-	-	500,069	-	-	-
Property taxes receivable	3,191,647	155,403	159,938	881,665	354,265	5,018
Grant receivable	15,761	-	-	-	-	-
Loan receivable	-	-	-	-	-	-
Total Assets	<u>\$ 3,595,717</u>	<u>\$ 155,405</u>	<u>\$ 679,308</u>	<u>\$ 881,669</u>	<u>\$ 354,270</u>	<u>\$ 24,911</u>
Liabilities						
Accounts payable	\$ 15,498	\$ 13,959	\$ 1,394	\$ 184,926	\$ 6,970	\$ 976
Total Liabilities	<u>15,498</u>	<u>13,959</u>	<u>1,394</u>	<u>184,926</u>	<u>6,970</u>	<u>976</u>
Deferred Inflow of Resources						
Unavailable revenue - property taxes	<u>3,191,647</u>	<u>155,403</u>	<u>159,938</u>	<u>881,665</u>	<u>354,265</u>	<u>5,018</u>
Fund Balances						
Restricted for: Development	<u>388,572</u>	<u>(13,957)</u>	<u>517,976</u>	<u>(184,922)</u>	<u>(6,965)</u>	<u>18,917</u>
Total Fund Balances	<u>388,572</u>	<u>(13,957)</u>	<u>517,976</u>	<u>(184,922)</u>	<u>(6,965)</u>	<u>18,917</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 3,595,717</u>	<u>\$ 155,405</u>	<u>\$ 679,308</u>	<u>\$ 881,669</u>	<u>\$ 354,270</u>	<u>\$ 24,911</u>

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

City of Marion, Illinois
Combining Balance Sheet
TIF Redevelopment Fund
April 30, 2021

TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF REDEVELOPMENT FUND
\$ 4	\$ 18,142	\$ 105,057	\$ 3	\$ 552	\$ 8,247	\$ 1,465	\$ 15,666	\$ 576,650
481,680	22,316	252,309	1,216	155,669	30,366	26,057	276,670	500,069
403,412	-	-	-	-	-	-	-	5,994,219
								15,761
								403,412
<u>\$ 885,096</u>	<u>\$ 40,458</u>	<u>\$ 357,366</u>	<u>\$ 1,219</u>	<u>\$ 156,221</u>	<u>\$ 38,613</u>	<u>\$ 27,522</u>	<u>\$ 292,336</u>	<u>\$ 7,490,111</u>
\$ 6,970	\$ 1,357	\$ 2,007	\$ 1,330	\$ 1,283	\$ 1,283	\$ 1,264	\$ 1,264	\$ 240,481
6,970	1,357	2,007	1,330	1,283	1,283	1,264	1,264	240,481
481,680	22,316	252,309	1,216	155,669	30,366	26,057	276,670	5,994,219
396,446	16,785	103,050	(1,327)	(731)	6,964	201	14,402	1,255,411
396,446	16,785	103,050	(1,327)	(731)	6,964	201	14,402	1,255,411
<u>\$ 885,096</u>	<u>\$ 40,458</u>	<u>\$ 357,366</u>	<u>\$ 1,219</u>	<u>\$ 156,221</u>	<u>\$ 38,613</u>	<u>\$ 27,522</u>	<u>\$ 292,336</u>	<u>\$ 7,490,111</u>

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

City of Marion, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
TIF Redevelopment Fund
For the Year Ended April 30, 2021

	<u>TIF #1</u>	<u>TIF #5</u>	<u>TIF #8</u>	<u>TIF #10</u>	<u>TIF #11</u>	<u>TIF #12</u>
Revenues						
Property taxes	\$ 3,048,243	\$ 145,880	\$ 150,822	\$ 942,440	\$ 256,634	\$ 3,053
Grant revenue	25,726	-	-	-	-	-
Investment income	1,971	61	865	392	110	47
Miscellaneous income	40,216	-	-	-	-	-
Total Revenues	<u>3,116,156</u>	<u>145,941</u>	<u>151,687</u>	<u>942,832</u>	<u>256,744</u>	<u>3,100</u>
Expenditures						
Streets, alleys, and cemeteries	9,763	-	-	540	918	-
Development	435,285	109,025	114,350	1,297,201	126,015	4,911
Debt service:						
Principal	618,182	-	-	13,500	76,500	-
Capital outlay	27,004	68,719	-	-	115,093	-
Total Expenditures	<u>1,090,234</u>	<u>177,744</u>	<u>114,350</u>	<u>1,311,241</u>	<u>318,526</u>	<u>4,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,025,922</u>	<u>(31,803)</u>	<u>37,337</u>	<u>(368,409)</u>	<u>(61,782)</u>	<u>(1,811)</u>
Other Financing Sources (Uses)						
Transfers in (out)	(1,984,105)	19,445	-	188,549	207,101	-
Total Other Financing Sources (Uses)	<u>(1,984,105)</u>	<u>19,445</u>	<u>-</u>	<u>188,549</u>	<u>207,101</u>	<u>-</u>
Net Change in Fund Balances	41,817	(12,358)	37,337	(179,860)	145,319	(1,811)
Fund Balances - Beginning of Year	<u>346,755</u>	<u>(1,599)</u>	<u>480,639</u>	<u>(5,062)</u>	<u>(152,284)</u>	<u>20,728</u>
Fund Balances - End of Year	<u>\$ 388,572</u>	<u>\$ (13,957)</u>	<u>\$ 517,976</u>	<u>\$ (184,922)</u>	<u>\$ (6,965)</u>	<u>\$ 18,917</u>

