

**City of Marion, Illinois  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended April 30, 2022**

Prepared by Treasurer's Department

Steve Hale, CPA  
Treasurer

**City of Marion, Illinois  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended April 30, 2022**

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## **Introductory Section**

CITY OF MARION, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2022

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LEGISLATIVE

CITY COUNCIL

Michael W. Absher  
Mayor & Public Affairs Commissioner

Doug Patton  
Accounts & Finance Commissioner

James "Jim" Webb  
Streets & Public Improvements Commissioner

John Stoecklin  
Public Property Commissioner

John Barwick, Jr.  
Public Health & Safety Commissioner

ADMINISTRATIVE

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

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

# CITY OF MARION ORGANIZATIONAL CHART



Marion Tower Square





MICHAEL W. ABSHER, MAYOR  
Public Affairs

COMMISSIONERS

DOUG PATTON  
Accounts & Finances

JOHN STOECKLIN  
Public Property

COMMISSIONERS

JIM WEBB  
Streets & Public Improvements

JOHN M. BARWICK, JR.  
Public Health & Safety

November 22, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Marion, Illinois (the City) for the fiscal year ended April 30, 2022 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, 2022, 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, 2022, 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.

[www.cityofmarionil.gov](http://www.cityofmarionil.gov)

1102 Tower Square Plaza • Marion, IL 62959 • (618) 997-6281 • Fax (618) 997-2028

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

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

The City of Marion was incorporated on February 24, 1841. The city is located in Williamson County. The City is located approximately 120 miles southeast of St. Louis, Missouri and 57 miles northwest of Paducah, Kentucky. The city currently has land area of 14.61 square miles and a population of 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 uses these requests as a starting point for developing a proposed budget. Once a preliminary proposed budget is developed, the City Treasurer and Mayor's Chief of Staff meet with department heads to discuss his or her specific budget. The revised budget is then made available to the Mayor and Commissioners for review on or before March 31<sup>st</sup> of each year. The City council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30<sup>th</sup>, prior to the start of the new fiscal year on May 1<sup>st</sup>. The appropriated budget is prepared by fund and department. Heads of City departments and boards may with prior approval of the City Treasurer initiate transfers of funds between line items within departments. The Mayor or a Commissioner may initiate transfer of funds between line items within his or her departments. Any transfers between department must be approved by Council.

Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. Budget to actual comparisons for the City's three major governmental funds are presented in the required supplementary information section.

### **Factors Affecting Financial Condition**

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

Marion serves as the largest retail trade center in Southern Illinois with its central location along Interstate 57 and Illinois Route 13. Marion is the home to Rent One Park, a minor league level baseball stadium that houses both sporting and entertainment events. 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, Camping World, Dillard's, Menard's, Home Depot, and Kroger.

The City is hopeful in the revitalization of the Illinois Star Centre Mall as it has recently been acquired by a local developer who has already introduced conceptual drawings of what his group hopes to accomplish at the property. A sale of that property netted 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 2022, the city outperformed the prior year's municipal sales tax by nearly 16.5%. Additionally, adjusting for an increase in home-rule sales tax, the City experienced a 19% increase in home rule sales tax revenue over the previous year.

Future growth in sales tax revenues will come from projects already in production including an Olive Garden, a 7 Brew coffee shop, and two new hotels that are expected to begin construction later in calendar year 2022. Additionally, Oasis Motorsports will open in 2022 occupying a previously abandoned Toys R Us store that is now owned and operated by a local Harley Davidson and RV dealer. Additional projects in the construction phase are a new bakery, a live-music venue, and a new steakhouse that will all be located in the downtown corridor.

Unfunded mandates from the state continue to be a burden on all municipalities in Illinois. Despite recent bond upgrades to the State and some signs that fiscal management trends are changing, a level of uncertainty exists with future state support. Despite regional and state financial woes, Marion maintains a strong bond rating at Aa3 (Moody's), and an even stronger and stable financial future.

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

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

Those increased revenues 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. In 2022 they followed with a second residentially focused TIF. These TIFs 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:

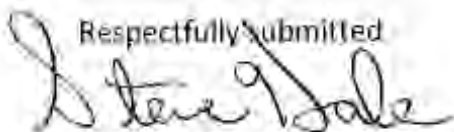
- City has a comprehensive Investment Policy which follows the Illinois State Statutes in investing public funds and requires all City deposits over FDIC coverage either to be collateralized or covered by a Federal Home Loan Bank Letter of Credit.

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 Commissioners  
City of Marion  
Marion, Illinois

### Report on the Audit of the Financial Statements

#### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements 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, 2022, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison information on pages 79 through 81 and the retirement plans schedules of changes in net pension liability and related ratios, and schedules of contributions on pages 82 through 92, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 accompanying combining and individual fund statements and schedules on pages 93 through 110 and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section and other information as listed in the table of contents but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 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 solely 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 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 13, 2022



# CITY OF MARION, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

April 30, 2022

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements (beginning on page 15).

### **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 15-16) 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 16) 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.

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

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2022**

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**Fund Financial Statements**

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

The Governmental Major Fund (see pages 17 and 19) 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 21-23) are the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 18 and 20). 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 Statement).

**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 26 through 79 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 80 through 93 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 (Unaudited)  
April 30, 2022**

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, 2022  
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 45,091	\$ 33,021	\$ 7,524	\$ 5,352	\$ 52,615	\$ 38,373
Capital Assets	103,356	101,705	30,952	30,231	134,308	131,936
<b>Total Assets</b>	<b>148,447</b>	<b>134,726</b>	<b>38,476</b>	<b>35,583</b>	<b>186,923</b>	<b>170,309</b>
<b>Deferred Outflows of Resources</b>	<b>18,629</b>	<b>15,557</b>	<b>1,953</b>	<b>2,323</b>	<b>20,582</b>	<b>17,880</b>
Current Liabilities	4,405	1,780	1,634	1,117	6,039	2,897
Noncurrent Liabilities	68,284	72,023	13,804	15,437	82,088	87,460
<b>Total Liabilities</b>	<b>72,689</b>	<b>73,803</b>	<b>15,438</b>	<b>16,554</b>	<b>- 88,127</b>	<b>90,357</b>
<b>Deferred Inflows of Resources</b>	<b>24,038</b>	<b>17,325</b>	<b>2,300</b>	<b>1,082</b>	<b>26,338</b>	<b>18,407</b>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	87,709	82,452	24,969	23,181	112,678	105,633
Restricted	12,842	9,860	353	288	13,195	10,148
Nonspendable	1	1	-	-	1	1
Unrestricted (deficit)	(30,203)	(33,158)	(2,631)	(3,199)	(32,834)	(36,357)
<b>Total Net Position</b>	<b>\$ 70,349</b>	<b>\$ 59,155</b>	<b>\$ 22,691</b>	<b>\$ 20,270</b>	<b>\$ 93,040</b>	<b>\$ 79,425</b>

For more detailed information see the Statement of Net Position (page 15).

### 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 \$79.43 million to \$93.04 million for a total increase of \$13.61 million in net position. Of this increase, Governmental Activities increased by \$11.19 million and Business-Type Activities increased by \$2.42 million. Within Governmental Activities, Current and Other assets increased by \$8.89 million. Of this increase, \$8.61 was an increase in cash. The primary reasons for the excess cash were a significant increase in revenues, such as a \$4.42 million increase in sales tax over the prior year, received federal and state grant income of which \$2 million was unspent at year end, and had significant increases in other revenue areas, such as hotel tax, state income tax and video gaming tax. The City also received a property tax settlement from the Special Service Area of \$1.15 million. The City had several increases in receivables but those increases were offset by reduction in a bond receivable of \$1.77 million which was the result of the cash settlement from the Special Service Area mentioned above. Pension and OPEB Deferred Outflows of Resources increased in the amount of \$3.07 million due to a \$4.67 million increase in Pension Outflows. This will be recognized as an expense in future years. Current Liabilities increased by \$2.63 million which was due to accounts payable increase of \$737 thousand due to construction projects and \$1.92 million in unearned revenue most of which was from grant monies received but not yet spent. Noncurrent Liabilities decreased by \$6.92 million. Main reasons for the decrease was a net reduction of Long-Term Debt of \$4.11 million and a decrease in OPEB Liability of \$6.82 million offset by an increase in Pension liability of \$3.20 million. In Business Activities, the main reasons for the increase in Current and Other Assets were from \$692 thousand increase of unspent loan proceeds, increase in state grant receivable of \$383 thousand and increase in pension asset of \$589 thousand. The Deferred Outflows of Resources decrease is due to outflows from OPEB calculations. Reduction in Long-Term Debt was \$335 thousand greater than borrowings in Long-Term Debt. Total OPEB Liability decreased by \$6.81 million due to the rise in the discount rate.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2022**

**Changes in Net Position**

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

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Year Ended April 30, 2022**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,333	\$ 1,881	\$ 7,937	\$ 7,181	\$ 11,270	\$ 9,062
Operating grants and contributions	1,502	1,261	-	-	1,502	1,261
Capital grants and contributions	955	1,284	1,050	815	2,005	2,099
General revenues:						
Property taxes	6,222	5,450	-	-	6,222	5,450
Sales Tax (shared and home rule)	24,024	20,739	-	-	24,024	20,739
Other taxes	9,233	7,295	-	-	9,233	7,295
Other	434	393	166	463	601	856
<b>Total Revenues</b>	<b>45,703</b>	<b>38,303</b>	<b>9,153</b>	<b>8,459</b>	<b>54,857</b>	<b>46,762</b>
<b>EXPENSES:</b>						
General government	3,754	4,199	-	-	3,754	4,199
Public health and safety	13,422	12,003	-	-	13,422	12,003
Streets, alleys & cemeteries	4,817	4,959	-	-	4,817	4,959
Culture and recreation	5,057	3,997	-	-	5,057	3,997
Development	4,960	4,264	-	-	4,960	4,264
Interest expense	387	319	-	-	387	319
Unallocated depreciation	1,307	1,297	-	-	1,307	1,297
Water	-	-	3,524	3,387	3,524	3,387
Sewer	-	-	3,182	3,198	3,182	3,198
<b>Total Expenses</b>	<b>33,704</b>	<b>31,038</b>	<b>6,706</b>	<b>6,585</b>	<b>40,410</b>	<b>37,623</b>
<b>Excess before Transfers And Special Item</b>	<b>12,000</b>	<b>7,265</b>	<b>2,447</b>	<b>1,874</b>	<b>14,447</b>	<b>9,139</b>
Special item	(831)	-	-	-	(831)	-
Transfers	26	1,291	(26)	(1,291)	-	-
<b>Change in Net Position</b>	<b>11,195</b>	<b>8,556</b>	<b>2,421</b>	<b>583</b>	<b>13,616</b>	<b>9,139</b>
<b>Net Position, May 1</b>	<b>59,155</b>	<b>50,599</b>	<b>20,270</b>	<b>19,687</b>	<b>79,425</b>	<b>70,286</b>
<b>Net Position, April 30</b>	<b>\$ 70,349</b>	<b>\$ 59,155</b>	<b>\$ 22,691</b>	<b>\$ 20,270</b>	<b>\$ 93,041</b>	<b>\$ 79,425</b>

## Normal Impacts

### Revenues:

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

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

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

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

### Expenses:

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

**Increase in Authorized Personnel** – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 51.14% 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 52.56% of total Governmental Activities general revenues. The second largest source of revenue is property taxes at 13.61% of total Governmental Activities general revenues. Tax Increment Financing (TIF) districts generated \$6.05 million or 97.19% of the property tax. The property tax generated by the TIF districts must be used for development or other eligible costs within the TIF districts. Total revenues excluding special item and transfers increased by 19.32%. The net increase was due to an increase in sales tax of \$3.28 million due to economic growth and collecting home rule sales tax on qualifying out of state sales. Due to more after pandemic travel hotel tax increased by \$737 thousand and state income tax revenue increased by \$613 thousand. Charges for services increased by \$1.45 million due to revenue producing facilities being opened and in operation for the full year. Property taxes increased by \$772 thousand due to increase in TIF receipts and a new residential TIF.

**Expenses:**

Total expenses increased by \$2.67 million from the prior year. \$1.06 million of the net increase was due to the entities classified as Culture and Recreation being open for the full year as compared to the previous year. Public Health and Safety increased by \$1.42 million with \$984 thousand of the increase due to GASB 68 pension expense. The increase in development was due to an increase in sales tax rebates. Gross payroll and benefits for the City for the current year was approximately 51.14% 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 increased due to a 3% annual increase and an increase in customers. Grant Income was reimbursement for a new water tower which is being constructed. Last year's other line item included the gain from the sale of the old city lake.

**Expenses:**

Total expenses remained constant between years. The Water Department had an increase of \$137 thousand and the Sewer Department had a decrease of \$16 thousand. The increase in the Water Department and decrease in Sewer Department were due to various items.

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

**Governmental Funds**

On April 30, 2022, the governmental funds (as presented on the balance sheet on page 17) reported a fund balance of \$30.22 million which is a 33.6% increase from the beginning of the year (\$22.62 million). Due to the increase in cash during the year as discussed above, the following fund balances increased as follows, Capital Projects \$1.22 million, Economic Development \$1.77 million, Committed \$963 thousand and Unassigned \$3.77 million. An increase in maintenance of roadways of \$448 thousand was due to additional unspent Build Illinois Bonds and an IDOT grant. \$9.96 million is in unassigned general fund types indicating availability for continuing City services. The \$7.77 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 expenditures were amended for \$863 thousand in net increases. Capital Outlay had an increase of \$895 thousand. The main portion of this increase was the down payment on a new fire truck which is being financed by a grant.

**Table 3  
Budget Compared to Actual  
For the Fiscal Year Ended April 30, 2022  
(in thousands)**

<b>General Fund Types</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Expenditures			
General Government	\$3,983	\$4,200	\$4,016
Public Health and Safety	10,005	10,498	10,428
Streets, Alleys & Cemeteries	3,561	3,561	3,571
Cultural and Recreation	1,439	1,109	1,126
Development	1,459	1,046	1,054
Debt Service	302	302	275
Capital Outlay	553	1,448	1,302
<b>Total</b>	<b>\$21,302</b>	<b>\$22,164</b>	<b>\$21,772</b>



**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2022**

**Capital Assets**

At the end of Fiscal year 2022, the City's Governmental Funds had invested \$103 million, net of depreciation (see Notes to Financial Statements #6) in a variety of capital assets and infrastructure as reflected in the following schedule.

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

	<b>Balance April 30, 2021</b>	<b>Net Additions/ Deletions</b>	<b>Transfers</b>	<b>Balance April 30, 2022</b>
Non-depreciable Assets				
Land	\$ 27,984	\$ 731	\$ -	\$ 28,715
Construction in Progress	1,204	1,917	(18)	3,103
Deposits	-	494	-	494
Other Capital Assets				
Infrastructure	74,750	-	-	74,750
Parking Lot Improvements	563	51	-	614
Buildings	43,286	208	-	43,494
Machinery and Equipment	5,667	1,009	-	6,676
Vehicles	6,258	(51)	-	6,207
Software	199	(86)	-	113
Land Improvements	481	-	-	481
Less Accumulated Depreciation on Other Capital Assets	(58,688)	(2,603)	-	(61,291)
<b>Totals</b>	<b>\$ 101,704</b>	<b>\$ 1,670</b>	<b>\$ (18)</b>	<b>\$ 103,356</b>

**Debt Outstanding**

The City of Marion has an Aa3 rating with Moody's Ratings Service. As a home rule authority, the City does not have a legal debt limit. As of April 30, 2022, the City had total long-term debt and loans payable of \$27.32 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 15 and further explained in the Notes to the Financial Statements.

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2022**

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

	<b>Balance April 30, 2021</b>	<b>Net Additions/ Deletions</b>	<b>Balance April 30, 2022</b>
<b>Governmental Activities</b>			
General Obligation Debt	\$ 15,567	\$ (1,944)	\$ 13,623
Other Contractual Liabilities	8,058	(2,233)	5,825
<b>Governmental Activities Total</b>	<b>23,625</b>	<b>(4,177)</b>	<b>19,448</b>
<b>Business Activities</b>			
General Obligation Debt	3,310	(784)	2,526
Other Contractual Liabilities	4,940	410	5350
<b>Business Activities Total</b>	<b>8,250</b>	<b>(374)</b>	<b>7,876</b>
<b>Total Long-Term Debt</b>	<b>\$ 31,875</b>	<b>\$ (4,551)</b>	<b>\$ 27,324</b>

The City during the year incurred bank loans \$2.32 million while paying off \$6.87 million in total debt. See Note 7 of Notes to Financial Statements for additional detail.

**Economic Factors**

Economic factors continued a positive pace as shown by unemployment numbers, continued investments in single-family home, multi-family housing, and commercial building permits, as well as increased consumer spending.

Unemployment over the fiscal year was driven by post-pandemic workforce challenges and experienced a high of 6.9% in January 2021, and a low of 4.0% in November 2021. The 12-month unemployment average for the fiscal year was 5.5%, which is a slight increase over the previous fiscal year but is generally better than national and state trends.

Commercial building permits decreased in number and in total investment with 23 permits issued, totaling \$7,727,475 while the previous year saw 38 permits totaling \$10,696,941. However, there were 12 commercial remodel permits issued totaling \$2,680,555. 40 new home permits were issued, which was a slight increase over the previous year and there were 5 apartment/duplex building permits. A total of 80 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which is an increase of 12% from the permits issued in the previous year. Additionally, the total dollars invested in these buildings was \$17,971,350 compared to previous year total of \$18,589,694.

This year showed modest economic growth in consumer spending, as measured by retail sales tax which increased over the previous fiscal year and continues a positive trend as the city nears \$1B in total retail sales.

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2022**

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The most notable commercial projects in this fiscal year were a new Taco Bell, completion of a Texas Roadhouse, and a Readerlink Distribution Center located in an existing 1M square foot facility. There were also significant expansions to a local daycare facility, and the addition of several new local restaurants.

The city continues to be optimistic about economic activity, not only by ongoing interest in new commercial sites, but also by current business expansions. The most notable business expansions continue to be the Black Diamond/Oasis family of businesses and their continued investment in retail and entertainment options throughout Marion.

### **FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steve Hale, City Treasurer, City of Marion, 1102 Tower Square, Marion, IL 62959.

**City of Marion, Illinois**  
**Statement of Net Position**  
**April 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 10,575,814	\$ 2,270,290	\$ 12,846,104
Restricted cash	249,441	2,138,191	2,387,632
Investments	13,992,650	794,380	14,787,030
Restricted investments	357,446	-	357,446
Receivables, net			
Accounts receivable	166,060	651,931	817,991
Property taxes	7,281,396	-	7,281,396
Sales taxes	5,952,393	-	5,952,393
Other taxes	554,072	-	554,072
Accrued interest	8,250	-	8,250
Grant receivable	53,903	397,701	451,604
Loans receivable	1,205,761	-	1,205,761
Intergovernmental receivable	763,027	-	763,027
Due from other funds	70,797	-	70,797
Inventories	32,731	439,726	472,457
Prepaid items	642,846	86,951	729,797
Capital assets, non-depreciable	32,311,127	5,215,507	37,526,634
Capital assets, net of accumulated depreciation	71,044,763	25,736,696	96,781,459
Net pension asset	3,184,514	745,048	3,929,562
<b>Total Assets</b>	<b>148,446,991</b>	<b>38,476,421</b>	<b>186,923,412</b>
<b>Deferred Outflow of Resources</b>			
Deferred outflows, pensions	9,854,309	448,778	10,303,087
Deferred outflows, other postemployment	8,774,935	1,504,663	10,279,598
<b>Total Deferred Outflow of Resources</b>	<b>18,629,244</b>	<b>1,953,441</b>	<b>20,582,685</b>
<b>Liabilities</b>			
Accounts payable	1,702,539	834,619	2,537,158
Property taxes payable	20,567	-	20,567
Accrued payroll	249,425	30,723	280,148
Accrued payroll related expenses	218,928	-	218,928
Accrued interest payable	512	17,522	18,034
Due to other funds	-	70,797	70,797
Customer deposits	-	681,044	681,044
Damage deposits	93,850	-	93,850
Unearned revenue	2,118,793	-	2,118,793
Noncurrent liabilities:			
Due within one year	3,568,992	1,372,161	4,941,153
Due in more than one year	16,446,111	6,577,993	23,024,104
Net pension liability	15,733,686	-	15,733,686
Net OPEB liability	32,535,602	5,853,656	38,389,258
<b>Total Liabilities</b>	<b>72,689,005</b>	<b>15,438,515</b>	<b>88,127,520</b>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue, property taxes	7,281,396	-	7,281,396
Deferred inflows, pensions	9,939,932	1,203,177	11,143,109
Deferred inflows, other postemployment	6,816,930	1,097,090	7,914,020
<b>Total Deferred Inflows of Resources</b>	<b>24,038,258</b>	<b>2,300,267</b>	<b>26,338,525</b>
<b>Net Position</b>			
Net investment in capital assets	87,709,469	24,968,738	112,678,207
Restricted for:			
Donor restricted expenditures	365,717	-	365,717
Public safety expenditures	1,721,900	-	1,721,900
Capital projects	3,449,569	-	3,449,569
Debt service	971,355	353,191	1,324,546
Maintenance of roadways	2,122,169	-	2,122,169
Tourism and recreation	204,855	-	204,855
Economic development	4,006,727	-	4,006,727
Nonspendable	1,000	-	1,000
Unrestricted (deficit)	(30,203,789)	(2,630,849)	(32,834,638)
<b>Total Net Position</b>	<b>\$ 70,348,972</b>	<b>\$ 22,691,080</b>	<b>\$ 93,040,052</b>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Activities**  
**For the Year Ended April 30, 2022**

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
<b>Governmental Activities</b>							
General government	\$ 3,754,030	\$ 709,490	\$ 467,116	\$ -	\$ (2,577,424)	\$ -	\$ (2,577,424)
Public health and safety	13,422,393	489,008	183,141	483,834	(12,266,410)	-	(12,266,410)
Streets, alleys, and cemeteries	4,817,023	111,537	27,819	470,745	(4,206,922)	-	(4,206,922)
Culture and recreation	5,056,596	2,022,587	824,170	-	(2,209,839)	-	(2,209,839)
Economic development	4,960,100	-	-	-	(4,960,100)	-	(4,960,100)
Interest expense	386,740	-	-	-	(386,740)	-	(386,740)
Unallocated depreciation expense	1,307,122	-	-	-	(1,307,122)	-	(1,307,122)
<b>Total Governmental Activities</b>	<u>33,704,004</u>	<u>3,332,622</u>	<u>1,502,246</u>	<u>954,579</u>	<u>(27,914,557)</u>	<u>-</u>	<u>(27,914,557)</u>
<b>Business-Type Activities</b>							
Water	3,524,204	4,034,089	-	1,034,407	-	1,544,292	1,544,292
Sewer	3,182,221	3,903,195	-	15,105	-	736,079	736,079
<b>Total Business-Type Activities</b>	<u>6,706,425</u>	<u>7,937,284</u>	<u>-</u>	<u>1,049,512</u>	<u>-</u>	<u>2,280,371</u>	<u>2,280,371</u>
<b>Total Primary Government</b>	<u>\$ 40,410,429</u>	<u>\$ 11,269,906</u>	<u>\$ 1,502,246</u>	<u>\$ 2,004,091</u>	<u>(27,914,557)</u>	<u>2,280,371</u>	<u>(25,634,186)</u>
<b>General Revenues</b>							
Taxes							
Property taxes					6,221,610	-	6,221,610
Sales taxes					24,023,452	-	24,023,452
Other taxes and franchise fees					5,071,696	-	5,071,696
Intergovernmental					4,161,705	-	4,161,705
Investment income					47,468	5,977	53,445
Miscellaneous					361,367	157,949	519,316
Sale of capital assets					26,636	2,109	28,745
Special item - bad debt expense					(831,430)	-	(831,430)
Transfers					25,555	(25,555)	-
<b>Total General Revenues, Special Items and Transfers</b>					<u>39,108,059</u>	<u>140,480</u>	<u>39,248,539</u>
<b>Change in Net Position</b>					11,193,502	2,420,851	13,614,353
<b>Net Position - Beginning of Year</b>					59,155,470	20,270,229	79,425,699
<b>Net Position - End of Year</b>					<u>\$ 70,348,972</u>	<u>\$ 22,691,080</u>	<u>\$ 93,040,052</u>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2022**

	<u>General</u>	<u>TIF Redevelopment</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,544,347	\$ 2,214,511	\$ 1,249,911	\$ 946,076	\$ 3,620,969	\$ 10,575,814
Restricted cash	40,192	-	-	-	209,249	249,441
Investments	9,066,714	451,321	4,442,731	-	31,884	13,992,650
Restricted investments	10,853	-	-	-	346,593	357,446
Accounts receivable	162,586	-	-	-	3,474	166,060
Property taxes receivable	100	6,800,611	-	369,250	111,435	7,281,396
Sales taxes receivable	5,465,763	-	-	-	486,630	5,952,393
Other taxes receivable	402,874	-	-	-	151,198	554,072
Accrued interest receivable	8,250	-	-	-	-	8,250
Grant receivable	1,570	-	-	-	52,333	53,903
Loan receivable	423,638	432,665	349,458	-	-	1,205,761
Intergovernmental receivable	705,334	-	-	-	57,693	763,027
Due from other funds	190,855	-	-	-	51,561	242,416
Inventory	32,731	-	-	-	-	32,731
Prepaid items	566,847	-	-	-	75,999	642,846
<b>Total Assets</b>	<u>19,622,654</u>	<u>9,899,108</u>	<u>6,042,100</u>	<u>1,315,326</u>	<u>5,199,018</u>	<u>42,078,206</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	420,042	237,699	937,846	-	106,952	1,702,539
Accrued payroll	216,101	-	20,567	-	33,324	269,992
Accrued payroll related expenses	218,928	-	-	-	-	218,928
Due to other funds	30,350	-	-	-	141,269	171,619
Damage deposits	93,850	-	-	-	-	93,850
Unearned revenue	82,369	-	1,634,118	-	402,306	2,118,793
<b>Total Liabilities</b>	<u>1,061,640</u>	<u>237,699</u>	<u>2,592,531</u>	<u>-</u>	<u>683,851</u>	<u>4,575,721</u>
<b>Deferred Inflow of Resources</b>						
Unavailable revenue, property taxes	100	6,800,611	-	369,250	111,435	7,281,396
<b>Fund Balances</b>						
Nonspendable	926,030	432,665	-	-	1,000	1,359,695
Restricted for:						
Donor restricted expenditures	12,265	-	-	-	353,452	365,717
Public safety	38,785	-	-	-	1,683,115	1,721,900
Capital projects	-	-	3,449,569	-	-	3,449,569
Debt service	-	-	-	946,076	25,279	971,355
Cemetery	-	-	-	-	13,862	13,862
Maintenance of roadways	-	-	-	-	2,122,169	2,122,169
Tourism and recreation	-	-	-	-	205,058	205,058
Economic development	1,145,929	2,428,133	-	-	-	3,574,062
Committed	7,769,932	-	-	-	-	7,769,932
Unassigned	8,667,973	-	-	-	(203)	8,667,770
<b>Total Fund Balances</b>	<u>18,560,914</u>	<u>2,860,798</u>	<u>3,449,569</u>	<u>946,076</u>	<u>4,403,732</u>	<u>30,221,089</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 19,622,654</u>	<u>\$ 9,899,108</u>	<u>\$ 6,042,100</u>	<u>\$ 1,315,326</u>	<u>\$ 5,199,018</u>	<u>\$ 42,078,206</u>

The accompanying notes are in integral part of the basic financial statements

**City of Marion, Illinois**  
**Reconciliation of the Governmental Fund Balances to the Governmental Activities in**  
**the statement of Net Position**  
**April 30, 2022**

<b>Total Fund Balances of Governmental Funds</b>	\$	30,221,089
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 balance sheet of the governmental funds.		103,355,890
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(512)
Compensated absences are not due and payable in the current period and therefore, is not reported in the governmental funds.		(567,681)
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.		(19,447,422)
Deferred inflows and outflows of resources related to pensions are not reported in governmental funds.		1,872,382
Net Pension Liability and Net OPEB obligation are not reported in the governmental funds.		<u>(45,084,774)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>70,348,972</u></b>

The accompanying notes are in integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended April 30, 2022**

	General	TIF Redevelopment	Capital Projects	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 1,148,190	\$ 6,047,390	\$ -	\$ 198,174	\$ 154,464	\$ 7,548,218
Sales tax	22,189,002	-	-	-	1,934,449	24,123,451
Other taxes and franchise fees	3,633,501	-	-	-	1,446,237	5,079,738
Licenses and permits	504,387	-	-	-	-	504,387
Intergovernmental revenue	3,426,388	-	-	-	735,317	4,161,705
Service charges and fees	1,208,627	-	-	-	1,619,608	2,828,235
Grant revenue	1,607,574	36,000	-	-	813,251	2,456,825
Investment income	16,584	24,081	3,915	2,559	5,575	52,714
Miscellaneous revenue	315,099	-	5,200	-	29,218	349,517
Restricted donations	11,850	-	-	-	-	11,850
<b>Total Revenues</b>	<b>34,061,202</b>	<b>6,107,471</b>	<b>9,115</b>	<b>200,733</b>	<b>6,738,119</b>	<b>47,116,640</b>
<b>Expenditures</b>						
General government	3,909,513	-	-	-	-	3,909,513
Public health and safety	10,182,628	-	-	-	1,998,319	12,180,947
Streets, alleys and cemeteries	3,424,282	23,606	-	-	1,208,996	4,656,884
Culture and recreation	1,151,096	-	-	-	3,120,796	4,271,892
Economic development	1,166,323	3,430,382	221,303	-	291,551	5,109,559
Debt Service:						
Principal	259,744	708,182	1,125,000	3,065,430	385,620	5,543,976
Interest	15,327	-	15,809	287,421	17,105	335,662
Capital outlay	1,323,770	61,890	3,462,548	-	168,628	5,016,836
<b>Total Expenditures</b>	<b>21,432,683</b>	<b>4,224,060</b>	<b>4,824,660</b>	<b>3,352,851</b>	<b>7,191,015</b>	<b>41,025,269</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>12,628,519</b>	<b>1,883,411</b>	<b>(4,815,545)</b>	<b>(3,152,118)</b>	<b>(452,896)</b>	<b>6,091,371</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	(8,153,152)	(278,024)	4,863,188	2,645,306	948,237	25,555
General long-term debt issued	278,450	-	1,151,095	-	-	1,429,545
Proceeds from sale of capital assets	38,020	-	16,800	-	-	54,820
<b>Total Other Financing Sources (Uses)</b>	<b>(7,836,682)</b>	<b>(278,024)</b>	<b>6,031,083</b>	<b>2,645,306</b>	<b>948,237</b>	<b>1,509,920</b>
<b>Net Change in Fund Balances</b>	<b>4,791,837</b>	<b>1,605,387</b>	<b>1,215,538</b>	<b>(506,812)</b>	<b>495,341</b>	<b>7,601,291</b>
<b>Fund Balances - Beginning of Year</b>	<b>13,769,077</b>	<b>1,255,411</b>	<b>2,234,031</b>	<b>1,452,888</b>	<b>3,908,391</b>	<b>22,619,798</b>
<b>Fund Balances - End of Year</b>	<b>\$ 18,560,914</b>	<b>\$ 2,860,798</b>	<b>\$ 3,449,569</b>	<b>\$ 946,076</b>	<b>\$ 4,403,732</b>	<b>\$ 30,221,089</b>

The accompanying notes are in integral part of the basic financial statements



**City of Marion, Illinois**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changed in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended April 30, 2022**

<b>Net Change in Fund Balances - Total Governmental Fund</b>	<b>\$</b>	<b>7,601,291</b>
<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	(3,337,325)	
Capital asset purchases, capitalized	5,016,836	1,679,511
<p>The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.</p>		
		(28,184)
<p>The effect of various transactions involving property taxes to increase (decrease) net assets.</p>		
		(1,326,608)
<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>		
		25,491
<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>		
OPEB liability	(1,478,137)	
Net pension liability	1,488,214	10,077
<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	5,543,976	
Interest	10,427	
Amortization of bond premium	63,124	
Deferred amount on refunding	(124,628)	
Issuance of long-term debt	(1,429,545)	4,063,354
<p>Bad debt expense reported in the Statement of Activities but does not require the use of current financial resources,</p>		
		(831,430)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>11,193,502</u></b>

The accompanying notes are in integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2022**

	Enterprise Funds		
	Water Department	Sewer Department	Total Business- Type Activities
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1,042,619	\$ 1,227,671	\$ 2,270,290
Restricted cash	1,672,250	465,941	2,138,191
Investments	544,147	250,233	794,380
Accounts receivable	310,583	341,348	651,931
Grant receivable	382,596	15,105	397,701
Inventory	346,901	92,825	439,726
Prepaid items	44,128	42,823	86,951
<b>Total Current Assets</b>	<b>4,343,224</b>	<b>2,435,946</b>	<b>6,779,170</b>
<b>Non-Current Assets:</b>			
Capital assets, non-depreciable	4,802,279	413,228	5,215,507
Capital assets, net of accumulated depreciation	11,167,793	14,568,903	25,736,696
Net pension asset	402,350	342,698	745,048
<b>Total Non-Current Assets</b>	<b>16,372,422</b>	<b>15,324,829</b>	<b>31,697,251</b>
<b>Total Assets</b>	<b>20,715,646</b>	<b>17,760,775</b>	<b>38,476,421</b>
<b>Deferred Outflow of Resources</b>			
Deferred outflows, pensions	196,251	252,527	448,778
Deferred outflows, other postemployment	580,800	923,863	1,504,663
<b>Total Deferred Outflow of Resources</b>	<b>777,051</b>	<b>1,176,390</b>	<b>1,953,441</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	659,177	175,442	834,619
Accrued payroll	14,837	15,886	30,723
Accrued interest payable	5,038	12,484	17,522
Due to other funds	45,477	25,320	70,797
Compensated absences	31,401	42,917	74,318
Customer deposits	681,044	-	681,044
Bonds payable	230,265	579,532	809,797
Notes payable	75,382	227,495	302,877
Capital lease payable	116,172	68,997	185,169
<b>Total Current Liabilities</b>	<b>1,858,793</b>	<b>1,148,073</b>	<b>3,006,866</b>
<b>Non-Current Liabilities:</b>			
Bonds payable	1,243,345	473,195	1,716,540
Notes payable	1,131,695	2,063,871	3,195,566
Lease payable	974,884	691,003	1,665,887
Net OPEB liability	2,321,564	3,532,092	5,853,656
<b>Total Non-Current Liabilities</b>	<b>5,671,488</b>	<b>6,760,161</b>	<b>12,431,649</b>
<b>Total Liabilities</b>	<b>7,530,281</b>	<b>7,908,234</b>	<b>15,438,515</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows, pensions	577,779	625,398	1,203,177
Deferred inflows, other post employment	433,694	663,396	1,097,090
<b>Total Deferred Inflow of Resources</b>	<b>1,011,473</b>	<b>1,288,794</b>	<b>2,300,267</b>
<b>Net Position</b>			
Net investment in capital assets	13,398,400	11,570,338	24,968,738
Restricted for:			
Debt service	181,324	171,867	353,191
Unrestricted (deficit)	(628,781)	(2,002,068)	(2,630,849)
<b>Total Net Position</b>	<b>\$ 12,950,943</b>	<b>\$ 9,740,137</b>	<b>\$ 22,691,080</b>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended April 30, 2022**

	<b>Enterprise Funds</b>		
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Total Business- Type Activities</b>
<b>Operating Revenues</b>			
Service charges and fees	\$ 4,034,089	\$ 3,903,195	\$ 7,937,284
Miscellaneous	67,338	90,611	157,949
<b>Total Operating Revenues</b>	<b>4,101,427</b>	<b>3,993,806</b>	<b>8,095,233</b>
<b>Operating Expenses</b>			
Personnel services	745,726	869,349	1,615,075
Contractual services	83,358	51,853	135,211
Utilities	82,829	327,955	410,784
Repairs and maintenance	276,338	385,007	661,345
Other supplies and expenses	107,918	349,869	457,787
Insurance claims and expenses	271,596	448,612	720,208
Water purchases	1,458,387	-	1,458,387
Depreciation	427,435	691,489	1,118,924
<b>Total Operating Expenses</b>	<b>3,453,587</b>	<b>3,124,134</b>	<b>6,577,721</b>
<b>Operating Income</b>	<b>647,840</b>	<b>869,672</b>	<b>1,517,512</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	3,724	2,253	5,977
Grant revenue	1,034,407	15,105	1,049,512
Bond premium amortization	5,148	33,264	38,412
Interest expense	(75,765)	(91,351)	(167,116)
Sale of capital assets	-	2,109	2,109
<b>Total Non-Operating Revenues (Expenses)</b>	<b>967,514</b>	<b>(38,620)</b>	<b>928,894</b>
<b>Income (Loss) Before Transfers</b>	<b>1,615,354</b>	<b>831,052</b>	<b>2,446,406</b>
Transfers (out)	(12,783)	(12,772)	(25,555)
<b>Change in Net Position</b>	<b>1,602,571</b>	<b>818,280</b>	<b>2,420,851</b>
<b>Net Position - Beginning of Year</b>	<b>11,348,372</b>	<b>8,921,857</b>	<b>20,270,229</b>
<b>Net Position - End of Year</b>	<b>\$ 12,950,943</b>	<b>\$ 9,740,137</b>	<b>\$ 22,691,080</b>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended April 30, 2022**

	Enterprise Funds		
	Water Department	Sewer Department	Total Business- Type Activities
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 4,075,384	\$ 3,930,759	\$ 8,006,143
Payments to employees	(802,786)	(833,541)	(1,636,327)
Payments to suppliers of goods and services	(2,124,368)	(1,621,128)	(3,745,496)
<b>Net Cash Provided by Operating Activities</b>	<u>1,148,230</u>	<u>1,476,090</u>	<u>2,624,320</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Net operating transfers	23,727	(24,608)	(881)
Proceeds from capital grants	651,811	15,105	666,916
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>675,538</u>	<u>(9,503)</u>	<u>666,035</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from sale of capital assets	-	2,109	2,109
Interest paid on capital debt	(75,765)	(91,351)	(167,116)
Purchase of capital assets	(1,395,677)	(445,639)	(1,841,316)
Principal paid on capital debt	(316,112)	(748,593)	(1,064,705)
Bond premium amortization	5,148	-	5,148
Proceeds from long-term debt	50,721	760,000	810,721
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(1,731,685)</u>	<u>(523,474)</u>	<u>(2,255,159)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on investments	3,724	2,253	5,977
Increase in Cash and Cash Equivalents	95,807	945,366	1,041,173
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2,619,062</u>	<u>748,246</u>	<u>3,367,308</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 2,714,869</u>	<u>\$ 1,693,612</u>	<u>\$ 4,408,481</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	\$ 647,839	\$ 869,672	\$ 1,517,511
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	427,435	691,489	1,118,924
(Increase) decrease in accounts receivable	(23,424)	(63,047)	(86,471)
(Increase) decrease in inventories	(63,191)	(5,569)	(68,760)
(Increase) decrease in prepaid items	(44,128)	(42,823)	(86,951)
(Increase) decrease in deferred outflows	156,394	213,415	369,809
Increase (decrease) in accounts payable	371,754	110,184	481,938
Increase (decrease) in accrued payroll	(4,862)	3,798	(1,064)
Increase (decrease) in customer deposits	10,446	-	10,446
Increase (decrease) in unearned revenue	(2,619)	-	(2,619)
Increase (decrease) in net pension liability	(294,058)	(295,334)	(589,392)
Increase (decrease) in net OPEB liability	(527,754)	(730,058)	(1,257,812)
Increase (decrease) in deferred inflows	494,398	724,363	1,218,761
Total Adjustments	<u>500,391</u>	<u>606,418</u>	<u>1,106,809</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,148,230</u>	<u>\$ 1,476,090</u>	<u>\$ 2,624,320</u>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**April 30, 2022**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 184,128
Investments -	
U.S. Government and agency obligations	7,561,572
Corporate bonds	2,560,153
Insurance company contracts	868,097
Mutual funds	6,306,733
Stocks	1,334,233
State and local obligations	175,075
Exchange traded funds	12,193,527
Accrued interest receivable	74,428
Payroll receivable	48,696
<b>Total Assets</b>	<b>31,306,642</b>
<b>Liabilities</b>	
Payable from purchases of investments	20,346
<b>Net Position</b>	
Held in trust for pension benefits	<b>\$ 31,286,296</b>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended April 30, 2022**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions	
Employer	\$ 1,937,998
Plan members	424,077
	2,362,075
Investment Income	
Net appreciation in fair value of investments	(3,177,877)
Interest and dividends	828,031
Investment expense	(92,302)
	(2,442,148)
Net Investment Income	(2,442,148)
<b>Total Additions</b>	<b>(80,073)</b>
<b>Deductions</b>	
Benefits paid	1,918,900
Refunds of contributions	5,464
Administrative expense	45,897
	1,970,261
<b>Total Deductions</b>	<b>1,970,261</b>
<b>Change in Net Position</b>	<b>(2,050,334)</b>
<b>Net Position, Beginning</b>	<b>33,336,630</b>
<b>Net Position, Ending</b>	<b>\$ 31,286,296</b>

The accompanying notes are an integral part of the basic financial statements

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**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). 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/Fire Pension Fund participants are obligated to fund all of the Police/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 contribution levels. Accordingly, the Police Pension and Fire Pension Funds are fiscally independent of the City. No separate annual financial report is issued for the Police Pension Fund or Fire Pension Fund.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**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 – net investment in capital assets; 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.



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

Fund Financial Statements

Fund financial statements report detailed information about the City.