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

City of Marlon, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
TIF Redevelopment Fund
For the Year Ended April 30, 2021

TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF REDEVELOPMENT FUND
\$ 406,819	\$ 20,979	\$ 222,721	\$ 1,038	\$ 23,113	\$ 22,551	\$ 6,573	\$ 88,985	\$ 5,339,831
45,173	-	-	-	-	-	-	-	70,899
2,041	35	248	-	15	16	5	53	5,859
-	-	-	-	-	-	-	-	40,216
<u>454,033</u>	<u>21,014</u>	<u>222,969</u>	<u>1,038</u>	<u>23,128</u>	<u>22,567</u>	<u>6,578</u>	<u>89,018</u>	<u>5,456,805</u>
3,508	-	-	-	1,328	-	-	-	16,057
261,413	6,789	163,140	6,976	22,534	18,141	6,379	7,316	2,579,475
-	-	-	-	-	-	-	-	708,182
<u>250,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,300</u>	<u>528,919</u>
<u>515,724</u>	<u>6,789</u>	<u>163,140</u>	<u>6,976</u>	<u>23,862</u>	<u>18,141</u>	<u>6,379</u>	<u>74,616</u>	<u>3,832,633</u>
<u>(61,691)</u>	<u>14,225</u>	<u>59,829</u>	<u>(5,938)</u>	<u>(734)</u>	<u>4,426</u>	<u>199</u>	<u>14,402</u>	<u>1,624,172</u>
<u>508,505</u>	<u>-</u>	<u>(26,765)</u>	<u>5,925</u>	<u>1,290</u>	<u>2,275</u>	<u>1,245</u>	<u>-</u>	<u>(1,076,535)</u>
<u>508,505</u>	<u>-</u>	<u>(26,765)</u>	<u>5,925</u>	<u>1,290</u>	<u>2,275</u>	<u>1,245</u>	<u>-</u>	<u>(1,076,535)</u>
446,814	14,225	33,064	(13)	556	6,701	1,444	14,402	547,637
<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>\$ 396,446</u>	<u>\$ 16,785</u>	<u>\$ 103,050</u>	<u>\$ (1,327)</u>	<u>\$ (731)</u>	<u>\$ 6,964</u>	<u>\$ 201</u>	<u>\$ 14,402</u>	<u>\$ 1,255,411</u>

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

City of Marion, Illinois
Fiduciary Fund Types
Combining Statement of Fiduciary Net Position
April 30, 2021

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 600,709	\$ 294,307	\$ 895,016
Accrued interest receivable	38,117	34,385	72,502
Investments -			
U.S. Government and agency obligations	3,587,325	3,846,669	7,433,994
Corporate bonds	1,468,140	1,569,938	3,038,078
Insurance company contracts	811,456	-	811,456
Mutual funds	4,650,551	4,152,081	8,802,632
Stocks	790,467	703,718	1,494,185
State and local obligations	257,099	-	257,099
Exchange traded funds	5,798,102	5,142,026	10,940,128
Payroll receivable	29,642	17,487	47,129
Total Assets	<u>18,031,608</u>	<u>15,760,611</u>	<u>33,792,219</u>
Liabilities			
Accounts payable	3,225	-	3,225
Payable from purchases of investments	357,529	94,836	452,365
Total Liabilities	<u>360,754</u>	<u>94,836</u>	<u>455,590</u>
Net Position			
Held in trust for pension benefits	<u>\$ 17,670,854</u>	<u>\$ 15,665,775</u>	<u>\$ 33,336,629</u>

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

**City of Marion, Illinois
Fiduciary Fund Types
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2021**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions			
Contributions:			
Employer	\$ 1,017,351	\$ 673,801	\$ 1,691,152
Plan members	261,350	159,422	420,772
Total Contributions	<u>1,278,701</u>	<u>833,223</u>	<u>2,111,924</u>
Investment Income:			
Net appreciation in fair value of investments	3,731,030	3,313,427	7,044,457
Interest and dividends	411,246	337,591	748,837
Investment expense	(25,785)	(24,260)	(50,045)
Net Investment Income	<u>4,116,491</u>	<u>3,626,758</u>	<u>7,743,249</u>
Total Additions	<u>5,395,192</u>	<u>4,459,981</u>	<u>9,855,173</u>
Deductions			
Benefits paid	1,027,402	749,145	1,776,547
Refunds of contributions	52,298	-	52,298
Administrative expense	35,212	16,971	52,183
Total Deductions	<u>1,114,912</u>	<u>766,116</u>	<u>1,881,028</u>
Change in Net Position	4,280,280	3,693,865	7,974,145
Net Position, Beginning	<u>13,390,574</u>	<u>11,971,910</u>	<u>25,362,484</u>
Net Position, Ending	<u>\$ 17,670,854</u>	<u>\$ 15,665,775</u>	<u>\$ 33,336,629</u>

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

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

City of Marion, Illinois
Schedule of Expenditures of Federal Awards
for the Year Ended April 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Revenues 5/1/20 - 4/30/2021	Expenditures 5/1/20 - 4/30/2021
U.S. Department of Agriculture passed through the Illinois State Board of Education:				
Summer Food Service Program	10.559	21100017P00	\$ 7,952	\$ 7,952
Child and Adult Care Food Program	10.558	21100017P00	21,093	21,093
U.S. Department of Agriculture Rural Development:				
Rural Business Development Grant	10.351	R0118476	45,173	45,173
Total U.S. Department of Agriculture			<u>74,218</u>	<u>74,218</u>
U.S. Department of Housing and Urban Development passed through the Illinois Department of Commerce and Economic Opportunity:				
Community Development Block Grant	14.228	19-243008	271,710	269,460
Community Development Block Grant	14.228		60,000	60,000
Community Development Block Grant	14.228		31,700	31,700
Total U.S. Department of Housing and Urban Development			<u>363,410</u>	<u>361,160</u>
U.S. Department of Transportation passed through the Illinois Department of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		15,761	17,731
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		12,000	12,000
State and Community Highway Safety	20.600	HS-21-0052	1,312	1,312
Total U.S. Department of Transportation			<u>29,073</u>	<u>31,043</u>
(M) Department of Treasury passed through the Illinois Department of Commerce and Economic Opportunity:				
COVID-19 Coronavirus Relief Fund	21.019		709,264	709,264
U.S. Environmental Protection Agency:				
Capitalization Grants for Clean Water State Revolving Funds	66.468	L17-3222	16,386	16,386
Capitalization Grants for Clean Water State Revolving Funds	66.468	L17-3223	19,194	19,194
Total U.S. Environmental Protection Agency			<u>35,580</u>	<u>35,580</u>
Election Assistance Commission:				
Delta Area Economic Development	90.201		-	15,105
U.S. Department of Health and Human Services:				
Medicare Enrollment Assistance Program	93.071		2,000	2,000
U.S. Department of Homeland Security passed through the Illinois Emergency Management Agency:				
Emergency Management Performance Grant	97.042	20EMA	20,980	25,321
Emergency Management Performance Grant	97.042	19EMA	15,234	-
U.S. Department of Homeland Security passed through the Illinois Law Enforcement Alarm System:				
Homeland Security Grant Program	97.067		1,070	1,070
Total U.S. Department of Transportation			<u>37,284</u>	<u>26,391</u>
Total Federal Financial Assistance			<u>\$ 1,250,829</u>	<u>\$ 1,254,761</u>

(M) Denotes a major federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

City of Marion, Illinois
Notes to Schedule of Expenditures of Federal Awards
for the Year Ended April 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Marion, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Indirect Facilities & Administration Costs

The City of Marion elected to use the 10% de minimis cost rate.

Note 3 - Subrecipients

The City of Marion, Illinois did not provide federal awards to any subrecipients.

Note 4 - Non-cash Assistance

There was no non-cash assistance reported in the schedule of expenditures of federal awards.

Note 5 - Insurance

There is no insurance involving federal expenditures.

Note 6 - Loan Outstanding

There are no loans outstanding involving federal funds.

**City of Marion, Illinois
Schedule of Findings and Questioned Costs
for the Year Ended April 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified? ___ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified ___ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses ___ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with §200.516(a) ___ yes X no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Amount of Federal Program
21.019	Coronavirus Relief Fund	\$709,264
Total federal expenditures for 5/1/20 – 4/30/21		\$1,254,761
% tested as major		56.53%
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		___ yes <u> X </u> no

Section II – Financial Statement Findings

None

Section III – Major Federal Award Findings and Questioned Costs- Major Federal Programs

None

**City of Marion, Illinois
Summary Schedule of Prior Audit Findings
for the Year Ended April 30, 2021**

**Finding
Number**

Condition

Current Status

None

**City of Marion, Illinois
Corrective Action Plan for Current Year Audit Findings
Year Ending April 30, 2021**

Corrective Action Plan

None necessary

STATISTICAL SECTION

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 48,418,881	\$ 48,988,714	\$ 49,821,327	\$ 56,384,124	\$ 62,047,732	\$ 64,802,887	\$ 70,354,133	\$ 77,220,878	\$ 80,538,278	\$ 82,452,446
Restricted	7,898,015	6,787,744	9,714,821	6,308,101	6,897,029	5,808,183	3,253,750	8,278,389	5,318,774	9,860,086
Nonspendable	1,000	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	1,214,501	1,430,785	1,155,881	3,551,954	(11,673,454)	(14,332,100)	(15,249,222)	(35,108,481)	(34,855,536)	(33,156,056)
Total governmental activities net position	\$ 57,830,207	\$ 59,207,243	\$ 60,691,829	\$ 66,243,179	\$ 57,272,307	\$ 56,279,950	\$ 58,362,881	\$ 48,389,616	\$ 51,002,516	\$ 58,155,474
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 18,061,850	\$ 18,023,309	\$ 18,682,861	\$ 17,507,218	\$ 17,984,074	\$ 19,021,088	\$ 20,588,801	\$ 21,509,806	\$ 22,886,259	\$ 23,181,168
Restricted	1,040,330	1,771,424	1,584,820	993,495	1,057,109	608,784	\$38,238	647,651	767,698	288,199
Unrestricted	452,048	507,295	489,822	270,048	(509,384)	518,054	(168,642)	(4,042,028)	(3,931,078)	(3,199,137)
Total business-type activities net position	\$ 17,554,226	\$ 18,302,028	\$ 18,737,103	\$ 18,770,759	\$ 18,535,419	\$ 20,147,908	\$ 20,955,989	\$ 18,115,431	\$ 19,722,879	\$ 20,270,230
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 64,480,541	\$ 65,012,023	\$ 66,503,988	\$ 73,891,342	\$ 80,032,406	\$ 83,623,975	\$ 89,940,734	\$ 98,730,488	\$ 103,424,537	\$ 105,633,614
Restricted	8,036,345	10,559,168	11,299,241	7,269,598	7,854,138	6,416,927	3,791,989	6,824,050	6,088,472	10,148,285
Nonspendable	1,000	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	1,866,547	1,938,989	1,625,503	3,822,000	(12,179,816)	(13,614,048)	(15,415,084)	(38,150,489)	(36,788,614)	(36,357,195)
Total primary government net position	\$ 75,184,433	\$ 77,509,271	\$ 79,428,732	\$ 85,013,938	\$ 75,907,726	\$ 78,427,856	\$ 79,318,659	\$ 66,505,047	\$ 70,725,395	\$ 79,425,704