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

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

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

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

The following fund types are used by the City:

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

General Fund Types - The General Fund and the Semi-Autonomous Departments (Cultural and Civic Center, Senior Citizens, 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 Housing Rehab 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, the Federal Assistance Fund, and Goddard Chapel Restoration Fund.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

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

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 any custodial funds.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

Major and Non-major Funds:

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

<u>Fund</u>	<u>Brief Description</u>
<b>Major Governmental:</b>	
General Fund Types	Accounts for financial resources devoted to financing the general services that the City performs for its citizens.
Tax Increment Financing Redevelopment Fund	Accounts for revenues and expenditures providing tax incentives related to the development, redevelopment, and rehabilitation of real property within the TIF districts.
General Projects Fund	Accounts for revenues and expenditures to acquire and construct major capital facilities
Debt Service Fund: Debt Service Fund	Accounts for the payment of long-term debt principal, interest and related costs.
<b>Major Proprietary:</b>	
Water	Accounts for activities related to providing water service to the citizens of the City.
Sewer	Accounts for activities related to providing sewer service to the citizens of the City.
<b>Non-major governmental:</b>	
Permanent: Throgmorton Endowment Fund	Accounts for the revenues and expenditures to maintain the Throgmorton gravesite.
Special Revenue Funds: Road and Bridge Fund	Accounts for revenues and expenditures of improving roads and infrastructure.
Motor Fuel Tax Fund	Accounts for the revenues and expenditures of improving roads and infrastructure as authorized by Illinois Department of Transportation.
Gas Tax Fund	Accounts for revenues and expenditures of improving roads and infrastructure and other expenditures determined by the council.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

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.
Housing Rehab Fund	Accounts for revenues received from housing rehabilitation services.
Federal Assistance Fund	Accounts for revenues received from federal agencies

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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 \$4,408,481 at April 30, 2022.

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.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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:

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**L. Compensated absences**

For the City as a whole, benefit pay is accrued for benefits earned but not taken at April 30, 2022. 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, 2022, the liability for sick leave is \$2,370,108.

**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) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other net assets that do not meet the definition of "restricted" or "invested in capital asset, net of related debt", or non-spendable."



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

- 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

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

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

**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).

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 2 – Deposits and Investments (continued)**

The pension trust fund's investment policies allow 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	\$ 10,575,814	\$ 2,270,290	\$ 12,846,104	\$ 184,128	\$ 13,030,232
Restricted Cash	249,411	2,138,191	2,387,602	-	2,387,602
Investments	13,992,650	794,380	14,787,030	30,999,390	45,786,420
Restricted Investments	357,446	-	357,446	-	357,446
Total Cash and Investments	\$ 25,175,321	\$ 5,202,861	\$ 30,378,182	\$ 31,183,518	\$ 61,561,700

**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, 2022, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$15,384,551 (excludes \$33,313 in cash on hand held at the City). The bank balance was \$27,088,852. As of April 30, 2022, 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, 2022, the depository banks used by the City had pledged \$1,817,529 in federal securities by U.S. Bank to secure the City's deposits in excess of the amounts insured by the FDIC. The pledged securities are held by the pledging financial institutions' trust department or agent but not in the City's name.

The City also had a \$18,000,000 irrevocable letter of credit issued by the Federal Home Loan Bank to cover deposits held by First Southern Bank.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 2 – Deposits and Investments (continued)**

**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, 2022, the City, including pension trust funds, had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				Rating
		Less Than 1	1 – 5	6 – 10	More Than 10	
Mutual Funds	\$ 6,306,733	\$ 6,306,733	\$ -	\$ -	\$ -	N/A
Common Stocks	1,465,383	1,465,383	-	-	-	N/A
Municipal Bonds	175,075	-	100,075	-	75,000	AA3 – A2
Corporate Bonds	2,560,153	145,388	1,527,684	887,081	-	AAA
Federal National Mortgage Association	325,361	-	76,877	248,484	-	AAA
Federal Home Loan Mortgage Corp.	21,993	-	-	10,237	11,756	AAA
United States Treasury	7,214,218	-	5,337,623	1,876,595	-	AAA
Insurance Contracts – Fixed	868,097	-	868,097	-	-	N/A
Exchange Traded Funds	12,193,527	12,193,527	-	-	-	N/A
Illinois Funds Money Market	13,527,780	13,527,780	-	-	-	N/A
IMET	1,485,546	1,485,546	-	-	-	N/A
<b>Total</b>	<b>\$46,143,866</b>	<b>\$35,124,357</b>	<b>\$ 7,910,356</b>	<b>\$3,022,397</b>	<b>\$ 86,756</b>	

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 2 – Deposits and Investments (continued)**

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:

<u>Highly Sensitive Investments</u>	<u>Fair Value</u>
Federal agency securities. Some of these securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 347,354</u>

Credit risk

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

Concentration of Credit Risk

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

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, 2022.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 2 – Deposits and Investments (continued)**

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

	General	Senior Citizens Council	Boyton Street Community Center	Marion Carnegie Library	Pavilion Fund	Special Revenue Police	Permanent Fund	Total
Cash	\$ 38,785	\$ -	\$ 1,407	\$ 3,365	\$25,571	\$180,313	\$ -	\$ 249,441
Investments	-	10,853	-	344,634	-	-	1,959	357,446
Total	<u>\$ 38,785</u>	<u>\$ 10,853</u>	<u>\$ 1,407</u>	<u>\$347,999</u>	<u>\$25,571</u>	<u>\$180,313</u>	<u>\$ 1,959</u>	<u>\$ 606,887</u>

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

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

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 3 – Restricted Assets (continued)**

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

Restricted assets of the Pavilion Fund are for debt service.

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

<u>Enterprise Fund</u>	<u>Water Department</u>	<u>Sewer Department</u>
Cash	\$ <u>1,672,250</u>	\$ <u>465,941</u>

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

**Note 4 – Property Taxes**

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

Property taxes are due in two installments, the first installment is normally due in 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 on December.

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

The 2021 assessed valuation for property taxes collected in fiscal year 2022 in the City of Marion was \$361,043,088 and in the Tax Increment Funds were \$93,918,209. The tax levy for 2021 which represents the property taxes collected in fiscal year 2022 was 0.00002 per \$100 assessed valuation.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 5 – Loans Receivable**

The City provides a positive environment for all types of businesses including technology, agriculture and medical research, light industry, distribution facilities, and retail developments. The City promotes economic stability and growth through the issuance of business, restoration, and economic development loans. An allowance of \$50,000 exists in the General Fund due to doubtful accounts. Loans not to be collected in the current year are as follows:

	Interest Rates	General Fund	TIF Redevelopment Fund	Total
Business Loans	3%	\$ 200,000	\$ -	\$ 200,000
Restoration Loans	3%	21,943	-	21,943
Economic Development Loans		104,509	432,665	537,174
Total		<u>\$ 326,452</u>	<u>\$ 432,665</u>	<u>\$ 759,117</u>



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 6 – Capital Assets**

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

<b>Governmental activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Capital assets not being depreciated:</b>					
Land	\$ 27,983,691	\$ 762,706	\$ (31,510)	\$ -	\$ 28,714,887
Construction in progress	1,204,094	3,032,825	(1,116,365)	(17,969)	3,102,585
Deposits	-	493,655	-	-	493,655
<b>Total capital assets not being depreciated</b>	<u>29,187,785</u>	<u>4,289,186</u>	<u>(1,147,875)</u>	<u>(17,969)</u>	<u>32,311,127</u>
<b>Capital assets being depreciated:</b>					
Land improvements	481,480	-	-	-	481,480
Parking lot improvements	562,579	51,115	-	-	613,694
Office equipment	572,089	-	(48,979)	-	523,110
Fixed mechanical equipment	1,918,132	1,196,892	(240,586)	-	2,874,438
Major moveable equipment	3,176,472	162,587	(60,313)	-	3,278,746
Vehicles	6,258,345	249,492	(300,575)	-	6,207,262
Railroad improvements	610,953	-	-	-	610,953
Mall infrastructure	19,157,897	-	-	-	19,157,897
Buildings	43,285,708	207,900	-	-	43,493,608
Streets	41,704,125	-	-	-	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	716,590	-	-	-	716,590
Traffic lights	145,694	-	-	-	145,694
Software	199,310	-	(85,868)	-	113,442
<b>Total capital assets being depreciated</b>	<u>131,204,325</u>	<u>1,867,986</u>	<u>(736,321)</u>	<u>-</u>	<u>132,335,990</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	263,072	24,314	-	-	287,386
Parking lot improvements	217,350	34,268	-	-	251,618
Office equipment	444,534	23,485	(48,787)	-	419,232
Fixed mechanical equipment	1,269,587	142,629	(237,912)	-	1,174,304
Major moveable equipment	2,009,296	232,499	(60,507)	-	2,181,288
Vehicles	4,173,371	469,868	(300,575)	-	4,342,664
Railroad improvements	474,760	15,273	-	-	490,033
Mall infrastructure	19,157,897	-	-	-	19,157,897
Buildings	11,704,112	1,091,034	-	-	12,795,146
Streets	14,296,663	934,002	-	-	15,230,665
Bridges	548,215	23,660	-	-	571,875
Storm sewers	1,101,654	95,790	-	-	1,197,444
Sidewalks	526,734	88,461	-	-	615,195
Flood control projects	2,114,313	101,010	-	-	2,215,323
Street lights	205,753	35,830	-	-	241,583
Traffic lights	12,749	7,285	-	-	20,034
Software	167,491	17,917	(85,868)	-	99,540
<b>Total accumulated depreciation</b>	<u>58,687,551</u>	<u>3,337,325</u>	<u>(733,649)</u>	<u>-</u>	<u>61,291,227</u>
<b>Total capital assets being depreciated, net</b>	<u>72,516,774</u>	<u>(1,469,339)</u>	<u>(2,672)</u>	<u>-</u>	<u>71,044,763</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 101,704,559</u>	<u>\$ 2,819,847</u>	<u>\$ (1,150,547)</u>	<u>\$ (17,969)</u>	<u>\$ 103,355,890</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 6 – Capital Assets (continued)**

Depreciation expense was charged to functions as follows:

<u>Governmental activities:</u>	
General government	\$ 114,726
Public health and safety	565,363
Streets, alleys and cemeteries	336,246
Cultural and recreation	1,013,868
Unallocated	1,307,122
Total governmental activities depreciation expense	<u>\$ 3,337,325</u>

<b>Business-type activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 3,568,257	\$ 5,000	\$ -	\$ -	\$ 3,573,257
Construction in progress	1,845,960	1,740,810	(1,939,520)	(5,000)	1,642,250
Total capital assets not being depreciated	<u>5,414,217</u>	<u>1,745,810</u>	<u>(1,939,520)</u>	<u>(5,000)</u>	<u>5,215,507</u>
Capital assets being depreciated:					
Land improvements	65,505	-	-	-	65,505
Structures	2,798,305	633,409	(80,000)	-	3,351,714
Buildings	18,764,039	-	-	-	18,764,039
Fixed equipment	2,958,541	48,504	(54,123)	(66,296)	2,886,626
Equipment and machinery	1,148,509	23,729	(863)	66,296	1,237,671
Trucks and tractors	1,421,223	27,544	(22,130)	-	1,426,335
Transmission and distribution systems	13,603,196	1,306,109	-	-	14,909,305
Lift station	1,148,934	-	-	-	1,148,934
Total capital assets being depreciated	<u>41,908,252</u>	<u>2,039,295</u>	<u>(157,116)</u>	<u>-</u>	<u>43,790,131</u>
Less accumulated depreciation for:					
Land improvements	34,788	3,113	-	-	37,901
Structures	850,447	69,950	(80,000)	-	840,397
Buildings	9,142,892	448,522	-	-	9,591,414
Fixed equipment	890,567	110,060	(54,123)	-	946,504
Equipment and machinery	823,991	46,650	(863)	-	869,778
Trucks and tractors	1,094,952	92,789	(22,130)	-	1,165,611
Transmission and distribution systems	3,469,883	303,556	-	-	3,773,439
Lift station	784,407	43,984	-	-	828,391
Total accumulated depreciation	<u>17,091,927</u>	<u>1,118,924</u>	<u>(157,116)</u>	<u>-</u>	<u>18,053,435</u>
Total capital assets being depreciated, net	<u>24,816,325</u>	<u>920,371</u>	<u>-</u>	<u>-</u>	<u>25,736,696</u>
Governmental activities capital assets, net	<u>\$ 30,230,542</u>	<u>\$ 2,666,181</u>	<u>\$ (1,939,520)</u>	<u>\$ (5,000)</u>	<u>\$ 30,952,203</u>

<u>Business-type activities:</u>	
Water	\$ 427,435
Sewer	691,489
Total business-type activities depreciation expense	<u>\$ 1,118,924</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations**

**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, 2022:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
General Obligation Bonds-					
Pavilion Bonds, series 2011	\$ 327,174	\$ -	\$ 221,558	\$ 105,616	\$ 105,616
GO Bonds, series 2011A	355,000	-	355,000	-	-
GO Bonds, series 2014	2,940,000	-	300,000	2,640,000	315,000
GO Bonds, series 2019	542,521	-	102,430	440,091	105,380
GO Bonds, series 2020	10,000,000	-	-	10,000,000	1,330,000
GO Bonds, series 2020A	902,000	-	902,000	-	-
Subtotal	15,066,695	-	1,880,988	13,185,707	1,855,996
Add - Premium on bonds	500,582	-	63,124	437,458	61,898
Total Bonds Payable	<u>15,567,277</u>	<u>-</u>	<u>1,944,112</u>	<u>13,623,165</u>	<u>1,917,894</u>
Other Liabilities -					
Capital Lease Payable	396,725	-	106,529	290,196	82,683
Notes Payable	7,661,029	1,424,732	3,551,700	5,534,061	1,000,734
Compensated absences	593,113	-	25,432	567,681	567,681
Total OPEB Liability	39,350,221	-	6,814,619	32,535,602	-
Net Pension Liability	8,454,304	7,279,382	-	15,733,686	-
Total Other Liabilities	<u>56,455,392</u>	<u>8,704,114</u>	<u>10,498,280</u>	<u>54,661,226</u>	<u>1,651,098</u>
Total Long-Term Debt	<u>\$ 72,022,669</u>	<u>\$ 8,704,114</u>	<u>\$ 12,442,392</u>	<u>\$ 68,284,391</u>	<u>\$ 3,568,992</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 \$545,608 and \$5,534,061 respectively. There are no special provisions to these issues. In regards to the notes payable, \$2,463,348 of the debt has specific collateral attached to it.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (continued)**

General Obligation Bonds payable at April 30, 2022, are comprised of the following individual issues:

**General Obligation –**

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%	\$ 105,616
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%	2,640,000
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%	440,091
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%	<u>10,000,000</u>
General Obligation Bonds Payable	13,185,707
Add: Premium on bonds	<u>437,458</u>
Total	<u><u>\$ 13,623,165</u></u>

As of April 30, 2022, \$946,076 is available in Debt Service Funds to service General Obligation Bonds.

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

Fiscal Year Ending April 30,	Principal	Interest	Total
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	1,599,753	153,297	1,753,050
2027	1,525,000	110,713	1,635,713
2028 - 2032	3,530,000	234,756	3,764,756
2033	745,000	7,450	752,450
Total	<u>\$13,185,707</u>	<u>\$ 1,142,475</u>	<u>\$ 14,328,182</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (continued)**

Notes payable at April 30, 2022 are comprised of the following individual notes:

**Notes Payable –**

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.	\$ 270,000
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.	3,090,909
c)	3.24% 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.	50,962
d)	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.	28,262
e)	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.	13,045
f)	2.77% note payable to First Southern Bank for Police Department in monthly installments of \$2,032 beginning May 3, 2020 through April 3, 2023.	22,039
g)	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.	125,473
h)	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.	46,202
i)	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.	31,745
j)	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.	18,980
k)	1.88% note payable to Banterra Bank for Police Department vehicles in monthly installments of \$5,090.68 beginning November 6, 2021 through October 6, 2024.	149,012
l)	1.93% note payable to Banterra Bank for Police Department radios in monthly installments of \$1,758.82 beginning July 30, 2021 through June 30, 2026.	85,982

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (continued)**

m)	2.50% note payable to First Southern Bank for construction loan beginning January 12, 2021 through March 5, 2023.	1,601,450
<b>Total</b>		<b>\$ 5,534,061</b>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2023	\$ 1,000,734	\$ 9,389	\$ 1,010,123
2024	2,474,495	3,903	2,478,398
2025	796,497	1,268	797,765
2026	638,970	318	639,288
2027	623,365	17	623,382
<b>Total</b>	<b>\$ 5,534,061</b>	<b>\$ 14,895</b>	<b>\$ 5,548,956</b>

Capital leases payable at April 30, 2022 are comprised of the following individual leases:

**Capital leases Payable –**

2.125% lease payable to U.S Bancorp for Ford F250 in monthly installments of \$635 beginning November 1, 2017 through October 1, 2022.	\$	3,156
2.125% lease payable to U.S. Bancorp for international truck in monthly installments of \$3,099 beginning November 1, 2017 through October 1, 2022.		15,407
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		271,633
<b>Total</b>	<b>\$</b>	<b>290,196</b>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
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	5,809	11	5,820
<b>Total</b>	<b>\$ 290,196</b>	<b>\$ 13,706</b>	<b>\$ 303,902</b>

The City also has a \$5,000,000 line of credit of which \$0 has been used.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (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, 2022:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
General Obligation Bonds-					
GO Bonds, series 2014	\$ 1,515,000	\$ -	\$ 525,000	\$ 990,000	\$ 545,000
GO Refunding Bonds, series 2017	<u>1,655,000</u>	<u>-</u>	<u>220,000</u>	<u>1,435,000</u>	<u>225,000</u>
Subtotal	3,170,000	-	745,000	2,425,000	770,000
Add - Premium on bonds	<u>139,749</u>	<u>-</u>	<u>38,412</u>	<u>101,337</u>	<u>39,797</u>
Total Bonds Payable	<u>3,309,749</u>	<u>-</u>	<u>783,412</u>	<u>2,526,337</u>	<u>809,797</u>
Other Liabilities -					
Capital Lease Payable	1,209,166	760,000	118,110	1,851,056	185,169
Notes Payable	3,730,463	136,045	368,065	3,498,443	302,877
Compensated absences	76,014	-	1,696	74,318	74,318
Net OPEB Liability	<u>7,111,468</u>	<u>-</u>	<u>1,257,812</u>	<u>5,853,656</u>	<u>-</u>
Total Other Liabilities	<u>12,127,111</u>	<u>896,045</u>	<u>1,745,683</u>	<u>11,277,473</u>	<u>562,364</u>
Total Long-Term Debt	<u>\$ 15,436,860</u>	<u>\$ 896,045</u>	<u>\$ 2,529,095</u>	<u>\$ 13,803,810</u>	<u>\$ 1,372,161</u>

The City's outstanding notes payable from direct borrowings related to business-type activities of \$3,498,443 are secured with specific collateral for each borrowing.

General obligation bonds payable at April 30, 2022, are comprised of the following individual issues:

**General Obligation –**

\$4,575,000, Series 2014 to refund IEPA loan, dated December 23, 2014, due semi-annual installments ranging from \$165,000 to \$280,000 through May 1, 2024; interest is variable from 2.0% to 4.0%.	\$ 990,000
\$2,295,000, Series 2017 for refunding of Series 2008 bonds, dated October 13, 2017, due semi-annual installments ranging from \$210,000 to \$255,000 through October 15, 2017; interest is variable from 2.0% to 3.0%.	<u>1,435,000</u>
General Obligation Bonds Payable	2,425,000
Add: Premium on bonds	<u>101,337</u>
Total	<u>\$ 2,526,337</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (continued)**

As of April 30, 2022, \$647,325 is available in water and sewer funds to service general obligation bonds and IEPA loans.

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

Fiscal Year Ending April 30,	Principal	Interest	Total
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	250,000	11,400	261,400
2028	255,000	3,825	258,825
Total	<u>\$ 2,425,000</u>	<u>\$ 168,788</u>	<u>\$ 2,593,788</u>

Enterprise Fund notes payable at April 30, 2022, are comprised of the following individual notes payable:

**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.	\$ 360,228
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.	207,206
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.	719,328
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.	1,211,809
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.	378,896
f)	Initial disbursement by State of Illinois Environmental Protection Agency for water main loop and high service pump installation.	213,471
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>407,505</u>
Total		<u>\$ 3,498,443</u>



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 7 – Long-Term Obligations (continued)**

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2023	\$ 302,877	\$ 50,806	\$ 353,683
2024	307,796	45,867	353,663
2025	312,816	40,866	353,682
2026	317,940	35,742	353,682
2027	323,171	30,512	353,683
2028 - 2032	1,271,417	96,780	1,368,197
2033 - 2037	502,664	27,292	529,956
2038 - 2042	159,762	6,051	165,816
<b>Total</b>	<b>\$ 3,498,443</b>	<b>\$ 333,916</b>	<b>\$ 3,832,359</b>

Enterprise Fund lease payable as of April 30, 2022 is as follows:

**Leases Payable –**

2.125% lease payable to U.S Bancorp for 2017 Ford F250, due in monthly installments of \$548 including interest through October 1, 2022.	\$ 2,727
1.582% lease payable to U.S. Bancorp for water tower due in semi-annual installments of \$65,108 tax exempt beginning July 13, 2021 through January 13, 2031	1,088,329
2.13% lease payable to Government leasing for industrial park lift station rehab and South Market Street extension in annual installments of \$85,185 beginning May 28, 2021 through May 28, 2031	760,000
<b>Total</b>	<b>\$ 1,851,056</b>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2023	\$ 186,638	\$ 31,500	\$ 218,138
2024	187,214	28,186	215,400
2025	190,577	24,823	215,400
2026	194,002	21,398	215,400
2027	197,490	17,910	215,400
2028 - 2031	895,135	35,461	930,596
<b>Total</b>	<b>\$ 1,851,056</b>	<b>\$ 159,277</b>	<b>\$ 2,010,333</b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 8 – 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 7 for additional information.