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 2018 was due to implementation of GASB 75.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental Activities										
General government	\$ 2,947,126	\$ 3,137,439	\$ 3,034,930	\$ 3,044,489	\$ 2,897,404	\$ 2,905,642	\$ 2,988,791	\$ 3,363,178	\$ 3,922,707	\$ 4,188,496
Public, health and safety	7,739,122	7,987,799	9,116,936	10,391,875	10,717,970	11,010,265	11,556,371	11,710,576	12,609,626	12,003,017
Streets, alleys, and cemeteries	3,850,271	4,287,758	3,653,773	3,266,536	4,131,493	4,731,690	4,603,639	5,290,601	5,455,812	4,658,099
Culture and recreation	2,376,623	2,383,392	2,617,267	3,451,285	4,668,411	4,854,123	5,445,073	5,285,483	5,329,206	3,997,435
Development	4,321,029	4,543,137	4,103,739	3,411,208	3,158,929	3,949,973	2,999,672	2,871,426	3,969,309	4,263,662
Interest	762,036	724,105	997,268	1,429,749	1,531,122	1,791,774	897,069	646,396	596,237	318,490
Unallocated depreciation expense	1,426,827	1,129,993	1,116,753	1,102,063	1,185,719	1,320,863	1,183,040	1,214,361	1,266,569	1,297,387
Total Governmental Activities Expenses	23,425,034	24,193,622	24,840,666	26,097,206	28,461,048	30,564,378	29,673,795	30,392,021	33,148,486	31,037,566
Business-Type Activities										
Water	3,351,965	3,394,232	3,416,034	3,555,727	3,451,019	3,483,060	3,569,810	3,340,696	3,035,442	3,387,490
Sewer	2,692,361	2,800,924	2,891,501	2,659,136	3,014,616	3,315,934	3,218,668	3,087,614	3,531,747	3,197,609
Total Business-Type Activities Expenses	6,044,326	6,195,156	6,309,535	6,514,863	6,465,635	6,798,994	6,788,478	6,428,310	6,567,189	6,585,099
TOTAL GOVERNMENT EXPENSES	29,469,360	30,388,778	30,950,201	32,612,069	34,926,683	37,363,372	36,462,273	36,820,331	39,715,655	37,622,662
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General government	199,751	212,298	240,997	263,636	259,680	403,481	343,011	385,579	359,645	611,510
Public, health and safety	227,627	279,995	279,359	299,545	206,155	202,967	305,639	361,725	352,754	295,793
Streets, alleys and cemeteries	92,441	175,840	92,260	94,276	97,407	90,637	94,048	117,232	67,015	95,515
Culture and recreation	370,881	387,452	419,843	845,905	2,434,950	2,500,939	2,657,069	2,561,198	2,262,976	888,126
Development	49,650	38,534	50,130	45,835	47,751	44,571	33,208	-	-	-
Operating Grants and Contributions	1,371,933	955,859	962,603	973,519	633,299	703,151	889,252	1,339,796	1,321,274	1,261,222
Capital Grants and Contributions	1,898,325	339,633	30,727	2,463,624	3,612,458	496,749	638,620	1,934,015	260,340	1,284,325
Total Governmental Activities Program Revenues	3,969,606	2,369,910	2,075,609	4,889,140	7,391,709	4,412,493	4,960,865	6,699,545	4,684,007	4,426,491
Business-Type Activities										
Charges for Services										
Water	3,267,814	3,654,871	3,432,244	3,569,711	3,490,648	3,899,540	3,825,170	3,723,442	3,571,541	3,764,438
Sewer	2,766,083	3,105,602	3,013,746	3,104,756	3,108,394	3,224,863	3,350,002	3,356,505	3,605,914	3,416,256
Operating Grants and Contributions	-	-	-	16,106	75,068	-	-	-	-	-
Capital Grants and Contributions	1,170,277	-	225,956	-	-	-	-	-	-	815,105
Total Business-Type Activities Program Revenues	7,225,674	6,760,473	6,671,946	6,690,573	6,674,138	6,924,223	7,175,172	7,081,947	7,377,455	7,995,799
TOTAL GOVERNMENT PROGRAM REVENUES	11,224,580	8,130,883	8,747,555	11,878,713	14,065,838	11,336,716	12,136,037	13,781,492	12,041,482	12,422,290
NET REVENUE (EXPENSE)										
Governmental Activities	(19,426,426)	(21,624,012)	(22,565,057)	(21,111,066)	(21,069,348)	(28,151,885)	(24,712,930)	(23,692,476)	(28,484,458)	(26,611,095)
Business-Type Activities	1,181,648	665,317	362,411	175,710	208,303	125,229	397,694	653,737	810,266	1,410,703
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	(18,244,780)	(21,256,895)	(22,202,646)	(20,935,356)	(20,861,045)	(28,026,656)	(24,325,236)	(23,038,739)	(27,674,193)	(25,200,392)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property taxes	5,676,897	5,715,304	6,189,554	6,546,808	7,170,616	7,478,252	7,880,710	8,311,961	8,552,681	5,450,350
Sales taxes	13,230,685	13,554,578	13,175,074	13,392,948	13,873,245	13,902,723	15,061,272	15,813,523	17,001,718	20,739,475
Other taxes and franchise fees	1,478,059	2,339,509	3,314,407	3,724,286	3,792,258	3,769,412	3,775,796	3,868,235	4,061,600	3,741,881
Intergovernmental	1,479,992	1,650,931	1,667,310	1,757,467	1,779,036	1,897,480	1,586,885	1,804,882	1,723,701	3,552,775
Investment income	88,827	78,052	43,887	40,546	58,784	66,468	130,972	316,468	321,022	144,466
Miscellaneous	162,477	64,205	96,528	320,264	68,481	858	121,493	110,748	231,881	248,204
Gain (Loss) on sale of capital assets	-	42,241	(51,743)	(26,411)	(29,481)	-	-	(53)	-	-
Special items	(9,068,948)	-	-	-	-	-	(1,652,165)	-	-	-
Residual equity transfer	(12,962)	-	-	-	-	-	-	-	-	-
Transfers	(845,544)	(137,773)	3,617	(305,006)	21,288	(1,773,665)	(175,485)	(21,876)	(796,449)	1,290,282
Total Governmental Activities	12,585,353	23,305,046	24,438,634	25,450,762	26,734,227	25,159,528	26,731,478	30,002,666	31,056,360	36,167,443
Business-Type Activities										
Investment income	1,403	2,085	830	747	1,350	4,951	26,134	33,328	28,000	6,148
Miscellaneous	24,516	42,627	26,620	10,864	6,633	11,524	12,280	9,246	35,590	52,980
Gain (Loss) on sale of capital assets	-	-	-	-	-	(2,682)	(93,461)	38,146	(62,857)	403,647
Loss Recovery	-	-	140,751	-	-	-	-	-	-	-
Special item	-	-	-	(407,265)	-	-	-	-	-	-
Transfers	645,544	137,773	(3,617)	253,621	(21,288)	1,773,665	175,485	21,876	796,449	(1,290,282)
Total Business-Type Activities	671,465	182,485	166,784	(142,053)	(13,305)	1,787,258	120,388	103,398	797,182	(827,517)
TOTAL PRIMARY GOVERNMENT	13,256,818	23,487,533	24,605,418	25,308,649	26,720,922	26,946,787	26,851,876	30,105,484	31,893,542	34,339,926
CHANGES IN NET POSITION										
Governmental Activities	(6,841,075)	1,461,036	1,873,577	4,339,636	5,664,679	(992,356)	2,018,548	6,309,610	2,611,901	6,556,348
Business-Type Activities	1,653,113	747,802	529,195	33,657	184,998	1,812,467	508,092	757,135	1,807,448	583,186
TOTAL PRIMARY GOVERNMENT	(4,987,962)	2,228,838	2,402,772	4,373,293	5,859,677	826,131	2,526,640	7,066,745	4,219,349	8,139,534
PRIOR PERIOD ADJUSTMENTS										
Governmental Activities	-	96,000	-	-	-	-	-	(16,282,855)	-	-
Business-Type Activities	-	-	-	-	-	-	-	(3,597,702)	-	-
TOTAL PRIMARY GOVERNMENT	-	96,000	-	-	-	-	-	(19,880,357)	-	-
CHANGES IN NET POSITION AFTER PRIOR PERIOD ADJUSTMENT										
Governmental Activities	(6,841,075)	1,577,036	1,873,577	4,339,636	5,664,679	(992,356)	2,018,548	(9,973,045)	2,611,901	6,556,348
Business-Type Activities	1,653,113	747,802	529,195	33,657	184,998	1,812,467	508,092	(2,640,567)	1,807,448	583,186
TOTAL PRIMARY GOVERNMENT	\$ (4,987,962)	\$ 2,324,838	\$ 2,402,772	\$ 4,373,293	\$ 5,859,677	\$ 826,131	\$ 2,526,640	\$ (12,613,612)	\$ 4,219,349	\$ 8,139,534

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
Restricted	\$ 285,495	\$ 207,693	\$ 168,382	\$ 205,425	\$ 184,866	\$ 272,970	\$ 211,370	\$ 554,462	\$ 80,495	\$ 1,023,555
Assigned	460,804	72,523	72,536	89,007	62,132	54,532	97	102,107	50,561	50,561
Committed	4,430,678	4,658,748	4,787,505	4,934,514	4,601,530	5,324,178	5,317,947	5,457,326	5,615,045	6,807,288
Unassigned	6,729,171	6,192,763	7,956,287	5,147,327	5,517,321	4,261,458	4,449,408	4,924,950	5,526,655	5,889,829
TOTAL GENERAL FUND	\$ 11,926,148	\$ 13,041,727	\$ 12,984,710	\$ 10,376,273	\$ 10,375,849	\$ 9,933,138	\$ 9,978,822	\$ 11,038,845	\$ 11,272,756	\$ 13,771,333
ALL OTHER GOVERNMENTAL FUNDS										
Special revenue funds										
Restricted	\$ 8,209,287	\$ 7,081,129	\$ 8,010,607	\$ 10,001,190	\$ 11,592,448	\$ 9,167,583	\$ 5,894,610	\$ 4,063,671	\$ 3,268,936	\$ 5,220,962
Unassigned	-	7,218,432	6,348,120	2,192,362	575	-	-	-	255,830	(61,368)
Capital project funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	(186,000)	-	-	-	-	-	-	-	-	2,234,031
Debt service fund										
Restricted	1,186,400	1,240,422	1,714,318	2,030,662	2,007,390	2,060,270	1,652,220	1,690,076	1,721,041	1,452,868
Permanent fund										
Nonspendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restricted	834	842	842	843	845	853	875	917	953	857
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,211,521	\$ 15,541,825	\$ 18,074,887	\$ 14,226,297	\$ 13,802,258	\$ 11,229,706	\$ 7,548,705	\$ 5,755,664	\$ 5,265,780	\$ 8,648,470