**Note 9 – Defined Benefit Pension Plans**

Summary:

Net Pension Liability

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

	Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund	\$ (3,929,562)
Fire Pension Fund	6,889,188
Police Pension Fund	8,844,498
Total Aggregate Net Pension Liability	\$ 11,804,124

Deferred Inflows and Outflows of Resources

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

	Net Differences Between Expected and Actual Experience	Employer Contributions	Net Differences Between Projected and Actual Earnings	Changes in Assumptions
Illinois Municipal Retirement Fund	\$ 510,452	\$ 184,669	\$ (4,203,212)	\$ (38,231)
Fire Pension Fund	74,772	-	607,709	1,106,712
Police Pension Fund	(865,361)	-	609,471	1,172,998
Totals	\$ (280,137)	\$ 184,669	\$ (2,986,032)	\$ 2,241,479

Pension Expense

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

Illinois Municipal Retirement Fund	Pension Expense \$ (1,139,023)
Fire Pension Fund	775,204
Police Pension Fund	1,061,892
Total Pension Expense	\$ 698,073

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – 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](http://www.imrf.org).

Benefits Provided

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

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

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

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
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**Note 9 – Defined Benefit Pension Plans (continued)**

Employees Covered by Benefit Terms:

As of December 31, 2021, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	106
Inactive plan members entitled to but not yet receiving benefits	74
Active plan members	148
Total	328

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 2021 was 9.13%. For the fiscal year ended April 30, 2022, the City contributed \$631,554 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, 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 at December 31, 2021**

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 report pursuant to an experience study of the period 2017 – 2019.
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, Disable 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

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, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39.00%	1.90%
International Equity	15.00%	3.15%
Fixed Income	25.00%	(0.60)%
Real Estate	10.00%	3.30%
Alternative Investments	10.00%	1.70-5.50%
Cash Equivalents	1.00%	(0.90)%
Total	<u>100.00%</u>	

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 1.84%, and the resulting single discount rate is 7.25%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

F. Changes in the Net Pension Liability

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension (Asset)/Liability (A) – (B)</b>
<b>Balances at December 31, 2020</b>	\$ 30,574,734	\$ 31,620,955	\$ (1,046,221)
<b>Changes for the year:</b>			
Service Cost	578,818	-	578,818
Interest on the Total Pension Liability	2,171,907	-	2,171,907
Differences Between Expected and Actual Experience of the Total Pension Liability	521,647	-	521,648
Contributions-Employer	-	631,554	(631,554)
Contributions-Employee	-	311,651	(311,651)
Net Investment Income	-	5,376,001	(5,376,001)
Benefit Payments, including Refunds of Employee Contributions	(1,813,603)	(1,813,603)	-
Other (Net Transfer)	-	(163,492)	163,492
Net changes	<u>1,458,770</u>	<u>4,342,111</u>	<u>(2,883,341)</u>
<b>Balances at December 31, 2021</b>	<u>\$ 32,033,504</u>	<u>\$ 35,963,066</u>	<u>\$ (3,929,562)</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 112.27%

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

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

	<b>1% Lower (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Higher (8.25%)</b>
Net Pension Liability/(Asset)	\$ (114,500)	\$ (3,929,562)	\$ (6,893,899)

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

For the year ended April 30, 2022, the City recognized pension expense of \$(1,139,023). At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 781,989	\$ 271,537
Changes of assumptions	238,072	276,303
Net difference between projected and actual earnings on pension plan investments	<u>669,659</u>	<u>4,872,871</u>
 Total Deferred Amounts to be recognized in pension expense in future periods	 <u>1,689,720</u>	 <u>5,420,711</u>
 <b><i>Pension Contributions made subsequent to the Measurement Date</i></b>	 <u>184,669</u>	 <u>-</u>
 <b>Total Deferred Amounts Related to Pensions</b>	 <u><u>\$ 1,874,389</u></u>	 <u><u>\$ 5,420,711</u></u>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ (884,753)
2023	(1,396,402)
2024	(914,039)
2025	(566,680)
2026	30,703
Total	<u><u>\$ (3,730,991)</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – 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, 2022, the Fire Pension Plan membership consisted of:

	Fire
Active members	25
Retirees and beneficiaries	16
Inactive, Non-retired members	1
Total	42

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, 2022**

**Note 9 – 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, 2020, the City's contribution was 42.73% of covered payroll.

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2022. 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	Market Value
Salary Increases	Graded by age
Investment Rate of Return	6.75% per year
Inflation	2.50% 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	PubS-2010 base rates projected to 2022 with scale MP2021

**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, 2022**

**Note 9 – 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	15.50%	7.00%
US Mid Cap Equity	11.00%	7.80%
US Small Cap Equity	7.00%	8.00%
International Developed Equity	11.00%	8.60%
International Small Cap Equity	4.50%	9.30%
Emerging Markets Equity	6.00%	11.20%
Real Estate Investment Trusts	5.00%	9.00%
Global Infrastructure Equity	5.00%	7.00%
Fixed Income (Investment Grade)	35.00%	3.00%
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 3.42%, and the resulting single discount rate is 6.75%.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

F. Change in Net Pension Liability

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension (Asset)/Liability (A) – (B)</b>
<b>Balances at April 30, 2021</b>	\$ 19,380,968	\$ 15,665,776	\$ 3,715,192
<b>Changes for the year:</b>			
Service Cost	407,884	-	407,884
Interest on the Total Pension Liability	1,277,866	-	1,277,866
Differences Between Expected and Actual Experience of the Total Pension Liability	130,266	-	130,266
Assumption changes	1,046,676	-	1,046,676
Contributions-Employer	-	720,967	(720,967)
Contributions-Employee	-	157,741	(157,741)
Net Investment Income	-	(1,190,012)	1,190,012
Benefit Payments, including Refunds of Employee Contributions	(830,080)	(830,080)	-
Other (admin expense)	(21,408)	(21,408)	-
Net changes	<u>2,011,204</u>	<u>(1,162,792)</u>	<u>3,173,996</u>
<b>Balances at April 30, 2022</b>	<u>\$ 21,392,172</u>	<u>\$ 14,502,984</u>	<u>\$ 6,889,188</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 67.80%

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

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

	<b>1% Lower (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Higher (7.75%)</b>
Net Pension Liability	\$ 10,063,150	\$ 6,889,188	\$ 4,302,405

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

For the year ended April 30, 2022, the City recognized pension expense of \$775,204. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 446,559	\$ 371,787
Changes of assumptions	1,106,712	-
Net difference between projected and actual earnings on pension plan investments	<u>2,297,543</u>	<u>1,689,834</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 3,850,814</u></b>	<b><u>\$ 2,061,621</u></b>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ 300,115
2024	289,671
2025	45,470
2026	608,749
2027	159,983
Thereafter	<u>385,205</u>
Total	<u>\$ 1,789,193</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
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**Note 9 – Defined Benefit Pension Plans (continued)**

**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, 2022, the Police Pension Plan membership consisted of:

	Police
Active members	40
Retirees and beneficiaries	26
Inactive, Non-retired members	2
Total	68

The Police Pension Plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan now has a two Tier coverage. Tier 1 coverage is for policemen employed prior to January 1, 2011. Tier 2 coverage is for policemen employed after December 31, 2010. Tier 1 employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive a monthly benefit of 1/2 the monthly salary attached to the rank held in the police service at the date of retirement. Tier 2 employees must attain the age of 55 or more with 10 years of creditable service to receive a monthly benefit computed by multiplying 2.50% for each year of service completed by the final average salary (as defined in the statutes). Tier 1 employees with at least 8 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. Tier 2 employees attaining the age 50 with 10 or more years of creditable service may retire with a reduced benefit. The maximum pension under Tier 1 or Tier 2 is 75% of the computed salary. The monthly benefit of Tier 1 employees who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of 55 years by 3% of the 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**  
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**Note 9 – Defined Benefit Pension Plans (continued)**

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, 2022, the City's contribution was 45.59% 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, 2022. 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	Market Value
Salary Increases	Graded by age
Inflation	2.50%
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	PubS-2010 base rates projected to 2022 with scale MP2021

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

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – 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	15.50%	7.00%
US Mid Cap Equity	11.00%	7.80%
US Small Cap Equity	7.00%	8.00%
International Developed Equity	11.00%	8.60%
International Small Cap Equity	4.50%	9.30%
Emerging Markets Equity	6.00%	11.20%
Real Estate Investment Trusts	5.00%	9.00%
Global Infrastructure Equity	5.00%	7.00%
Fixed Income (Investment Grade)	35.00%	3.00%
Total	<u>100.00%</u>	

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 3.42%, and the resulting single discount rate is 6.75%.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

E. Changes in Net Pension Liability

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension (Asset)/Liability (A) – (B)</b>
<b>Balances at April 30, 2021</b>	\$ 23,300,531	\$ 17,670,854	\$ 5,629,677
<b>Changes for the year:</b>			
Service Cost	780,947	-	780,947
Interest on the Total Pension Liability	1,532,776	-	1,532,776
Differences Between Expected and Actual Experience of the Total Pension Liability	(171,776)	-	(171,776)
Assumption changes	1,304,104	-	1,304,104
Contributions-Employer	-	1,217,031	(1,217,031)
Contributions-Employee	-	266,336	(266,336)
Net Investment Income	-	(1,252,137)	1,252,137
Benefit Payments, including Refunds of Employee Contributions	(1,088,820)	(1,094,284)	5,464
Other (admin. expense)	(24,488)	(24,488)	-
Other (Refunds)	(5,464)	-	(5,464)
Net changes	<u>2,327,279</u>	<u>(887,542)</u>	<u>3,214,821</u>
<b>Balances at April 30, 2022</b>	<u>\$ 25,627,810</u>	<u>\$ 16,783,312</u>	<u>\$ 8,844,498</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 65.49%

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

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

	<b>1% Lower (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Higher (7.75%)</b>
Net Pension Liability	\$ 12,560,143	\$ 8,844,498	\$ 5,819,014



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 9 – Defined Benefit Pension Plans (continued)**

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

For the year ended April 30, 2022, the City recognized pension expense of \$1,061,892 . At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 871,156	\$ 1,736,517
Changes of assumptions	1,172,998	-
Net difference between projected and actual earnings on pension plan investments	<u>2,533,731</u>	<u>1,924,260</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 4,577,885</u></b>	<b><u>\$ 3,660,777</u></b>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ 234,561
2024	227,684
2025	(52,853)
2026	588,567
2027	16,339
Thereafter	(97,190)
Total	<u>\$ 917,108</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 10 – 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 11 - Other Postemployment Benefits**

A. Plan Description

In addition to providing pension benefits described in Note 9, the City of Marion, Illinois provides the continuation of health care benefits to employees, who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the required portion of the monthly premium rate. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended through its personnel manual and union contracts. No assets are accumulated in a way that meets the criteria in paragraph 4 of GASB statement 75.

Benefits Provided

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

Membership

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

At April 30, 2022, membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Active employees	<u>158</u>
<b>Total</b>	<u>238</u>
<b>Participating employers</b>	<u><u>1</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 11 — Other Postemployment Benefits (continued)**

B. Total OPEB Liability

The City's OPEB liability of \$38,389,257 was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2021.

C. Actuarial Assumptions and Other Inputs.

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

Actuarial Cost Method	Entry Age Normal
Discount (Interest) Rate	3.42%
Salary Increases	3.50% per year
Mortality	RP 2014 Blue Collar Base Rates projected to 2021 using scale MP 2020 for Police and Fire

D. Changes in Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at April 30, 2021</b>	\$ 46,461,689
Changes for the year:	
Service Cost	1,112,780
Interest	972,679
Benefit changes*	-
Differences Between Expected And Actual Experience	-
Assumption Changes	(8,996,650)
Benefit Payments	(1,161,240)
Net Changes	(8,072,431)
<b>Balance at April 30, 2022</b>	<b>\$ 38,389,258</b>

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:

	<b>1% Decrease (2.42%)</b>	<b>Discount Rate (3.42%)</b>	<b>1% Increase (4.42%)</b>
Total OPEB liability	\$ 45,166,434	\$ 38,389,258	\$ 33,031,750

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 11 — Other Postemployment Benefits (continued)**

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.

	<b>1% Decrease (6.0%) Decreasing to 3.0%</b>	<b>Discount Rate (7.0%) Decreasing to 4.0%</b>	<b>1% Increase (8.0%) Decreasing to 5.0%</b>
Total OPEB liability	<u>\$ 32,760,157</u>	<u>\$ 38,389,258</u>	<u>\$ 45,563,840</u>

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

For the year ended April 30, 2022, the City recognized OPEB expense of \$1,570,582. At April 30, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 219,408	\$ -
Changes of assumptions	<u>10,060,190</u>	<u>7,914,020</u>
<b>Total Deferred Amounts Related to OPEB</b>	<u>\$ 10,279,598</u>	<u>\$ 7,914,020</u>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ 646,363
2024	646,363
2025	646,363
2026	646,363
2027	599,663
Thereafter	(819,537)
Total	<u>\$ 2,365,578</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 12 – 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.

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. \$369,414 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 12 – Fund Balance Reporting (continued)**

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.

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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 12 – Fund Balance Reporting (continued)**

Fund Balances	General Fund	Permanent Fund	Capital Projects Fund	Special Revenue Funds	Debt Service Funds	Total Government Funds
Nonspendable	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Restricted for:						
Donor expenditures	12,265	-	-	353,452	-	365,717
Public health and safety	38,785	-	-	1,683,115	-	1,721,900
Capital projects	-	-	3,449,569	-	-	3,449,569
Debt service	-	-	-	25,279	946,076	971,355
Cemetery	-	959	-	12,903	-	13,862
Maintenance of roadways	-	-	-	2,122,169	-	2,122,169
Tourism and recreation	-	-	-	205,058	-	205,058
Economic development	1,145,929	-	-	2,860,798	-	4,006,727
Committed	7,769,932	-	-	-	-	7,769,932
Unassigned	9,594,003	-	-	(203)	-	9,593,800
<b>Total Fund Balances</b>	<b>\$ 18,560,914</b>	<b>\$ 1,959</b>	<b>\$ 3,449,569</b>	<b>\$ 7,262,571</b>	<b>\$ 946,076</b>	<b>\$ 30,221,089</b>

At April 30, 2022, the HUB Recreation Center Fund, a non-major special revenue fund, had a deficit fund balance of \$203.

**Note 13 – Interfund Transactions**

During the course of normal operations, the City had numerous transactions between funds. Individual fund interfund receivable and payable balances at April 30, 2022 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 190,855	\$ -
Goddard Chapel Fund	267	-
Cultural & Civic Center Fund	-	28,018
Senior Citizen Fund	-	1,126
Boyton Street Fund	-	1,206
Pavilion Fund	8,042	1,649
Hub Recreation Center Fund	-	140,498
Gas Tax Fund	44,901	-
Foreign Fire Insurance Fund	-	771
Water Fund	-	45,477
Sewer Fund	-	25,320
<b>Total</b>	<b>\$ 244,065</b>	<b>\$ 244,065</b>

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:

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 13 – Interfund Transactions (continued)**

Fund	Transfer Out	Transfer In
<u>General Fund Types -</u>		
General Fund	\$ 9,868,764	\$ 79,437
Cultural and Civic Center Fund	-	513,277
Senior Citizen Council Fund	10,000	511,907
Boyton Street Fund	-	349,086
Revitalization Fund	304,926	176,833
Economic Incentive Fund	600,000	999,998
Total General Fund Types	10,783,690	2,630,538
<u>Special Revenue Funds -</u>		
Carnegie Library Fund	-	769,579
Pavilion Fund	-	54,572
HUB Recreational Center Fund	784,050	1,328,868
TIF Redevelopment Fund	2,233,005	1,954,981
Gas Tax Fund	174,584	-
Property Tax Fund	245,730	-
Federal Assistance Fund	418	-
Total Special Revenue Funds	3,437,787	4,108,000
<u>Capital Project Funds -</u>		
Capital Project Fund	-	4,863,188
<u>Debt Service Funds -</u>		
Debt Service Fund	-	2,645,306
<u>Enterprise Funds -</u>		
Water Fund	12,783	-
Sewer Fund	12,772	-
Total Enterprise Funds	25,555	-
Total	\$ 14,247,032	\$ 14,247,032

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.



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 14 – Tax Abatement**

As of April 30, 2022, the City provides tax rebates through two main programs. The tax rebates are in substance equivalent to tax abatements and thus disclosed under GASB pronouncement 77-Tax Abatements. The two main programs are as follows:

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

Tax Increment Financing District Redevelopment Agreements

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

In general, the sales tax increment is based upon a % of the municipal sales tax generated. Usually when a developer moves from a non TIF area to a TIF area any sales tax reimbursement must be above a baseline amount. Any real estate rebate is a percentage of the real estate taxes generated above a baseline amount. The baseline amount in most cases is the amount of equal assessed valuation at the time the TIF district s created. The developer will receive rebates until the earlier of the eligible project costs are reimbursed or the TIF ends. Specific details such as eligibility, special provisions, percentage of rebate, type of rebate, commitments by Developers, etc. would be specific to each Redevelopment Agreement, but all the terms in the contracts are per an approved Redevelopment Agreement entered into pursuant to the TIF Act. The following is the amount of taxes rebated during the year ending April 30, 2022 by TIF District.

Tax Increment District	Amount of Sales Tax Rebated	Amount of Real Estate Tax Rebated
Marion TIF I	\$ 6,932	\$ 370,334
Marion TIF V	-	108,782
Marion TIF VIII	-	112,988
Marion Heights I TIF	624,356	655,191
Marion Heights II TIF	-	162,448
Marion TIF XIII	-	189,285
Marion Hillview TIF	-	155,971
Marion TIF XVI	-	47,823
Marion TIF XVII	600,000	15,796
Marion Little Tractor TIF	-	16,268
Marion TIF XIX	-	6,932
Marion TIF XX	-	2,358
	<hr/>	<hr/>
Total	<u>\$ 1,231,288</u>	<u>\$ 1,844,176</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 14 – Tax Abatement (continued)**

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

Economic Incentive Agreements

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

Total Sales Tax Rebated	\$ <u>187,368</u>
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**Note 15 – Pledged Revenue**

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

Effective July 1, 2005, the City increased its home rule sales tax by one quarter of one percent. The City has entered into an agreement with the Southern Illinois Baseball Group, Inc. (Developer) to pay them one-half of the sales tax increase (one eighth of one percent). The City pays the Developer by the last day of the month its sales tax portion for the preceding month. The Developer cannot use the funds for any purpose other than to satisfy construction loan obligations. In January 2022, the ball park was sold to Marion Stadium, LLC. The above agreement was transferred to the new owners. 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, 2022, the Developer's portion of the home rule sales tax increase amounted to \$631,288.

**Note 16 – 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, 2022, 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 16 – Contingent Liabilities (continued)**

**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 17 – Risks and Uncertainties**

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

**Note 18 – 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 19 – Subsequent Events**

The City has evaluated for inclusion as a subsequent event disclosure those events that occurred prior to December 9, 2022 the date the financial statement were issued. Except as disclosed below, there were no events requiring disclosure.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The City may continue to be adversely affected through lack of employees to work, or changes in revenue and expenses. Management will continue to evaluate the impact it will have on future operations.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2022**

**Note 16 – Subsequent Events (continued)**

Effective January 1, 2020, Illinois Public Act 101-0610 consolidates the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds. Thus, the investments for the City of Marion Article 3 (police officers) and Article 4 (fire fighters) pension plan were transferred to the consolidated funds in July and November 2022.

In July 2022, the City issued \$1,700,000 General Obligation Bond, Series 2022. The Water and Sewer Funds issued the bond which was purchased by the General Fund.

**Required Supplemental Information**

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**General Fund Types**  
**Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 100	\$ 1,148,200	\$ 1,148,190	\$ (10)
Sales taxes	21,429,960	23,697,460	23,719,844	22,384
Other taxes and franchise fees	2,825,220	2,825,220	3,589,050	763,830
Licenses and permits	452,400	452,400	513,700	61,300
Intergovernmental revenue	1,922,300	2,526,550	3,173,339	646,789
Service charges and fees	1,696,140	1,607,140	1,091,541	(515,599)
Grant revenue	235,020	1,465,170	1,539,827	74,657
Investment income	75,930	75,930	65,102	(10,828)
Miscellaneous income	121,250	121,250	293,876	172,626
Restricted donations	7,500	7,500	11,850	4,350
<b>Total Revenues</b>	<b>28,765,820</b>	<b>33,926,820</b>	<b>35,146,319</b>	<b>1,219,499</b>
<b>Expenditures</b>				
General government	3,982,940	4,199,870	4,015,558	(184,312)
Public health and safety	10,004,580	10,498,100	10,427,852	(70,248)
Streets, alleys, and cemeteries	3,560,530	3,560,530	3,570,611	10,081
Cultural and recreation	1,438,620	1,108,620	1,126,426	17,806
Economic development	1,458,930	1,046,260	1,053,948	7,688
Debt service:				
Principal	271,140	271,140	259,744	(11,396)
Interest	32,270	32,270	15,327	(16,943)
Capital outlay	553,000	1,448,000	1,302,470	(145,530)
<b>Total Expenditures</b>	<b>21,302,010</b>	<b>22,164,790</b>	<b>21,771,936</b>	<b>(392,854)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>7,463,810</b>	<b>11,762,030</b>	<b>13,374,383</b>	<b>1,612,353</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	(7,184,020)	(9,614,020)	(10,219,528)	(605,508)
General long-term debt issued	336,000	336,000	278,450	(57,550)
Proceeds from sale of capital assets	-	-	23,420	23,420
<b>Total Other Financing (Uses)</b>	<b>(6,848,020)</b>	<b>(9,278,020)</b>	<b>(9,917,658)</b>	<b>(639,638)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 615,790</b>	<b>\$ 2,484,010</b>	<b>3,456,725</b>	<b>\$ 972,715</b>

See notes to required supplementary information

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**TIF Redevelopment Fund**  
**Year Ended April 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 5,445,530	\$ 5,906,650	\$ 6,047,918	\$ 141,268
Grant revenue	-	52,000	51,761	(239)
Investment income	3,000	3,000	6,176	3,176
<b>Total Revenues</b>	<u>5,448,530</u>	<u>5,961,650</u>	<u>6,105,855</u>	<u>144,205</u>
<b>Expenditures</b>				
Streets, alleys and cemeteries	15,000	71,610	71,062	(548)
Economic development	2,360,530	3,510,660	3,377,807	(132,853)
Debt service:				
Principal	708,200	708,200	708,182	(18)
Capital outlay	-	81,500	81,667	167
<b>Total Expenditures</b>	<u>3,083,730</u>	<u>4,371,970</u>	<u>4,238,718</u>	<u>(133,252)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,364,800</u>	<u>1,589,680</u>	<u>1,867,137</u>	<u>277,457</u>
<b>Other Financing (Uses)</b>				
Transfers in (out)	(809,390)	(209,390)	(278,024)	(68,634)
<b>Net Change in Fund Balances</b>	<u>\$ 1,555,410</u>	<u>\$ 1,380,290</u>	<u>1,589,113</u>	<u>\$ 208,823</u>

See notes to required supplementary information

**City of Marion, Illinois**  
**Notes to Required Supplemental Information**  
**April 30, 2022**

**Budgetary Information**

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. 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 modified accrual basis and the legally enacted budget and General and TIF funds:

	Actual on GAAP Basis	Adjustment to GAAP Basis	Actual on Budgetary Basis	Budget	Variance Over (Under)
<b>General Fund:</b>					
Revenues	\$ 33,961,203	\$ 1,185,116	\$ 35,146,319	\$ 33,926,820	\$ 1,219,499
Expenditures	21,332,684	439,252	21,771,936	22,164,790	(392,854)
Excess (deficiency) of revenues over expenditures	12,628,519	745,864	13,374,383	11,762,030	1,612,353
Other financing sources (uses)	(7,836,682)	2,080,976	(9,917,658)	(9,278,020)	(639,638)
Net change in fund balances	4,791,837	<u>\$ 1,335,112</u>	<u>\$ 3,456,725</u>	<u>\$ 2,484,010</u>	<u>\$ 972,715</u>
Fund balance, beginning of year	13,769,077				
Fund balance, end of year	<u>\$ 18,560,914</u>				
<b>TIF Fund:</b>					
Revenues	\$ 6,107,471	\$ (1,616)	\$ 6,105,855	\$ 5,961,650	\$ 144,205
Expenditures	4,224,060	14,658	4,238,718	4,371,970	(133,252)
Excess (deficiency) of revenues over expenditures	1,883,411	(16,274)	1,867,137	1,589,680	277,457
Other financing sources (uses)	(278,024)	-	(278,024)	(209,390)	(68,634)
Net change in fund balances	1,605,387	<u>\$ (16,274)</u>	<u>\$ 1,589,113</u>	<u>\$ 1,380,290</u>	<u>\$ 208,823</u>
Fund balance, beginning of year	1,255,411				
Fund balance, end of year	<u>\$ 2,860,798</u>				

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



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

	<u>2022</u>	<u>2021</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 578,818	\$ 651,066
Interest on the Total Pension Liability	2,171,907	2,128,698
Differences Between Expected and Actual Experience	521,648	(102,736)
Changes in Assumptions	-	(272,871)
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,813,603)</u>	<u>(1,730,486)</u>
<b>Net Change in Pension Liability</b>	1,458,770	673,671
<b>Total Pension Liability - Beginning</b>	<u>30,574,734</u>	<u>29,901,063</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 32,033,504</u>	<u>\$ 30,574,734</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Employer contributions	\$ 631,554	\$ 567,142
Employee contributions	311,651	286,524
Net Investment Income	5,376,001	4,097,305
Benefit Payments, Including Refunds of Employee Contributions	(1,813,603)	(1,730,486)
Other (Net Transfers)	<u>(163,492)</u>	<u>(31,546)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	4,342,111	3,188,939
<b>Plan Fiduciary Net Position - Beginning</b>	<u>31,620,955</u>	<u>28,432,016</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 35,963,066</u>	<u>\$ 31,620,955</u>
<b>Net Pension (Asset)/Liability - Ending (A) - (B)</b>	<u>\$ (3,929,562)</u>	<u>\$ (1,046,221)</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	112.27%	103.42%
<b>Covered Valuation Payroll</b>	\$ 6,917,350	\$ 6,267,830
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-56.81%	-16.69%

**Notes:**

The City implemented GASB statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 650,197	\$ 601,509	\$ 611,219	\$ 591,756	\$ 556,314
2,001,545	1,963,085	1,982,884	1,919,498	1,813,559
757,224	(435,519)	(618,757)	(327,102)	372,714
-	791,468	(837,535)	(31,862)	-
<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>
1,828,322	1,477,506	(213,036)	801,053	1,402,026
<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>
<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>
\$ 547,638	\$ 669,876	\$ 651,087	\$ 621,827	\$ 618,207
298,579	312,701	274,662	258,102	253,187
4,580,448	(1,417,569)	4,125,252	1,554,011	112,070
(1,580,644)	(1,443,037)	(1,350,847)	(1,351,237)	(1,340,561)
<u>339,294</u>	<u>303,198</u>	<u>(1,129,183)</u>	<u>(157,298)</u>	<u>33,620</u>
4,185,315	(1,574,831)	2,570,971	925,405	(323,477)
<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>
<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>\$ 1,469,047</u>	<u>\$ 3,826,040</u>	<u>\$ 773,703</u>	<u>\$ 3,557,710</u>	<u>\$ 3,682,062</u>
95.09%	86.37%	97.09%	86.73%	85.84%
\$ 6,630,005	\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
22.16%	58.60%	12.68%	62.42%	65.84%

**City of Marion, Illinois**  
**Schedule of Employer Contributions**  
**Illinois Municipal Retirement Fund**  
**Last Seven Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 631,554	\$ 566,612	\$ 547,638	\$ 669,876
Contribution in relation to the actuarially determined contribution	<u>631,554</u>	<u>567,142</u>	<u>547,638</u>	<u>669,876</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (530)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,917,350	\$ 6,267,830	\$ 6,630,005	\$ 6,529,006
Contributions as a percentage of covered payroll	9.13%	9.05%	8.26%	10.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Actuarially determined contribution	\$ 635,324	\$ 621,828	\$ 610,097	
Contribution in relation to the actuarially determined contribution	<u>651,087</u>	<u>621,827</u>	<u>618,207</u>	
Contribution deficiency (excess)	<u>\$ (15,763)</u>	<u>\$ 1</u>	<u>\$ (8,110)</u>	
Covered payroll	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090	
Contributions as a percentage of covered payroll	10.67%	10.91%	11.06%	

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 4 months prior to the beginning of the fiscal year in which contributions are reported. Actuarially determined contributions were not available on a fiscal year basis.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 CHBCA

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

	<u>2022</u>	<u>2021</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 407,884	\$ 416,887
Interest on the Total Pension Liability	1,277,866	1,193,796
Changes of benefit terms	-	-
Differences Between Expected and Actual Experience	130,266	432,935
Changes in Assumptions	1,046,676	11,817
Benefit Payments, Including Refunds of Employee Contributions	(830,080)	(749,145)
Other (admin expense)	<u>(21,408)</u>	<u>(16,971)</u>
<b>Net Change in Pension Liability</b>	2,011,204	1,289,319
<b>Total Pension Liability - Beginning</b>	<u>19,380,968</u>	<u>18,091,649</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 21,392,172</u>	<u>\$ 19,380,968</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Employer contributions	\$ 720,967	\$ 673,801
Employee contributions	157,741	159,422
Net Investment Income	(1,190,012)	3,626,759
Benefit Payments, Including Refunds of Employee Contributions	(830,080)	(749,145)
Other (Net Transfers)	-	-
Other (admin expense)	<u>(21,408)</u>	<u>(16,971)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(1,162,792)	3,693,866
<b>Plan Fiduciary Net Position - Beginning</b>	<u>15,665,776</u>	<u>11,971,910</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 14,502,984</u>	<u>\$ 15,665,776</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 6,889,188</u>	<u>\$ 3,715,192</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	67.80%	80.83%
<b>Covered Valuation Payroll</b>	\$ 1,687,421	\$ 1,602,842
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	408.27%	231.79%

**Notes:**

The City implemented GASB statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 421,285	\$ 380,816	\$ 373,215	\$ 365,360	\$ 356,987	\$ 347,912
1,121,897	1,067,048	1,038,539	994,434	943,345	844,096
5,457	-	-	-	-	-
(46,100)	(4,911)	(458,631)	(182,202)	(31,022)	(101,072)
272,648	-	-	-	-	870,309
(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,128,853	910,741	423,592	657,935	762,966	1,483,448
<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>
<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>
\$ 670,792	\$ 671,961	\$ 656,121	\$ 550,277	\$ 493,200	\$ 425,800
150,991	148,466	145,684	142,499	139,192	133,500
(392,343)	686,637	650,050	653,365	19,892	512,933
(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
-	(17,665)	(15,357)	(14,789)	(15,338)	(22,225)
<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(216,894)	957,187	906,967	811,695	130,602	572,211
<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>
<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>\$ 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>
66.17%	71.86%	69.97%	66.06%	63.54%	66.04%
\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067
381.37%	298.30%	312.24%	350.83%	369.92%	337.18%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 720,967	\$ 672,247	\$ 656,860	\$ 673,801	\$ 657,794
Contribution in relation to the actuarially determined contribution	<u>720,967</u>	<u>673,801</u>	<u>670,792</u>	<u>671,961</u>	<u>656,121</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,554)</u>	<u>\$ (13,932)</u>	<u>\$ 1,840</u>	<u>\$ 1,673</u>
Covered payroll	\$ 1,687,421	\$ 1,602,842	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819
Contributions as a percentage of covered payroll	42.73%	42.04%	41.80%	41.99%	42.50%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 622,389	\$ 423,633	\$ 425,798	\$ 402,828	\$ 382,560
Contribution in relation to the actuarially determined contribution	<u>550,277</u>	<u>493,200</u>	<u>425,800</u>	<u>421,500</u>	<u>387,400</u>
Contribution deficiency (excess)	<u>\$ 72,112</u>	<u>\$ (69,567)</u>	<u>\$ (2)</u>	<u>\$ (18,672)</u>	<u>\$ (4,840)</u>
Covered payroll	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067	\$ 1,396,133	\$ 1,340,601
Contributions as a percentage of covered payroll	36.40%	33.43%	29.75%	30.19%	28.90%

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

The annual required contribution presented here represents the amount calculated using guidelines prescribed by GASB. The city is legally required to make contributions as determined by state statute which may differ from the amounts presented above. The City has made the minimum contribution required by stated statute.

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	100% of unfunded as a level dollar amount
Remaining amortization period	18 years
Asset valuation method	Smoothed (5 years)
Inflation	2.50%
Salary increases	Graded by age
Investment rate of return	6.75%
Retirement age	Graded by age
	Tier 1 - 15% at 50 to 100% at age 65
	Tier 2 - 3% at 50 to 100% at age 65
Mortality	PubS-2010 base rates projected to 2022 with scale MP2021

**City of Marion, Illinois**  
**Schedule of Changes in the Net Pension (Asset)/Liability and Related Ratios**  
**Police Pension Fund**  
**Last Eight Fiscal Years**

	<u>2022</u>	<u>2021</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 780,947	\$ 767,261
Interest on the Total Pension Liability	1,532,776	1,464,611
Changes of benefit terms	-	-
Differences Between Expected and Actual Experience	(171,776)	(114,210)
Changes in Assumptions	1,304,104	15,008
Benefit Payments, Including Refunds of Employee Contributions	(1,094,284)	(1,079,701)
Other (admin expense)	<u>(24,488)</u>	<u>(35,212)</u>
<b>Net Change in Pension Liability</b>	2,327,279	1,017,757
<b>Total Pension Liability - Beginning</b>	<u>23,300,531</u>	<u>22,282,774</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 25,627,810</u>	<u>\$ 23,300,531</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Employer contributions	\$ 1,217,031	\$ 1,017,351
Employee contributions	266,336	261,350
Net Investment Income	(1,252,137)	4,116,492
Benefit Payments, Including Refunds of Employee Contributions	(1,094,284)	(1,079,701)
Other (Net Transfers)	-	-
Other (admin expense)	<u>(24,488)</u>	<u>(35,212)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(887,542)	4,280,280
<b>Plan Fiduciary Net Position - Beginning</b>	<u>17,670,854</u>	<u>13,390,574</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 16,783,312</u>	<u>\$ 17,670,854</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 8,844,498</u>	<u>\$ 5,629,677</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	65.49%	75.84%
<b>Covered Valuation Payroll</b>	\$ 2,669,608	\$ 2,613,422
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	331.30%	215.41%

**Notes:**

The City implemented GASB statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 618,466	\$ 559,356	\$ 541,348	\$ 515,566	\$ 489,508	\$ 480,209
1,317,308	1,380,424	1,349,045	1,306,976	1,235,401	1,074,041
33,502	-	-	-	-	-
1,291,960	(1,755,490)	(487,598)	(279,109)	238,173	(850,327)
40,371	-	-	-	-	2,526,327
(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,160,633	(762,566)	472,447	631,845	1,067,888	2,437,439
<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>
<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>
\$ 1,012,811	\$ 1,014,558	\$ 997,462	\$ 850,449	\$ 722,600	\$ 662,900
225,133	213,300	202,395	200,549	180,337	178,949
(470,338)	802,525	838,002	996,676	173,455	738,694
(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
-	(35,303)	(25,250)	(22,663)	(11,262)	(10,054)
<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(373,368)	1,048,224	1,082,261	1,113,423	169,936	777,678
<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>
<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>\$ 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>
60.09%	68.40%	60.89%	56.99%	53.18%	55.31%
\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825
365.80%	302.60%	394.65%	445.44%	496.04%	458.26%



**City of Marion, Illinois**  
**Schedule of Employer Contributions**  
**Police Pension Fund**  
**Last Ten Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,217,031	\$ 1,058,015	\$ 1,101,703	\$ 1,117,351	\$ 1,102,293
Contribution in relation to the actuarially determined contribution	<u>1,217,031</u>	<u>1,017,351</u>	<u>1,012,811</u>	<u>1,014,558</u>	<u>997,462</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 40,664</u>	<u>\$ 88,892</u>	<u>\$ 102,793</u>	<u>\$ 104,831</u>
Covered payroll	\$ 2,669,608	\$ 2,613,422	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936
Contributions as a percentage of covered payroll	45.59%	38.93%	41.66%	48.28%	48.19%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 1,033,259	\$ 722,504	\$ 662,898	\$ 590,755	\$ 558,869
Contribution in relation to the actuarially determined contribution	<u>850,449</u>	<u>722,600</u>	<u>662,900</u>	<u>592,000</u>	<u>569,900</u>
Contribution deficiency (excess)	<u>\$ 182,810</u>	<u>\$ (96)</u>	<u>\$ (2)</u>	<u>\$ (1,245)</u>	<u>\$ (11,031)</u>
Covered payroll	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825	\$ 1,737,719	\$ 1,534,666
Contributions as a percentage of covered payroll	43.15%	38.71%	36.33%	34.07%	37.14%

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

The annual required contribution presented here represents the amount calculated using guidelines prescribed by GASB. The city is legally required to make contributions as determined by state statute which may differ from the amounts presented above. The City has made the minimum contribution required by stated statute.

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	100% of unfunded as a level dollar amount
Remaining amortization period	18 years
Asset valuation method	Smoothed (5 years)
Inflation	2.50%
Salary increases	Graded by age
Investment rate of return	6.75%
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	PubS-2010 base rates projected to 2022 with scale MP2021

**City of Marion, Illinois**  
**Schedule of Annual Money Rate of Return, Net of Investment Expense**  
**Last Eight Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire Pension Plan	(7.55)%	30.17%	(3.18)%	6.00%	6.18%	6.75%	2.50%	6.05%
Police Pension Plan	(6.96)%	30.52%	(3.40)%	6.19%	7.05%	9.30%	1.88%	7.53%

**Notes:**

The City implemented GASB statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

**City of Marion, Illinois**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Other Postemployment Benefit Plan**  
**Last Four Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>Total OPEB Liability</u></b>				
Service Cost	\$ 1,112,780	\$ 818,611	\$ 644,279	\$ 589,748
Interest on total OPEB liability	972,679	1,070,225	1,175,782	1,168,126
Changes of benefit terms	-	(279,752)	-	-
Differences Between Expected and Actual Experience	-	288,950	-	-
Changes in Assumptions	(8,996,650)	8,337,779	5,024,096	880,678
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,161,240)</u>	<u>(1,103,215)</u>	<u>(1,076,671)</u>	<u>(1,001,554)</u>
<b>Net Change in OPEB Liability</b>	(8,072,431)	9,132,598	5,767,486	1,636,998
<b>Total OPEB Liability - Beginning</b>	<u>46,461,689</u>	<u>37,329,091</u>	<u>31,561,605</u>	<u>29,924,607</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 38,389,258</u>	<u>\$ 46,461,689</u>	<u>\$ 37,329,091</u>	<u>\$ 31,561,605</u>
<b>Covered Valuation Payroll</b>	\$ 6,917,350	\$ 6,267,830	\$ 6,630,005	\$ 6,529,006
<b>Net OPEB Liability as a Percentage of Covered Valuation Payroll</b>	554.97%	741.27%	563.03%	483.41%

**Notes:**

The City implemented GASB statement No. 75 in fiscal year 2019. Information prior to fiscal year 2019 is not available.