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Property taxes	\$ 6,245,343	\$ 6,083,479	\$ 6,561,065	\$ 6,915,311	\$ 7,541,118	\$ 7,845,967	\$ 7,947,961	\$ 8,378,185	\$ 8,822,108	\$ 5,519,142
Sales Taxes	13,230,885	13,554,578	13,175,074	13,392,948	13,871,400	13,902,723	15,061,272	15,613,523	17,001,718	20,739,475
Grant revenue	928,787	673,638	379,379	2,834,398	1,897,603	620,790	915,218	2,143,874	963,836	2,343,547
Licenses and permits	80,004	68,588	109,883	134,848	135,814	196,159	177,695	205,274	193,879	412,441
Intergovernmental revenue	1,988,163	2,144,832	2,179,741	2,341,172	2,232,422	2,103,310	2,041,314	2,254,875	2,381,479	3,952,775
Other taxes and franchise fees	1,518,515	2,337,180	3,369,112	3,728,122	3,794,103	3,771,172	4,027,984	4,145,323	4,061,607	3,741,861
Service charges and fees	821,845	644,451	948,239	1,454,841	2,886,849	2,981,795	2,899,531	2,699,567	2,888,522	1,488,503
Investment income	66,827	76,052	43,748	40,548	58,783	98,787	120,994	301,591	272,073	113,119
Restricted Donations	39,833	10,450	18,701	18,349	1,900,345	57,096	53,363	836,305	8,488	13,902
Miscellaneous Revenue	396,295	352,602	229,607	385,530	125,578	219,001	379,201	208,791	468,487	215,302
Total revenues	25,336,497	26,223,629	27,069,587	31,242,067	34,504,013	31,794,618	33,824,403	36,768,888	36,762,157	36,322,084
EXPENDITURES										
General government	2,634,652	3,528,712	3,224,133	2,859,345	3,095,427	3,029,997	3,116,284	3,507,190	3,725,488	4,006,638
Public, health and safety	7,105,481	7,344,306	8,483,207	9,304,123	9,447,754	9,908,545	10,289,669	10,839,566	10,988,314	11,353,013
Streets, alleys and cemeteries	3,403,312	3,360,702	3,397,904	3,168,355	3,984,181	4,541,950	3,877,856	4,905,927	4,985,572	4,543,282
Culture and recreation	2,131,024	2,040,895	2,246,613	3,097,163	3,926,022	3,940,925	4,182,323	4,259,086	4,222,289	2,956,202
Capital outlay	2,321,245	3,884,829	11,135,450	3,411,209	8,402,037	1,903,848	4,890,021	8,509,938	4,033,242	4,454,847
Development	4,321,029	4,564,453	4,169,397	10,797,470	3,154,664	3,744,482	2,899,447	2,840,508	3,989,311	3,408,581
Debt service	2,104,343	2,470,791	2,797,520	4,488,873	12,339,834	6,112,823	5,924,296	5,504,280	6,074,384	18,433,969
Total Expenditures	24,321,088	28,994,885	35,434,424	43,127,558	44,350,619	35,180,951	35,359,698	38,366,486	37,996,580	47,156,342
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,015,411	(771,056)	(8,424,857)	(11,885,491)	(9,846,606)	(1,385,835)	(1,735,493)	(1,579,608)	(1,234,423)	(8,834,258)
OTHER FINANCING SOURCES (USES)										
Proceeds from long-term debt	5,352,680	10,204,013	10,865,781	5,753,488	9,200,855	344,236	268,663	429,484	1,216,185	12,834,898
Proceeds from sale of capital assets	-	12,625	15,120	(305,008)	21,288	(1,773,665)	22,559	(21,675)	(237,755)	1,523,740
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,352,680	10,216,638	10,880,901	5,448,483	9,222,143	(1,429,429)	291,222	407,809	978,430	14,915,545
SPECIAL ITEMS										
Payment to BSA bondholders	(2,981,339)	-	-	-	-	-	-	-	-	-
Payment to Pavilion bondholders	(2,068,948)	-	-	-	-	-	-	-	-	-
Cash out of Revolving Loan Fund	-	-	-	-	-	-	(1,652,165)	-	-	-
Payment to County for property taxes	-	-	-	-	-	-	(803,045)	-	-	-
TOTAL SPECIAL ITEMS	(5,050,287)	-	-	-	-	-	(2,255,210)	-	-	-
NET CHANGES IN FUND BALANCES	\$ 1,316,004	\$ 9,445,882	\$ 2,458,044	\$ (8,437,028)	\$ (624,463)	\$ (2,815,264)	\$ (3,699,481)	\$ (1,171,802)	\$ (255,993)	\$ 6,061,287
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.57%	10.60%	11.51%	11.30%	34.33%	19.54%	10.44%	17.28%	17.89%	38.49%