## **Other Supplementary Information**

**City of Marion, Illinois**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**April 30, 2022**

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 3,620,969	\$ 3,620,969
Restricted cash	-	209,249	209,249
Investments	-	31,884	31,884
Restricted investments	1,959	344,634	346,593
Accounts receivable	-	3,474	3,474
Property taxes receivable	-	111,435	111,435
Sales taxes receivable	-	486,630	486,630
Other taxes receivable	-	151,198	151,198
Grant receivable	-	52,333	52,333
Intergovernmental receivable	-	57,693	57,693
Due from other funds	-	51,561	51,561
Prepaid items	-	75,999	75,999
<b>Total Assets</b>	<u>1,959</u>	<u>5,197,059</u>	<u>5,199,018</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	106,952	106,952
Accrued payroll	-	33,324	33,324
Due to other funds	-	141,269	141,269
Unearned revenue	-	402,306	402,306
<b>Total Liabilities</b>	<u>-</u>	<u>683,851</u>	<u>683,851</u>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue	-	111,435	111,435
<b>Fund Balances</b>			
Nonspendable	1,000	-	1,000
Restricted for:			
Donor restricted expenditures	-	353,452	353,452
Public safety	-	1,683,115	1,683,115
Debt service	-	25,279	25,279
Cemetery	959	12,903	13,862
Maintenance of roadways	-	2,122,169	2,122,169
Tourism and recreation	-	205,058	205,058
Unassigned	-	(203)	(203)
<b>Total Fund Balances</b>	<u>1,959</u>	<u>4,401,773</u>	<u>4,403,732</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 1,959</u>	<u>\$ 5,197,059</u>	<u>\$ 5,199,018</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the Year Ended April 30, 2022**

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ 154,464	\$ 154,464
Sales tax	-	1,934,449	1,934,449
Other taxes and franchise fees	-	1,446,237	1,446,237
Intergovernmental revenue	-	735,317	735,317
Service charges and fees	-	1,619,608	1,619,608
Grant revenue	-	813,251	813,251
Investment income	2	5,573	5,575
Miscellaneous revenue	-	29,218	29,218
	<hr/>	<hr/>	<hr/>
<b>Total Revenues</b>	<u>2</u>	<u>6,738,117</u>	<u>6,738,119</u>
<b>Expenditures</b>			
Public health and safety	-	1,998,319	1,998,319
Streets, alleys and cemeteries	-	1,208,996	1,208,996
Culture and recreation	-	3,120,796	3,120,796
Economic development	-	291,551	291,551
Debt service:			
Principal	-	385,620	385,620
Interest	-	17,105	17,105
Capital outlay	-	168,628	168,628
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	<u>-</u>	<u>7,191,015</u>	<u>7,191,015</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2</u>	<u>(452,898)</u>	<u>(452,896)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)	-	948,237	948,237
	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	<u>2</u>	<u>495,339</u>	<u>495,341</u>
<b>Fund Balances - Beginning of Year</b>	<u>1,957</u>	<u>3,906,434</u>	<u>3,908,391</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,959</u>	<u>\$ 4,401,773</u>	<u>\$ 4,403,732</u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Capital Projects Fund**  
**Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Grant revenue	\$ 2,564,000	\$ -	\$ -	\$ -
Investment income	-	-	3,915	
Miscellaneous revenue	1,229,000	700	5,200	4,500
<b>Total Revenues</b>	<b>3,793,000</b>	<b>700</b>	<b>9,115</b>	<b>4,500</b>
<b>Expenditures</b>				
Economic development	175,000	175,000	212,905	37,905
Debt service:				
Principal	1,204,780	1,204,780	1,125,000	(79,780)
Interest	57,430	57,430	15,809	(41,621)
Capital outlay	11,739,000	3,114,000	2,801,919	(312,081)
<b>Total Expenditures</b>	<b>13,176,210</b>	<b>4,551,210</b>	<b>4,155,633</b>	<b>(395,577)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(9,383,210)</b>	<b>(4,550,510)</b>	<b>(4,146,518)</b>	<b>400,077</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	4,633,410	6,097,950	6,497,306	399,356
General long-term debt issued	3,000,000	3,000,000	801,636	(2,198,364)
Proceeds from sale of capital assets	-	-	16,800	16,800
<b>Total Other Financing Sources (Uses)</b>	<b>7,633,410</b>	<b>9,097,950</b>	<b>7,315,742</b>	<b>(1,782,208)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,749,800)</b>	<b>\$ 4,547,440</b>	<b>\$ 3,169,224</b>	<b>\$ (1,382,131)</b>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Debt Service Fund**  
**Year Ended April 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 369,250	\$ 369,250	\$ 198,174	\$ (171,076)
Investment income	3,490	3,490	2,559	(931)
<b>Total Revenues</b>	<u>372,740</u>	<u>372,740</u>	<u>200,733</u>	<u>(172,007)</u>
<b>Expenditures</b>				
Debt service:				
Principal	3,065,430	3,065,430	3,065,430	-
Interest	287,560	287,960	287,421	(539)
<b>Total Expenditures</b>	<u>3,352,990</u>	<u>3,353,390</u>	<u>3,352,851</u>	<u>(539)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,980,250)</u>	<u>(2,980,650)</u>	<u>(3,152,118)</u>	<u>(171,468)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	2,370,340	2,370,340	2,645,306	274,966
<b>Net Change in Fund Balances</b>	<u>\$ (609,910)</u>	<u>\$ (610,310)</u>	<u>\$ (506,812)</u>	<u>\$ 103,498</u>



**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Permanent Fund**  
**Year Ended April 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ 10	\$ 10	\$ 2	\$ (8)
<b>Expenditures</b>				
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	10	10	2	(8)
<b>Net Change in Fund Balances</b>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 2</u>	<u>\$ (8)</u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Special Revenue Funds**  
**Year Ended April 30, 2022**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 114,000	\$ 114,000	\$ 153,936	\$ 39,936
Sales tax	-	-	1,934,449	1,934,449
Other taxes and franchise fees	1,292,780	1,292,780	1,386,434	93,654
Intergovernmental	699,920	699,920	735,317	35,397
Service charges and fees	1,728,540	1,728,540	1,619,608	(108,932)
Grant revenue	2,089,760	2,089,760	849,251	(1,240,509)
Investment income	8,160	8,160	18,232	10,072
Miscellaneous revenue	1,950	1,950	29,218	27,268
<b>Total Revenues</b>	<b>5,935,110</b>	<b>5,935,110</b>	<b>6,726,445</b>	<b>791,335</b>
<b>Expenditures</b>				
Public health and safety	1,943,000	1,943,010	1,998,319	55,309
Streets, alleys and cemeteries	1,227,550	1,227,620	1,211,000	(16,620)
Cultural and recreation	3,296,280	3,316,030	3,107,508	(208,522)
Economic development	543,000	543,000	294,666	(248,334)
Debt service:				
Principal	398,840	398,840	385,620	(13,220)
Interest	18,120	18,120	17,105	(1,015)
Capital outlay	1,495,750	1,495,750	148,851	(1,346,899)
<b>Total Expenditures</b>	<b>8,922,540</b>	<b>8,942,370</b>	<b>7,163,069</b>	<b>(1,779,301)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,987,430)</b>	<b>(3,007,260)</b>	<b>(436,624)</b>	<b>2,570,636</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	3,015,500	3,015,500	948,237	(2,067,263)
<b>Net Change in Fund Balances</b>	<b>\$ 28,070</b>	<b>\$ 8,240</b>	<b>\$ 511,613</b>	<b>\$ 503,373</b>

City of Marion, Illinois  
Combining Balance Sheet  
General Fund Types  
April 30, 2022

	General	Cultural and Civic Center	Senior Citizens Council	Boyton Street Community Center	Revitalization	Economic Incentive	Total - General Fund Types
<b>Assets</b>							
Cash and cash equivalents	\$ 1,459,992	\$ 238,751	\$ 45,846	\$ 8,337	\$ -	\$ 791,421	\$ 2,544,347
Restricted cash	38,785	-	-	1,407	-	-	40,192
Investments	9,063,258	3,456	-	-	-	-	9,066,714
Restricted investments	-	-	10,853	-	-	-	10,853
Accounts receivable	153,226	9,360	-	-	-	-	162,586
Property taxes receivable	100	-	-	-	-	-	100
Sales taxes receivable	5,215,764	-	-	-	-	249,999	5,465,763
Other taxes receivable	402,874	-	-	-	-	-	402,874
Accrued interest receivable	8,245	-	5	-	-	-	8,250
Grant receivable	-	-	-	1,570	-	-	1,570
Loans receivable	319,129	-	-	-	-	104,509	423,638
Intergovernmental receivable	705,334	-	-	-	-	-	705,334
Due from other funds	190,855	-	-	-	-	-	190,855
Inventory	32,731	-	-	-	-	-	32,731
Prepaid items	476,073	79,283	6,619	4,872	-	-	566,847
<b>Total Assets</b>	<b>18,066,366</b>	<b>330,850</b>	<b>63,323</b>	<b>16,186</b>	<b>-</b>	<b>1,145,929</b>	<b>19,622,654</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	310,272	76,060	30,257	3,453	-	-	420,042
Accrued payroll	197,970	10,050	4,556	3,525	-	-	216,101
Accrued payroll related expenses	218,928	-	-	-	-	-	218,928
Due to other funds	-	28,018	1,126	1,206	-	-	30,350
Damage deposits	93,850	-	-	-	-	-	93,850
Unearned revenue	7,190	75,179	-	-	-	-	82,369
<b>Total Liabilities</b>	<b>828,210</b>	<b>189,307</b>	<b>35,939</b>	<b>8,184</b>	<b>-</b>	<b>-</b>	<b>1,061,640</b>
<b>Deferred Inflow of Resources</b>							
Unavailable revenue	100	-	-	-	-	-	100
<b>Fund Balances</b>							
Nonspendable	835,256	79,283	6,619	4,872	-	-	926,030
Restricted for:							
Donor restricted expenditures	-	-	10,858	1,407	-	-	12,265
Public safety	38,785	-	-	-	-	-	38,785
Economic development	-	-	-	-	-	1,145,929	1,145,929
Committed	7,769,932	-	-	-	-	-	7,769,932
Unassigned	8,594,083	62,260	9,907	1,723	-	-	8,667,973
<b>Total Fund Balances</b>	<b>17,238,056</b>	<b>141,543</b>	<b>27,384</b>	<b>8,002</b>	<b>-</b>	<b>1,145,929</b>	<b>18,560,914</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 18,066,366</b>	<b>\$ 330,850</b>	<b>\$ 63,323</b>	<b>\$ 16,186</b>	<b>\$ -</b>	<b>\$ 1,145,929</b>	<b>\$ 19,622,654</b>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Types**  
**For the Year Ended April 30, 2022**

	General	Cultural and Civic Center	Senior Citizens Council	Boynton Street Community	Revitalization	Economic Incentive	Total - General Fund Types
<b>Revenues</b>							
Property tax	\$ 1,148,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,148,190
Sales tax	22,189,002	-	-	-	-	-	22,189,002
Other taxes and franchise fees	3,633,501	-	-	-	-	-	3,633,501
Licenses and permits	504,387	-	-	-	-	-	504,387
Intergovernmental revenues	3,426,388	-	-	-	-	-	3,426,388
Service charges and fees	655,747	442,427	110,423	30	-	-	1,208,627
Grant revenue	801,078	747,975	5,562	52,959	-	-	1,607,574
Investment income	13,858	921	39	-	59	1,707	16,584
Miscellaneous revenue	299,442	12,029	3,023	605	-	-	315,099
Restricted donations	11,850	-	-	-	-	-	11,850
<b>Total Revenues</b>	<u>32,683,443</u>	<u>1,203,352</u>	<u>119,047</u>	<u>53,594</u>	<u>59</u>	<u>1,707</u>	<u>34,061,202</u>
<b>Expenditures</b>							
General government	2,875,980	-	630,838	402,695	-	-	3,909,513
Public health and safety	10,182,628	-	-	-	-	-	10,182,628
Streets, alleys and cemeteries	3,424,282	-	-	-	-	-	3,424,282
Culture and recreation	-	1,151,096	-	-	-	-	1,151,096
Economic development	1,059,249	-	-	-	101,083	5,991	1,166,323
Debt Service:							
Principal	259,744	-	-	-	-	-	259,744
Interest	15,327	-	-	-	-	-	15,327
Capital outlay	896,231	427,539	-	-	-	-	1,323,770
<b>Total Expenditures</b>	<u>18,713,441</u>	<u>1,578,635</u>	<u>630,838</u>	<u>402,695</u>	<u>101,083</u>	<u>5,991</u>	<u>21,432,683</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>13,970,002</u>	<u>(375,283)</u>	<u>(511,791)</u>	<u>(349,101)</u>	<u>(101,024)</u>	<u>(4,284)</u>	<u>12,628,519</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in (out)	(9,789,327)	513,277	501,907	349,086	(128,093)	399,998	(8,153,152)
General long-term debt issued	278,450	-	-	-	-	-	278,450
Proceeds from sale of capital assets	38,020	-	-	-	-	-	38,020
<b>Total Other Financing Sources (Uses)</b>	<u>(9,472,857)</u>	<u>513,277</u>	<u>501,907</u>	<u>349,086</u>	<u>(128,093)</u>	<u>399,998</u>	<u>(7,836,682)</u>
<b>Net Change in Fund Balances</b>	<u>4,497,145</u>	<u>137,994</u>	<u>(9,884)</u>	<u>(15)</u>	<u>(229,117)</u>	<u>395,714</u>	<u>4,791,837</u>
<b>Fund Balances - Beginning of Year</b>	12,740,911	3,550	37,267	8,017	229,117	750,215	13,769,077
<b>Fund Balances - End of Year</b>	<u>\$ 17,238,056</u>	<u>\$ 141,544</u>	<u>\$ 27,383</u>	<u>\$ 8,002</u>	<u>\$ -</u>	<u>\$ 1,145,929</u>	<u>\$ 18,560,914</u>

**City of Marion, Illinois  
Combining Balance Sheet  
TIF Redevelopment Fund  
April 30, 2022**

	<u>TIF #1</u>	<u>TIF #5</u>	<u>TIF #8</u>	<u>TIF #10</u>	<u>TIF #11</u>	<u>TIF #12</u>	<u>TIF #13</u>	<u>TIF #14</u>
<b>Assets</b>								
Cash and cash equivalents	\$ 1,261,208	\$ 15,101	\$ 109,857	\$ 4	\$ 7	\$ 20,164	\$ 208,838	\$ 31,559
Investments	810	-	450,511	-	-	-	-	-
Property taxes receivable	3,363,438	153,178	165,293	801,644	460,049	6,606	564,456	23,186
Loans receivable	-	-	-	-	-	-	432,665	-
<b>Total Assets</b>	<u>4,625,456</u>	<u>168,279</u>	<u>725,661</u>	<u>801,648</u>	<u>460,056</u>	<u>26,770</u>	<u>1,205,959</u>	<u>54,745</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	7,817	1,453	1,453	198,434	7,264	1,017	7,264	1,415
<b>Deferred Inflow of Resources</b>								
Unavailable revenue	3,363,438	153,178	165,293	801,644	460,049	6,606	564,456	23,186
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	432,665	-
Restricted for:								
Economic development	1,254,201	13,648	558,915	(198,430)	(7,257)	19,147	201,574	30,144
<b>Total Fund Balances</b>	<u>1,254,201</u>	<u>13,648</u>	<u>558,915</u>	<u>(198,430)</u>	<u>(7,257)</u>	<u>19,147</u>	<u>634,239</u>	<u>30,144</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 4,625,456</u>	<u>\$ 168,279</u>	<u>\$ 725,661</u>	<u>\$ 801,648</u>	<u>\$ 460,056</u>	<u>\$ 26,770</u>	<u>\$ 1,205,959</u>	<u>\$ 54,745</u>

TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	Total - TIF Redevelopment Fund
\$ 142,221	\$ 5	\$ 118,452	\$ 16,372	\$ 14,545	\$ 276,178	\$ -	\$ 2,214,511
-	-	-	-	-	-	-	451,321
271,093	78,076	246,253	33,679	30,567	475,485	127,608	6,800,611
-	-	-	-	-	-	-	432,665
<u>413,314</u>	<u>78,081</u>	<u>364,705</u>	<u>50,051</u>	<u>45,112</u>	<u>751,663</u>	<u>127,608</u>	<u>9,899,108</u>
2,092	1,386	1,470	1,337	1,317	3,980	-	237,699
<u>271,093</u>	<u>78,076</u>	<u>246,253</u>	<u>33,679</u>	<u>30,567</u>	<u>475,485</u>	<u>127,608</u>	<u>6,800,611</u>
-	-	-	-	-	-	-	432,665
<u>140,129</u>	<u>(1,381)</u>	<u>116,982</u>	<u>15,035</u>	<u>13,228</u>	<u>272,198</u>	<u>-</u>	<u>2,428,133</u>
<u>140,129</u>	<u>(1,381)</u>	<u>116,982</u>	<u>15,035</u>	<u>13,228</u>	<u>272,198</u>	<u>-</u>	<u>2,428,133</u>
<u>\$ 413,314</u>	<u>\$ 78,081</u>	<u>\$ 364,705</u>	<u>\$ 50,051</u>	<u>\$ 45,112</u>	<u>\$ 751,663</u>	<u>\$ 127,608</u>	<u>\$ 9,466,443</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**TIF Redevelopment Fund**  
**For the Year Ended April 30, 2022**

	<u>TIF #1</u>	<u>TIF #5</u>	<u>TIF #8</u>	<u>TIF #10</u>	<u>TIF #11</u>	<u>TIF #12</u>	<u>TIF #13</u>	<u>TIF #14</u>
<b>Revenues</b>								
Property taxes	\$ 3,189,955	\$ 155,403	\$ 159,938	\$ 881,665	\$ 354,265	\$ 5,018	\$ 479,620	\$ 22,316
Grant revenue	8,983	-	-	-	-	-	27,017	-
Investment income	3,628	69	625	249	86	40	18,380	62
<b>Total Revenues</b>	<u>3,202,566</u>	<u>155,472</u>	<u>160,563</u>	<u>881,914</u>	<u>354,351</u>	<u>5,058</u>	<u>525,017</u>	<u>22,378</u>
<b>Expenditures</b>								
Streets, alleys and cemeteries	1,702	900.00	-	-	-	-	-	-
Economic development	483,177	116,117	119,624	1,301,834	192,343	4,829	275,343	9,017
Debt service:								
Principal	618,182	-	-	13,500	76,500	-	-	-
Capital outlay	580	24,810	-	-	-	-	36,500	-
<b>Total Expenditures</b>	<u>1,103,641</u>	<u>141,827</u>	<u>119,624</u>	<u>1,315,334</u>	<u>268,843</u>	<u>4,829</u>	<u>311,843</u>	<u>9,017</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,098,925</u>	<u>13,645</u>	<u>40,939</u>	<u>(433,420)</u>	<u>85,508</u>	<u>229</u>	<u>213,174</u>	<u>13,361</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in (out)	(1,233,296)	13,960	-	419,912	(85,800)	-	24,620	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,233,296)</u>	<u>13,960</u>	<u>-</u>	<u>419,912</u>	<u>(85,800)</u>	<u>-</u>	<u>24,620</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	865,629	27,605	40,939	(13,508)	(292)	229	237,794	13,361
<b>Fund Balances - Beginning of Year</b>	<u>388,572</u>	<u>(13,957)</u>	<u>517,976</u>	<u>(184,922)</u>	<u>(6,965)</u>	<u>18,918</u>	<u>396,445</u>	<u>16,783</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,254,201</u>	<u>\$ 13,648</u>	<u>\$ 558,915</u>	<u>\$ (198,430)</u>	<u>\$ (7,257)</u>	<u>\$ 19,147</u>	<u>\$ 634,239</u>	<u>\$ 30,144</u>

TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	Total - TIF Redevelopment Fund
\$ 252,309	\$ 76,443	\$ 139,980	\$ 30,366	\$ 26,020	\$ 274,092	\$ -	\$ 6,047,390
-	-	-	-	-	-	-	36,000
298	44	139	41	24	396	-	24,081
<u>252,607</u>	<u>76,487</u>	<u>140,119</u>	<u>30,407</u>	<u>26,044</u>	<u>274,488</u>	<u>-</u>	<u>6,107,471</u>
-	19,000	-	-	-	2,004	-	23,606
165,528	89,386	623,142	22,337	13,017	14,688	-	3,430,382
-	-	-	-	-	-	-	708,182
-	-	-	-	-	-	-	61,890
<u>165,528</u>	<u>108,386</u>	<u>623,142</u>	<u>22,337</u>	<u>13,017</u>	<u>16,692</u>	<u>-</u>	<u>4,224,060</u>
<u>87,079</u>	<u>(31,899)</u>	<u>(483,023)</u>	<u>8,070</u>	<u>13,027</u>	<u>257,796</u>	<u>-</u>	<u>1,883,411</u>
<u>(50,000)</u>	<u>31,845</u>	<u>600,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(278,024)</u>
<u>(50,000)</u>	<u>31,845</u>	<u>600,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(278,024)</u>
37,079	(54)	117,712	8,070	13,027	257,796	-	1,605,387
<u>103,050</u>	<u>(1,327)</u>	<u>(730)</u>	<u>6,965</u>	<u>201</u>	<u>14,402</u>	<u>-</u>	<u>1,255,411</u>
<u>\$ 140,129</u>	<u>\$ (1,381)</u>	<u>\$ 116,982</u>	<u>\$ 15,035</u>	<u>\$ 13,228</u>	<u>\$ 272,198</u>	<u>\$ -</u>	<u>\$ 2,860,798</u>



**City of Marion, Illinois**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**April 30, 2022**

	<b>Goddard Chapel Restoration</b>	<b>Carnegie Library</b>	<b>Pavilion Fund</b>	<b>HUB Recreation Center Fund</b>	<b>Road and Bridge</b>	<b>Motor Fuel Tax</b>	<b>Gas Tax</b>	<b>Foreign Fire Insurance</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 12,636	\$ 9,655	\$ 68,847	\$ 213,300	\$ 170,655	\$ 1,865,241	\$ 264,758	\$ 41,594
Restricted cash	-	3,365	25,571	-	-	-	-	-
Investments	-	31,881	-	-	-	-	-	-
Restricted investments	-	344,634	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	111,435	-	-	-
Sales taxes receivable	-	-	-	-	-	-	-	-
Other taxes receivable	-	-	89,154	-	-	-	62,044	-
Grant receivable	-	10,350	-	-	-	37,605	4,378	-
Intergovernmental receivable	-	-	-	-	-	57,693	-	-
Due from other funds	267	-	6,393	-	-	-	44,901	-
Prepaid items	-	16,815	13,009	46,175	-	-	-	-
<b>Total Assets</b>	<b>12,903</b>	<b>416,700</b>	<b>202,974</b>	<b>259,475</b>	<b>282,090</b>	<b>1,960,539</b>	<b>376,081</b>	<b>41,594</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	-	9,702	13,421	56,312	-	18,439	6,667	2,411
Accrued payroll	-	9,461	3,301	20,562	-	-	-	-
Due to other funds	-	-	-	140,498	-	-	-	771
Unearned revenue	-	-	-	42,306	-	360,000	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>19,163</b>	<b>16,722</b>	<b>259,678</b>	<b>-</b>	<b>378,439</b>	<b>6,667</b>	<b>3,182</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue, property taxes	-	-	-	-	111,435	-	-	-
<b>Fund Balances</b>								
Restricted for:								
Donor restricted expenditures	-	353,452	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	38,412
Debt service	-	-	25,279	-	-	-	-	-
Cemetery	12,903	-	-	-	-	-	-	-
Maintenance of roadways	-	-	-	-	170,655	1,582,100	369,414	-
Tourism and recreation	-	44,085	160,973	-	-	-	-	-
Unassigned	-	-	-	(203)	-	-	-	-
<b>Total Fund Balances</b>	<b>12,903</b>	<b>397,537</b>	<b>186,252</b>	<b>(203)</b>	<b>170,655</b>	<b>1,582,100</b>	<b>369,414</b>	<b>38,412</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 12,903</b>	<b>\$ 416,700</b>	<b>\$ 202,974</b>	<b>\$ 259,475</b>	<b>\$ 282,090</b>	<b>\$ 1,960,539</b>	<b>\$ 376,081</b>	<b>\$ 41,594</b>

<u>Special Revenue Police</u>	<u>Housing Rehab</u>	<u>Property Tax</u>	<u>Federal Assistance</u>	<u>Total - Special Revenue Funds</u>
\$ -	\$ -	\$ 974,283	\$ -	\$ 3,620,969
180,313	-	-	-	209,249
-	-	3	-	31,884
-	-	-	-	344,634
3,474	-	-	-	3,474
-	-	-	-	111,435
-	-	486,630	-	486,630
-	-	-	-	151,198
-	-	-	-	52,333
-	-	-	-	57,693
-	-	-	-	51,561
-	-	-	-	75,999
<u>183,787</u>	<u>-</u>	<u>1,460,916</u>	<u>-</u>	<u>5,197,059</u>
-	-	-	-	106,952
-	-	-	-	33,324
-	-	-	-	141,269
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,306</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683,851</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,435</u>
-	-	-	-	353,452
183,787	-	1,460,916	-	1,683,115
-	-	-	-	25,279
-	-	-	-	12,903
-	-	-	-	2,122,169
-	-	-	-	205,058
-	-	-	-	(203)
<u>183,787</u>	<u>-</u>	<u>1,460,916</u>	<u>-</u>	<u>4,401,773</u>
<u>\$ 183,787</u>	<u>\$ -</u>	<u>\$ 1,460,916</u>	<u>\$ -</u>	<u>\$ 5,197,059</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended April 30, 2022**

	<b>Goddard Chapel Restoration</b>	<b>Carnegie Library</b>	<b>Pavilion Fund</b>	<b>HUB Recreation Center Fund</b>	<b>Road and Bridge</b>	<b>Motor Fuel Tax</b>	<b>Gas Tax</b>	<b>Foreign Fire Insurance</b>
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 154,464	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-	-	-	-
Other taxes and franchise fees	-	-	633,199	-	546	-	741,726	70,766
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	708,239	-	-
Service charges and fees	4,770	15,561	123,800	1,440,799	-	-	-	-
Grant revenue	10	76,195	-	-	-	415,300	19,445	-
Investment income	2	-	56	219	348	2,596	643	-
Miscellaneous revenue	-	901	-	128	-	-	5,250	1,158
<b>Total Revenues</b>	<u>4,782</u>	<u>92,657</u>	<u>757,055</u>	<u>1,441,146</u>	<u>155,358</u>	<u>1,126,135</u>	<u>767,064</u>	<u>71,924</u>
<b>Expenditures</b>								
General governmenta	-	-	-	-	-	-	-	60,101
Public health and safety	-	-	-	-	-	-	-	-
Streets, alleys and cemeteries	9,099	-	-	-	100,462	640,000	459,435	-
Culture and recreation	-	835,464	412,870	1,872,462	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	221,558	25,465	-	-	138,597	-
Interest	-	-	8,941	873	-	-	7,291	-
Capital outlay	-	723	52,546	26,000	-	46,439	32,921	9,999
<b>Total Expenditures</b>	<u>9,099</u>	<u>836,187</u>	<u>695,915</u>	<u>1,924,800</u>	<u>100,462</u>	<u>686,439</u>	<u>638,244</u>	<u>70,100</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(4,317)</u>	<u>(743,530)</u>	<u>61,140</u>	<u>(483,654)</u>	<u>54,896</u>	<u>439,696</u>	<u>128,820</u>	<u>1,824</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in (out)	-	769,579	54,572	544,818	-	-	(174,584)	-
<b>Net Change in Fund Balances</b>	<u>(4,317)</u>	<u>26,049</u>	<u>115,712</u>	<u>61,164</u>	<u>54,896</u>	<u>439,696</u>	<u>(45,764)</u>	<u>1,824</u>
<b>Fund Balances - Beginning of Year</b>	<u>17,220</u>	<u>371,488</u>	<u>70,540</u>	<u>(61,367)</u>	<u>115,759</u>	<u>1,142,404</u>	<u>415,178</u>	<u>36,588</u>
<b>Fund Balances - End of Year</b>	<u>\$ 12,903</u>	<u>\$ 397,537</u>	<u>\$ 186,252</u>	<u>\$ (203)</u>	<u>\$ 170,655</u>	<u>\$ 1,582,100</u>	<u>\$ 369,414</u>	<u>\$ 38,412</u>

<u>Special Revenue Police</u>	<u>Housing Rehab</u>	<u>Property Tax</u>	<u>Federal Assistance</u>	<u>Total - Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 154,464
-	-	1,934,449	-	1,934,449
-	-	-	-	1,446,237
-	-	-	-	-
27,078	-	-	-	735,317
34,678	-	-	-	1,619,608
13,000	289,301	-	-	813,251
275	-	1,016	418	5,573
<u>21,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,218</u>
<u>96,812</u>	<u>289,301</u>	<u>1,935,465</u>	<u>418</u>	<u>6,738,117</u>
214	-	1,938,004	-	1,998,319
-	-	-	-	1,208,996
-	-	-	-	3,120,796
-	291,551	-	-	291,551
-	-	-	-	385,620
-	-	-	-	17,105
-	-	-	-	168,628
<u>214</u>	<u>291,551</u>	<u>1,938,004</u>	<u>-</u>	<u>7,191,015</u>
<u>96,598</u>	<u>(2,250)</u>	<u>(2,539)</u>	<u>418</u>	<u>(452,898)</u>
<u>-</u>	<u>-</u>	<u>(245,730)</u>	<u>(418)</u>	<u>948,237</u>
96,598	(2,250)	(248,269)	-	495,339
<u>87,189</u>	<u>2,250</u>	<u>1,709,185</u>	<u>-</u>	<u>3,906,434</u>
<u>\$ 183,787</u>	<u>\$ -</u>	<u>\$ 1,460,916</u>	<u>\$ -</u>	<u>\$ 4,401,773</u>

**City of Marion, Illinois**  
**Combining Statement of Plan Net Position**  
**Pension Trust Funds**  
**April 30, 2022**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 79,699	\$ 104,429	\$ 184,128
Investments -			
U.S. Government and agency obligations	3,720,599	3,840,973	7,561,572
Corporate bonds	1,245,731	1,314,422	2,560,153
Insurance company contracts	868,097	-	868,097
Mutual funds	3,383,304	2,923,429	6,306,733
Stocks	705,921	628,312	1,334,233
State and local obligations	175,075	-	175,075
Exchange traded funds	6,541,553	5,651,974	12,193,527
Accrued interest receivable	40,357	34,071	74,428
Payroll receivable	30,287	18,409	48,696
<b>Total Assets</b>	<u>16,790,623</u>	<u>14,516,019</u>	<u>31,306,642</u>
<b>Liabilities</b>			
Payable from purchases of investments	<u>7,310</u>	<u>13,036</u>	<u>20,346</u>
<b>Net Position</b>			
Held in trust for pension benefits	<u>\$ 16,783,313</u>	<u>\$ 14,502,983</u>	<u>\$ 31,286,296</u>

**City of Marion, Illinois**  
**Combining Statement of Changes in Plan Net Position**  
**Pension Trust Funds**  
**April 30, 2022**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Additions</b>			
Contributions			
Employer	\$ 1,217,031	\$ 720,967	\$ 1,937,998
Plan members	266,336	157,741	424,077
	<u>1,483,367</u>	<u>878,708</u>	<u>2,362,075</u>
Total Contributions			
Investment Income			
Net appreciation in fair value of investments	(1,666,771)	(1,511,106)	(3,177,877)
Interest and dividends	462,615	365,416	828,031
Investment expense	(47,981)	(44,321)	(92,302)
	<u>(1,252,137)</u>	<u>(1,190,011)</u>	<u>(2,442,148)</u>
Net Investment Income			
<b>Total Additions</b>	<u>231,230</u>	<u>(311,303)</u>	<u>(80,073)</u>
<b>Deductions</b>			
Benefits paid	1,088,820	830,080	1,918,900
Refunds of contributions	5,464	-	5,464
Administrative expense	24,487	21,410	45,897
	<u>1,118,771</u>	<u>851,490</u>	<u>1,970,261</u>
<b>Total Deductions</b>			
<b>Change in Net Position</b>	(887,541)	(1,162,793)	(2,050,334)
<b>Net Position, Beginning</b>	<u>17,670,854</u>	<u>15,665,776</u>	<u>33,336,630</u>
<b>Net Position, Ending</b>	<u>\$ 16,783,313</u>	<u>\$ 14,502,983</u>	<u>\$ 31,286,296</u>

## **Single Audit Section**



Marion  
2602 W. DeYoung St  
Marion, IL 62959

It's about time.

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

Honorable Mayor and Commissioners  
City of Marion  
Marion, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois (the City) as of and for the year ended April 30, 2022, 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 13, 2022.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, material weaknesses may exist that have not been identified.



O: 618.993.2647  
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## **Report on Compliance and Other Matters**

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

### **Purpose of Report**

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

ATLAS CPAs & Advisors PLLC

Marion, Illinois  
December 13, 2022



Marion  
2602 W. DeYoung St  
Marion, IL 62959

It's about time.

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE*

Honorable Mayor and Commissioners  
City of Marion, Illinois  
Marion, Illinois

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

We have audited the City of Marion, Illinois (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.



O: 618.993.2647  
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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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 13, 2022

**City of Marion, Illinois**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended April 30, 2022**

Federal Grantor/Pass Through Grant or Program Title	Federal AL Number	Grant Number	Revenues May 1, 2021 April 30, 2022	Expenditures May 1, 2021 April 30, 2022
National Foundation on the Arts and the Humanities passed through the Illinois Secretary of State				
COVID 19 Bouncing Back from the Pandemic (ARPA)	45.310	22-7023-PAN	13,383	13,383
Illinois Secretary of State	45.310	22-3009-PNG	18,917	18,917
Illinois Secretary of State	45.310	21-2002-PNG	2,891	2,891
			<u>35,191</u>	<u>35,191</u>
U. S. Department of Agriculture passed through the Illinois State Board of Education				
Summer Food Service Program	10.559	ISBE 21-4225-00	14,702	14,702
Child and Adult Care Food Program	10.558	ISBE 21-4226-00	13,914	13,914
Child and Adult Care Food Program	10.558	ISBE 22-4226-00	20,194	20,194
U. S. Department of Agriculture				
Rural Business Development Grant	10.351	R0118476	54,826	54,826
Total U.S. Department of Agriculture			<u>103,636</u>	<u>103,636</u>
U.S. Department of Housing and Urban Development passed through the Illinois Department of Commerce and Economic Opportunity				
Community Deveolpment Block Grant	14.228	19-243008	210,330	212,580
Community Deveolpment Block Grant	14.228	20-243007	22,540	22,540
Community Deveolpment Block Grant	14.228	20-241001	2,600	2,600
			<u>235,470</u>	<u>237,720</u>
U.S. Department of Transportation passed through the Illinois Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		3,823	3,823
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		30,370	30,370
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		32,265	32,265
State and Community Highway Safety	20.600	HS210052	5,154	5,154
State and Community Highway Safety	20.600	HS220111	2,895	2,895
			<u>74,507</u>	<u>74,507</u>
U.S. Department of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		100,000	100,000
U.S. Small Business Administration				
Shuttered Venue Operator's Grant	59.075*	SBAHQ21SV009398.2	747,650	747,650
Election Assistance Commission				
Delta Area Economic Development	90.201	Project IL-54283	15,105	11,941
U.S Department of Homeland Security passed through the Illinois Emergency Management Agency				
Homeland Security Public Assistance	97.036	FEMA-4489-199-6916	12,835	12,835
Emergency Management Performance	97.042	21EMACMARI	17,577	17,577
U.S Department of Homeland Security passed through the Illinois Law Enforcement Alarm System				
Homeland Security Grant Program	97-067		12,229	12,229
Total U.S. Department of Homeland Security			<u>42,641</u>	<u>42,641</u>
Total Federal Awards			<u>1,354,199</u>	<u>1,353,286</u>

\* Denotes major program

The accompanying notes are an integral part of this schedule

**City of Marion, Illinois**  
**Notes to Schedule of Expenditures of Federal Awards**  
**April 30, 2022**

**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 or, the basic financial statements.

**Note 2 – Indirect Costs**

The City of Marion, Illinois has 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 – Loans**

There are no loans outstanding involving federal funds.

**City of Marion, Illinois  
Schedule of Findings and Questioned Costs  
For the Year Ended April 30, 2022**

**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
59.075	Shuttered Venue Operator's Grant	\$747,650
Total federal expenditures for 5/1/21 – 4/30/22		\$1,353,286
% tested as major		56.54%
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**

None

**City of Marion, Illinois  
Summary Schedule of Prior Audit Findings  
For the Year Ended April 30, 2022**

<b><u>Finding Number</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
None		



## **Statistical Section**

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 48,988,714	\$ 49,821,327	\$ 56,384,124	\$ 62,047,732	\$ 64,802,887	\$ 70,354,133	\$ 77,220,678	\$ 80,538,278	\$ 82,452,446	\$ 87,709,469
Restricted	8,787,744	9,714,621	6,306,101	6,897,029	5,808,163	3,253,750	6,276,399	5,318,774	9,860,086	12,842,292
Nonspendable			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	1,430,785	1,155,681	3,551,954	(11,673,454)	(14,332,100)	(15,246,222)	(35,108,461)	(34,855,536)	(33,158,058)	(30,203,789)
Total governmental activities net position	<u>59,207,243</u>	<u>60,691,629</u>	<u>66,243,179</u>	<u>57,272,307</u>	<u>56,279,950</u>	<u>58,362,661</u>	<u>48,389,616</u>	<u>51,002,516</u>	<u>59,155,474</u>	<u>70,348,972</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 16,023,309	\$ 16,682,661	\$ 17,507,218	\$ 17,984,674	\$ 19,021,088	\$ 20,586,601	\$ 21,509,808	\$ 22,886,259	\$ 23,181,168	\$ 24,968,738
Restricted	1,771,424	1,584,620	993,495	1,057,109	608,764	538,239	647,651	767,698	288,199	353,191
Unrestricted	507,295	469,822	270,046	(506,364)	518,054	(168,842)	(4,042,028)	(3,931,078)	(3,199,137)	(2,630,849)
Total business-type activities net position	<u>\$ 18,302,028</u>	<u>\$ 18,737,103</u>	<u>\$ 18,770,759</u>	<u>\$ 18,535,419</u>	<u>\$ 20,147,906</u>	<u>\$ 20,955,998</u>	<u>\$ 18,115,431</u>	<u>\$ 19,722,879</u>	<u>\$ 20,270,230</u>	<u>\$ 22,691,080</u>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 65,012,023	\$ 66,503,988	\$ 73,891,342	\$ 80,032,406	\$ 83,823,975	\$ 90,940,734	\$ 98,730,486	\$ 103,424,537	\$ 105,633,614	\$ 112,678,207
Restricted	10,559,168	11,299,241	7,299,596	7,954,138	6,416,927	3,791,989	6,924,050	6,086,472	10,148,285	13,195,483
Nonspendable	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Unrestricted	1,938,080	1,625,503	3,822,000	(12,179,818)	(13,814,046)	(15,415,064)	(39,150,489)	(38,786,614)	(36,357,195)	(32,834,638)
Total primary government net position	<u>\$ 77,509,271</u>	<u>\$ 79,428,732</u>	<u>\$ 85,013,938</u>	<u>\$ 75,807,726</u>	<u>\$ 76,427,856</u>	<u>\$ 79,318,659</u>	<u>\$ 66,505,047</u>	<u>\$ 70,725,395</u>	<u>\$ 79,425,704</u>	<u>\$ 93,040,052</u>