City of Marion, Illinois
 Taxable Sales by Category - Municipal Tax
 Last Ten Years
 (Unaudited)

Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Merchandise	\$ 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	\$ 1,094,178
Food	675,855	710,496	777,861	749,398	710,905	1,191,796	1,266,470	1,317,227	1,342,746	1,382,883
Drinking and Eating Places	700,163	714,878	725,745	750,666	801,532	821,182	860,726	867,807	884,106	744,817
Apparel	414,013	210,729	207,371	191,686	177,750	155,387	153,404	157,921	144,071	103,930
Furniture & H.M. & Radio	82,276	67,974	71,215	61,394	69,064	53,170	49,520	64,539	97,606	113,696
Lumber, Bldg, Hardware	743,574	774,491	769,470	779,378	825,783	847,350	879,159	839,450	835,742	1,040,025
Automotive & Filing Stations	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	2,077,181
Drugs & Miscellaneous Retail	834,199	893,505	844,975	860,748	1,101,557	1,145,230	1,149,109	1,103,551	1,172,294	1,224,944
Agriculture & All Others	260,883	237,984	229,023	214,627	225,661	261,433	307,578	346,752	387,574	348,452
Manufactures	109,625	106,528	101,206	107,715	105,856	95,803	101,860	79,042	89,639	77,466
TOTAL	\$ 6,894,449	\$ 7,318,357	\$ 7,227,538	\$ 7,205,187	\$ 7,525,590	\$ 7,616,917	\$ 7,621,157	\$ 7,808,271	\$ 8,085,678	\$ 8,205,572
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 Years
(Unaudited)

Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Merchandise	\$ 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	\$ 1,674,141
Food	382,150	416,799	483,673	445,977	387,205	799,213	873,891	985,466	1,021,584	1,491,834
Drinking and Eating Places	888,355	887,608	897,607	928,621	992,553	1,017,522	1,174,232	1,291,109	1,328,349	1,659,676
Apparel	429,221	263,387	259,165	239,600	222,176	194,207	212,147	236,447	216,080	233,443
Furniture & H.H. & Radio	102,843	84,966	89,018	76,742	86,328	66,461	67,920	96,808	146,408	255,775
Lumber, Bldg, Hardware	882,718	925,047	913,601	893,298	952,274	973,344	1,123,200	1,250,246	1,239,608	2,317,934
Automotive & Filing Stations	527,783	627,859	575,741	604,218	596,176	573,576	587,220	752,307	728,967	1,005,186
Drugs & Miscellaneous Retail	843,947	873,293	810,148	757,670	811,985	817,151	885,825	867,884	859,513	1,432,903
Agriculture & All Others	267,466	273,040	266,617	246,398	260,013	304,745	396,527	473,775	488,584	660,071
Manufactures	122,381	121,249	112,723	119,721	122,241	114,135	131,685	113,510	129,732	167,094
TOTAL	\$ 5,707,225	\$ 5,973,080	\$ 5,847,959	\$ 5,723,715	\$ 5,848,079	\$ 5,906,983	\$ 6,539,646	\$ 7,199,872	\$ 7,248,570	\$ 10,898,057
CITY DIRECT SALES TAX RATE	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%	2.25%

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 homerule tax rate increased from 1.25% to 1.50%.

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

City of Marion, Illinois
Direct and Overlapping Sales Tax Rates
Last Ten Years
(Unaudited)

Calendar Year	City Direct Rate	County Rate	State Rate	County School Facility Rate	Total
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%
2020	3.25%	0.25%	5.00%	1.00%	9.50%

Data Source

City and County Records

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

Home rule tax increasee .75% on January 1, 2020.

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

Tax Year Levied	City Direct Rates						Overlapping Rates							
	Corporate	Fire Pension	Police Pension	Debt Service	Recreation	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
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
2020	0.00002					0.00002	1.66586		0.10387	0.74724	4.4378	0.29782	7.25259	7.25261

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
(Unaudited)

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
2011	115,935,245	8,510,080	161,410,595	309,583	1,968,397	3,060	288,136,960	-0.98%	0.38428	864,410,880
2012	115,248,607	6,672,276	162,322,085	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%	0.58701	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
2020	145,912,074	7,231,797	196,085,965	608,484	3,624,752	2,090	353,465,162	3.11%	0.00000	1,060,395,486

Source: Williamson County Clerk's Office

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

Tax Year	Commercial Property	Industrial Property	Residential Property	Railroads Property	Farm Property	Minerals	Total Taxable Assessed Value	Percent Growth	Actual Taxable Value
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
2020	72,922,167	219,830	7,110,617	532	2,315,963	-	82,569,109	10.10%	247,707,327

Source: Williamson County Clerk's Office

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

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
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%
2021	2019	51	51	100.00%		51	100.00%

Source: Williamson County Treasurer's Office

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

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
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%
2021	2019	5,339,598	5,338,759	99.98%	1,092	5,339,851	100.00%

Source: Williamson County Treasurer's Office

City of Marion, Illinois
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

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			
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	20,130,276	700,000	5,485,626	516,821	4,072,094	485,642	15,470	2,998,495	34,404,424	8.30%	1,963.72
2021	16,618,278	355,000	6,255,029	396,725	3,309,749	423,857	1,209,166	3,306,606	31,874,410	6.94%	1,891.10

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
(Unaudited)

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
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	12,775,051	1,228,648	11,546,403	16,854,086	659.04	961.99
2021	10,740,959	1,150,067	9,590,892	18,325,551	569.02	1,087.25

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

Note: Above Total Hotel and Sales Tax does not include sales tax transferred to Property Tax Replacement Fund.

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

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
2021	5,877,319	328,307	5,549,012	1,255,411	22.62%	329.22

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

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
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
2021	3,309,749	110,554	3,199,195	1,168,859	36.54%	189.81

City of Marion, Illinois
Direct and Overlapping Bonded Debt
April 30, 2021
(Unaudited)

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	17,975,000	31.72%	\$5,701,670
Williamson Co. CUSD 2	21,405,000	56.96%	\$12,192,288
Williamson CUSD 5	36,445,000	6.46%	\$2,354,347
Williamson County Airport	4,165,000	31.77%	\$1,323,221
John A. Logan College	31,450,000	17.31%	\$5,443,995
Marion Park District	770,000	99.48%	\$765,996
	<u>\$124,975,051</u>		<u>\$40,546,568</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 (excludes principal due on or before September 1, 2020.)

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

	2021	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	5.00
City Administrator	-	-	1.00	1.00	1.00	1.00	NA	NA	NA	NA	NA
Code Enforcement	3.94	3.00	3.00	3.12	3.38	3.00	NA	NA	NA	NA	NA
Information Technology	2.64	3.00	3.00	3.00	2.00	2.00	NA	NA	NA	NA	NA
Treasurer's Office	4.87	5.00	5.00	5.00	5.00	5.00	NA	NA	NA	NA	NA
City Clerk's Office	1.87	2.42	2.46	2.45	2.39	2.18	NA	NA	NA	NA	NA
Human Resources	1.00	1.00	-	-	-	-	-	-	-	-	-
Economic Development	0.85	-	-	-	-	-	-	-	-	-	-
Mayor's Chief of Staff	1.00	1.00	-	-	-	-	-	-	-	-	-
City Attorney	1.00	1.00	-	-	-	-	-	-	-	-	-
Community Programs	0.95	-	-	-	-	-	-	-	-	-	-
Senior Citizens Center	7.33	6.94	6.92	7.17	7.10	7.01	NA	NA	NA	NA	NA
Boyton St. Community Center	3.26	5.10	4.90	3.96	4.31	4.27	NA	NA	NA	NA	NA
Public Health & Safety											
Police Department	58.23	54.47	50.67	48.35	47.92	45.27	NA	NA	NA	NA	NA
Fire Department	27.09	26.00	26.00	26.00	25.39	25.16	NA	NA	NA	NA	NA
Emergency Management	0.25	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	1.00	NA	NA	NA	NA	NA
Animal Control	2.44	2.65	2.82	2.50	2.45	2.49	NA	NA	NA	NA	NA
Streets, Alleys and Cemeteries											
Street Department	26.31	22.82	23.18	22.05	22.29	20.54	NA	NA	NA	NA	NA
Cemetery Department	6.63	6.92	6.90	6.60	6.53	6.59	NA	NA	NA	NA	NA
Cultural and Recreation											
Cultural & Civic Center	3.39	8.56	6.95	6.76	6.81	6.11	NA	NA	NA	NA	NA
Carnegie Library	10.80	13.50	14.08	14.23	13.55	12.32	NA	NA	NA	NA	NA
The Pavilion	3.16	4.46	4.37	4.24	4.24	4.19	NA	NA	NA	NA	NA
Hub Recreational Center	21.26	39.32	43.33	41.27	39.10	35.62	NA	NA	NA	NA	NA
Public Utilities											
Water-Outside and Plant	11.00	11.00	10.83	10.00	10.00	10.91	NA	NA	NA	NA	NA
Water Office	5.54	5.85	6.00	5.87	5.76	4.50	NA	NA	NA	NA	NA
Sewer - Outside and Plant	11.13	11.74	12.21	12.57	12.72	12.43	NA	NA	NA	NA	NA
	221.94	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.

Note: Cultural and Recreation FTE's were down in 2020 due to Covid-19 Pandemic furloughs.

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
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	\$ 43,502	\$ 27,252	39.3	3,794	4.80%
2021	16,855	N/A	N/A	N/A	3,723	5.07%

N/A - Not available

Data Sources

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