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
Governmental Activities										
General government	\$ 3,137,439	\$ 3,034,930	\$ 3,044,488	\$ 2,887,404	\$ 2,905,642	\$ 2,988,731	\$ 3,383,178	\$ 3,922,707	\$ 4,198,496	\$ 3,754,029
Public, health and safety	7,987,798	9,116,936	10,391,875	10,717,970	11,010,205	11,556,371	11,710,576	12,608,626	12,003,017	13,422,393
Streets, alleys and cemeteries	4,287,758	3,653,773	3,266,538	4,131,493	4,731,698	4,603,839	5,280,601	5,455,812	4,959,099	4,817,023
Culture and recreation	2,383,392	2,617,267	3,451,285	4,868,411	4,954,123	5,445,073	5,285,483	5,329,206	3,997,435	5,056,596
Development	4,543,137	4,103,739	3,411,208	3,158,929	3,849,973	2,999,672	2,871,426	3,969,309	4,263,662	4,960,100
Interest	724,105	997,268	1,429,749	1,531,122	1,791,774	897,069	646,396	596,237	318,490	386,740
Unallocated depreciation expense	1,129,993	1,116,753	1,102,063	1,165,719	1,320,963	1,183,040	1,214,361	1,266,569	1,297,387	1,307,122
Total Governmental Activities Expenses	24,193,622	24,640,666	26,097,206	28,461,048	30,564,378	29,673,795	30,392,021	33,148,466	31,037,586	33,704,003
Business-Type Activities										
Water	3,394,232	3,418,034	3,555,727	3,451,019	3,483,060	3,568,810	3,340,696	3,035,442	3,387,490	3,524,205
Sewer	2,800,924	2,891,501	2,959,136	3,014,816	3,315,934	3,218,668	3,087,514	3,531,747	3,197,606	3,182,221
Total Business-Type Activities Expenses	6,195,156	6,309,535	6,514,863	6,465,835	6,798,994	6,787,478	6,428,210	6,567,189	6,585,096	6,706,426
<b>TOTAL GOVERNMENT EXPENSES</b>	<b>30,388,778</b>	<b>30,950,201</b>	<b>32,612,069</b>	<b>34,926,883</b>	<b>37,363,372</b>	<b>36,461,273</b>	<b>36,820,231</b>	<b>39,715,655</b>	<b>37,622,682</b>	<b>40,410,429</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for Services										
General government	212,298	240,997	263,636	259,680	403,481	343,011	365,579	\$ 359,645	\$ 611,510	\$ 709,490
Public, health and safety	279,995	279,359	299,545	206,155	202,967	305,639	361,725	352,754	285,793	489,008
Streets, alleys and cemeteries	175,840	92,250	94,276	97,407	90,637	94,046	117,232	87,015	95,515	111,537
Culture and recreation	367,452	419,543	845,505	2,434,950	2,500,938	2,657,089	2,581,198	2,262,979	888,126	2,022,587
Development	38,534	50,130	45,835	47,751	44,571	33,208	-	-	-	-
Operating Grants and Contributions	955,858	962,603	973,519	833,299	703,151	889,252	1,339,796	1,321,274	1,261,222	1,502,246
Capital Grants and Contributions	339,633	30,727	2,463,824	3,512,458	466,748	638,620	1,934,015	280,340	1,284,325	954,579
Total Governmental Activities Program Revenues	2,369,610	2,075,609	4,986,140	7,391,700	4,412,493	4,960,865	6,699,545	4,664,007	4,426,491	5,789,447
Business-Type Activities										
Charges for Services										
Water	3,654,871	3,432,244	3,569,711	3,490,646	3,699,540	3,825,170	3,723,442	3,571,541	3,764,438	4,034,089
Sewer	3,105,602	3,013,746	3,104,756	3,108,394	3,224,683	3,350,002	3,358,505	3,805,914	3,416,256	3,903,195
Operating Grants and Contributions	-	-	16,106	75,098	-	-	-	-	-	-
Capital Grants and Contributions	-	225,956	-	-	-	-	-	-	815,105	1,049,512
Total Business-Type Activities Program Revenues	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	8,986,796
<b>TOTAL GOVERNMENT PROGRAM REVENUES</b>	<b>9,130,083</b>	<b>8,747,555</b>	<b>11,676,713</b>	<b>14,065,838</b>	<b>11,336,716</b>	<b>12,136,037</b>	<b>13,781,492</b>	<b>12,041,462</b>	<b>12,422,290</b>	<b>14,776,243</b>
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	(21,824,012)	(22,565,057)	(21,111,066)	(21,069,348)	(26,151,885)	(24,712,930)	(23,692,476)	(28,484,459)	(26,611,095)	(27,914,556)
Business-Type Activities	565,317	362,411	175,710	208,303	125,229	387,694	653,737	810,266	1,410,703	2,280,370
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>(21,258,695)</b>	<b>(22,202,646)</b>	<b>(20,935,356)</b>	<b>(20,861,045)</b>	<b>(26,026,656)</b>	<b>(24,325,236)</b>	<b>(23,038,739)</b>	<b>(27,674,193)</b>	<b>(25,200,392)</b>	<b>(25,634,186)</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(Continued)										
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities										
Taxes										
Property taxes	5,715,304	6,189,554	6,546,608	7,170,616	7,476,252	7,880,710	8,311,961	8,552,881	5,450,350	6,221,610
Sales taxes	13,554,579	13,175,074	13,392,948	13,873,245	13,902,723	15,061,272	15,613,523	17,001,718	20,739,475	24,023,452
Other taxes and franchise fees	2,339,509	3,314,407	3,724,286	3,792,258	3,769,412	3,775,796	3,866,235	4,061,606	3,741,881	5,071,696
Intergovernmental	1,650,931	1,667,310	1,757,467	1,779,036	1,697,480	1,588,865	1,804,882	1,723,701	3,552,775	4,161,705
Investment Income	76,052	43,887	40,546	58,784	86,469	130,972	316,468	321,022	144,466	47,468
Miscellaneous	64,205	96,528	320,264	68,481	858	121,493	110,748	231,881	248,204	361,367
Gain (Loss) on sale of capital assets	42,241	(51,743)	(26,411)	(29,481)	-	-	(53)	-	-	26,636
Special items	-	-	-	-	-	(1,652,165)	-	-	-	(831,430)
Residual equity transfer	-	-	-	-	-	-	-	-	-	-
Transfers	(137,773)	3,617	(305,006)	21,288	(1,773,665)	(175,465)	(21,678)	(796,449)	1,290,292	25,554
<b>Total Governmental Activities</b>	<b>23,305,048</b>	<b>24,438,634</b>	<b>25,450,702</b>	<b>26,734,227</b>	<b>25,159,529</b>	<b>26,731,478</b>	<b>30,002,086</b>	<b>31,096,360</b>	<b>35,167,443</b>	<b>39,108,058</b>
Business-Type Activities										
Investment Income	2,085	830	747	1,350	4,951	26,134	33,328	28,000	6,148	5,977
Miscellaneous	42,627	28,820	10,864	6,633	11,524	12,260	9,246	35,590	52,980	157,949
Gain (Loss) on sale of capital assets	-	-	-	-	(2,882)	(93,461)	39,146	(62,857)	403,647	2,109
Loss Recovery	-	140,751	-	-	-	-	-	-	-	-
Special Item	-	-	(407,285)	-	-	-	-	-	-	-
Transfers	137,773	(3,617)	253,621	(21,288)	1,773,665	175,465	21,678	796,449	(1,290,292)	(25,554)
<b>Total Business-Type Activities</b>	<b>182,485</b>	<b>166,784</b>	<b>(142,053)</b>	<b>(13,305)</b>	<b>1,787,258</b>	<b>120,398</b>	<b>103,398</b>	<b>797,182</b>	<b>(827,517)</b>	<b>140,481</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>23,487,533</b>	<b>24,605,418</b>	<b>25,308,649</b>	<b>26,720,922</b>	<b>26,946,787</b>	<b>26,851,876</b>	<b>30,105,484</b>	<b>31,893,542</b>	<b>34,339,926</b>	<b>39,248,539</b>
<b>CHANGES IN NET POSITION</b>										
Governmental Activities	1,481,036	1,873,577	4,339,636	5,664,879	(992,356)	2,018,548	6,309,610	2,611,901	8,556,348	11,193,502
Business-Type Activities	747,802	529,195	33,657	194,998	1,912,487	508,092	757,135	1,607,448	583,186	2,420,851
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>2,228,838</b>	<b>2,402,772</b>	<b>4,373,293</b>	<b>5,859,877</b>	<b>920,131</b>	<b>2,526,640</b>	<b>7,066,745</b>	<b>4,219,349</b>	<b>9,139,534</b>	<b>13,614,353</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>										
Governmental Activities	96,000	-	-	-	-	-	(16,282,655)	-	-	-
Business-Type Activities	-	-	-	-	-	-	(3,597,702)	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>96,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,880,357)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET POSITION AFTER PRIOR PERIOD ADJUSTMENT</b>										
Governmental Activities	1,577,036	1,873,577	4,339,636	5,664,879	(992,356)	2,018,548	(9,973,045)	2,611,901	8,556,348	11,193,502
Business-Type Activities	747,802	529,195	33,657	194,998	1,912,487	508,092	(2,840,567)	1,607,448	583,186	2,420,851
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 2,324,838</b>	<b>\$ 2,402,772</b>	<b>\$ 4,373,293</b>	<b>\$ 5,859,877</b>	<b>\$ 920,131</b>	<b>\$ 2,526,640</b>	<b>\$(12,813,612)</b>	<b>\$ 4,219,349</b>	<b>\$ 9,139,534</b>	<b>\$ 13,614,353</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GENERAL FUND</b>										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 926,030
Restricted	207,693	168,382	205,425	194,866	272,970	211,370	554,462	80,495	1,023,555	1,196,979
Assigned	72,523	72,536	89,007	62,132	54,532	97	102,107	50,561	50,561	-
Committed	4,658,748	4,767,505	4,934,514	4,601,530	5,324,178	5,317,947	5,457,326	5,615,045	6,807,288	7,769,932
Unassigned	8,102,763	7,956,287	5,147,327	5,517,321	4,281,458	4,449,408	4,924,950	5,526,655	5,889,929	8,667,973
<b>TOTAL GENERAL FUND</b>	<b>\$ 13,041,727</b>	<b>\$ 12,964,710</b>	<b>\$ 10,376,273</b>	<b>\$ 10,375,849</b>	<b>\$ 9,933,138</b>	<b>\$ 9,978,822</b>	<b>\$ 11,038,845</b>	<b>\$ 11,272,756</b>	<b>\$ 13,771,333</b>	<b>\$ 18,560,914</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Special revenue funds										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,665
Restricted	7,081,129	8,010,607	10,001,190	11,592,448	9,167,583	5,894,610	4,063,671	3,286,936	5,220,962	6,830,107
Unassigned	-	-	-	-	-	-	-	-	(61,368)	(203)
Capital project funds										
Restricted	7,218,432	8,348,120	2,192,382	575	-	-	-	255,830	2,234,031	3,449,569
Unassigned	-	-	-	-	-	-	-	-	-	-
Debt service fund										
Restricted	1,240,422	1,714,318	2,030,882	2,007,390	2,060,270	1,652,220	1,690,076	1,721,041	1,452,888	946,076
Permanent fund										
Nondisposable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restricted	842	842	843	845	853	875	917	953	957	959
<b>TOTAL ALL OTHER GERNMENTAL FUNDS</b>	<b>\$ 15,541,825</b>	<b>\$ 18,074,887</b>	<b>\$ 14,226,297</b>	<b>\$ 13,602,258</b>	<b>\$ 11,229,706</b>	<b>\$ 7,548,705</b>	<b>\$ 5,755,664</b>	<b>\$ 5,265,760</b>	<b>\$ 8,848,470</b>	<b>\$ 11,660,173</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Property taxes	\$ 6,083,479	\$ 6,561,085	\$ 6,915,311	\$ 7,541,116	\$ 7,845,967	\$ 7,947,961	\$ 8,378,165	\$ 8,622,108	\$ 5,519,142	\$ 7,548,218
Sales Taxes	13,554,579	13,175,074	13,392,948	13,871,400	13,902,723	15,061,272	15,613,523	17,001,718	20,739,475	24,023,452
Grant revenue	673,638	379,379	2,834,398	1,897,603	620,796	915,218	2,143,674	963,836	2,545,547	2,456,825
Licenses and permits	96,586	109,883	134,848	135,814	196,159	177,895	205,274	193,879	412,441	504,387
Intergovernmental revenue	2,144,632	2,179,741	2,341,172	2,232,422	2,103,310	2,041,314	2,254,675	2,361,479	3,552,775	4,161,705
Other taxes and franchise fees	2,387,160	3,369,112	3,726,122	3,794,103	3,771,172	4,027,684	4,145,323	4,061,607	3,741,881	5,071,696
Service charges and fees	844,451	946,239	1,454,841	2,886,849	2,981,795	2,899,531	2,899,567	2,868,522	1,468,503	2,828,235
Investment income	76,052	43,746	40,548	58,783	96,797	120,964	301,591	272,073	113,116	47,468
Restircted Donations	10,450	16,701	16,349	1,960,345	57,096	53,363	636,305	8,468	13,902	11,850
Miscellaneous Revenue	352,602	228,607	385,530	125,578	219,001	379,201	208,791	408,467	215,302	349,517
Total revenues	26,223,629	27,009,567	31,242,067	34,504,013	31,794,816	33,624,403	36,786,888	36,762,157	38,322,084	47,003,353
<b>EXPENDITURES</b>										
General government	3,528,712	3,224,133	2,859,345	3,095,427	3,029,997	3,116,284	3,507,190	3,725,468	4,006,638	3,909,513
Public, health and safety	7,344,306	8,463,207	9,304,123	9,447,754	9,906,545	10,289,669	10,839,566	10,986,314	11,353,013	12,180,947
Streets, alleys and cemeteries	3,360,702	3,397,904	3,168,355	3,984,181	4,541,950	3,977,856	4,905,927	4,985,572	4,543,292	4,656,884
Culture and recreation	2,040,895	2,246,813	3,097,183	3,926,022	3,940,925	4,162,323	4,259,080	4,222,289	2,956,202	4,258,604
Capital outlay	3,684,826	11,135,450	3,411,209	8,402,937	1,903,849	4,890,021	6,509,936	4,033,242	4,454,647	5,016,836
Development	4,564,453	4,169,397	16,797,470	3,154,664	3,744,462	2,999,447	2,840,508	3,969,311	3,408,581	5,009,560
Debt service	2,470,791	2,797,520	4,489,873	12,339,634	6,112,923	5,924,296	5,504,289	6,074,384	16,433,969	5,879,638
Total Expenditures	26,994,685	35,434,424	43,127,558	44,350,619	33,180,651	35,359,896	38,366,496	37,996,580	47,156,342	40,911,982
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(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)	6,091,371
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from long-term debt	10,204,013	10,865,781	5,753,469	9,200,855	344,236	268,663	429,484	1,216,185	12,934,886	1,429,545
Proceeds from sale of capital assets									456,919	54,820
Transfers in (out)	12,925	15,120	(305,006)	21,288	(1,773,665)	22,559	(21,678)	(237,755)	1,523,740	25,555
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	10,216,938	10,880,901	5,448,463	9,222,143	(1,429,429)	291,222	407,806	978,430	14,915,545	1,509,920
<b>SPECIAL ITEMS</b>										
Payment to SSA bondholders	-	-	-	-	-	-	-	-	-	-
Payment to Pavilion bondholders	-	-	-	-	-	-	-	-	-	-
Close out of Revolving Loan Fund	-	-	-	-	-	(1,652,165)	-	-	-	-
Payment to County for property taxes	-	-	-	-	-	(603,045)	-	-	-	-
<b>TOTAL SPECIAL ITEMS</b>	-	-	-	-	-	(2,255,210)	-	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>	\$ 9,445,882	\$ 2,456,044	\$ (6,437,028)	\$ (624,463)	\$ (2,815,264)	\$ (3,699,481)	\$ (1,171,802)	\$ (255,993)	\$ 6,081,287	\$ 7,601,291
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>										
	10.60%	11.51%	11.30%	34.33%	19.54%	19.44%	17.28%	17.89%	38.49%	16.38%

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

<b>Calendar Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Merchandise	\$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	\$1,227,403
Food	710,496	777,861	749,398	710,905	1,191,796	1,266,470	1,317,227	1,342,746	1,382,883	1,570,161
Drinking and Eating Places	714,878	725,745	750,666	801,532	821,182	860,726	867,807	884,106	744,817	936,062
Apparel	210,729	207,371	191,686	177,750	155,387	153,404	157,921	144,071	103,930	153,764
Furniture & H.H. & Radio	67,974	71,215	61,394	69,064	53,170	49,520	64,539	97,606	113,696	139,417
Lumber, Bldg, Hardware	774,491	769,470	779,378	825,783	847,350	879,159	839,450	835,742	1,040,025	1,093,741
Automotive & Filing Stations	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	2,531,865
Drugs & Miscellaneous Retail	893,505	844,975	860,748	1,101,557	1,145,230	1,149,109	1,103,551	1,172,294	1,224,944	1,662,372
Agriculture & All Others	237,984	229,023	214,627	225,661	261,433	307,578	346,752	367,574	346,452	422,248
Manufactures	106,528	101,206	107,715	105,856	95,803	101,960	79,042	89,639	77,466	101,030
<b>TOTAL</b>	<b>\$7,316,357</b>	<b>\$7,227,538</b>	<b>\$7,205,187</b>	<b>\$7,525,590</b>	<b>\$7,616,917</b>	<b>\$7,621,157</b>	<b>\$7,808,271</b>	<b>\$8,085,678</b>	<b>\$8,205,572</b>	<b>\$9,838,063</b>
CITY DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

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

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

<b>Calendar Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Merchandise	\$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	\$1,946,452
Food	416,799	483,673	445,977	387,205	799,213	873,891	985,466	1,021,584	1,491,834	1,920,824
Drinking and Eating Places	887,608	897,607	928,621	992,553	1,017,522	1,174,232	1,291,109	1,328,349	1,659,676	2,097,100
Apparel	263,387	259,165	239,600	222,176	194,207	212,147	236,447	216,080	233,443	345,647
Furniture & H.H. & Radio	84,966	89,018	76,742	86,328	66,461	67,920	96,808	146,408	255,775	312,903
Lumber, Bldg, Hardware	925,047	913,601	893,298	952,274	973,344	1,123,200	1,250,246	1,239,608	2,317,934	2,441,060
Automotive & Filing Stations	627,859	575,741	604,218	596,176	573,576	597,220	752,307	728,967	1,005,186	1,223,768
Drugs & Miscellaneous Retail	873,293	810,148	757,670	811,985	817,151	885,825	867,884	859,513	1,432,903	2,027,565
Agriculture & All Others	273,040	266,617	246,398	260,013	304,745	396,527	473,775	488,584	660,071	834,774
Manufactures	121,249	112,723	119,721	122,241	114,135	131,685	113,510	129,732	167,094	224,663
<b>TOTAL</b>	<b>\$5,973,080</b>	<b>\$5,847,959</b>	<b>\$5,723,715</b>	<b>\$5,848,079</b>	<b>\$5,906,983</b>	<b>\$6,539,646</b>	<b>\$7,199,872</b>	<b>\$7,248,570</b>	<b>\$10,898,057</b>	<b>\$13,374,756</b>
CITY DIRECT SALES TAX RATE	1.25%	1.25%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%	2.25%	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 Calendar Years**

Calendar Year	City Direct Rate	County Rate	State Rate	County School Facility Rate	Total
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%
2021	3.25%	0.25%	5.00%	1.00%	9.50%

Data Source

City and County Records

Homerule tax increasee .25% on July 1,2017.

Homerule tax increasee .75% on January 1, 2020.

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

Tax Year Levied	City Direct Rates						Overlapping Rates							Total All Rates
	Corporate	Fire Pension	Police Pension	Debt Service	Recreation	Total Direct Rate	Williamson County	Williamson County Building Commssion	Williamson County Airport	John A. Logan College	Marion Unit #2 School District	Marion Park District	Total Overlapping Rates	
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
2021	0.00002					0.00002	1.65577		0.1032	0.75462	4.43604	0.30129	7.25092	7.25094

Source: Williamson County Clerk's Office

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

Tax Year	Commercial Property	Industrial Property	Residential Property	Railroads Property	Farm Property	Minerals	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value
2012	115,248,607	6,672,276	162,322,065	345,561	2,215,724	3,060	286,807,293	-1.44%	0.45567	860,421,879
2013	125,251,925	5,969,351	162,488,590	400,107	2,398,406	3,060	296,511,439	3.38%	0.46496	889,534,317
2014	124,526,776	5,957,078	162,964,649	424,262	2,623,226	3,060	296,499,051	0.00%	0.50786	889,497,153
2015	130,506,548	5,910,219	167,569,447	496,672	2,680,151	3,060	307,166,097	3.60%	0.50134	921,498,291
2016	134,600,739	7,105,007	171,244,570	506,656	2,722,727	3,060	316,182,759	2.94%	0.56858	948,548,277
2017	136,247,648	7,101,377	172,372,579	510,716	2,736,084	3,060	318,971,464	0.88%	0.57407	956,914,392
2018	138,812,188	7,101,377	173,683,675	510,716	2,829,348	360	322,937,664	1.24%	0.56701	968,812,992
2019	141,778,900	7,098,104	190,382,668	510,716	3,035,252	2,090	342,807,730	6.15%	0.00002	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%	0.00002	1,060,395,486
2021	148,254,860	7,346,127	201,095,735	608,778	3,735,498	2,090	361,043,088	2.14%	0.00002	1,083,129,264

Source: Williamson County Clerk's Office

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

Tax Year	Commercial Property	Industrial Property	Residential Property	Railroads Property	Farm Property	Minerals	Total Taxable Assessed Value	Percent Growth	Actual Taxable Value
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
2021	80,182,335	338,253	11,074,831	854	2,321,936	-	93,918,209	13.74%	281,754,627

Source: Williamson County Clerk's Office

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

Fiscal Year	Tax Year	Total Tax Levy Extended	Current Tax Collections	Percent of Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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%
2022	2020	54	54	100.00%		54	100.00%

Source: Williamson County Treasurer's Office

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

Fiscal Year	Tax Year	Total Tax Levy Extended	Current Tax Collections	Percent of Current Tax Collections	Prior Year Tax Collections (Refunds)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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%
2022	2020	6,048,307	6,046,533	99.97%	1,385	6,047,918	99.99%

Source: Williamson County Treasurer's Office

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SSA BOND	Loans Payable	Capital Leases	General Obligation Bonds	Loans Payable	Capital Leases	IEPA Loans Payable			
2013	25,079,175	2,840,000	8,473,805	-	4,161,779	42,990	-	9,246,502	49,844,251	12.15%	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	14.12%	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	14.10%	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	13.41%	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	12.06%	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	10.78%	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	8.26%	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	6.68%	1,891.10
2022	13,623,165	-	5,534,061	290,196	2,526,337	360,228	1,851,056	3,138,215	27,323,258	5.50%	1,621.08

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 Fiscal Years**

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Total Hotel and Sales Tax	Net General Obligation Debt Per Capita	Total Hotel and Sales Tax Per Capita
2013	21,437,659	719,794	20,717,865	14,477,275	1,194.46	834.67
2014	26,843,620	1,020,747	25,822,873	14,169,930	1,487.58	816.29
2015	25,025,314	1,212,240	23,813,074	14,577,735	1,341.05	820.96
2016	22,706,390	1,235,555	21,470,835	15,072,278	1,209.83	849.29
2017	20,149,888	1,292,106	18,857,782	15,041,676	1,070.67	854.01
2018	17,579,131	1,173,362	16,405,769	16,286,369	929.14	922.37
2019	15,291,464	1,200,877	14,090,587	16,739,738	801.15	951.77
2020	12,775,051	1,228,648	11,546,403	16,854,086	655.97	957.51
2021	10,740,959	1,150,067	9,590,892	18,325,551	547.43	1,045.98
2022	7,882,747	582,426	7,300,321	18,325,551	433.12	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 District Funds**  
**Last Ten Fiscal Years**

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Tax Increment Financing Fund Balance	Percent of TIF Fund Balance To Net General Obligation Debt	Net Debt Per Capita
2013	3,641,516	120,215	3,521,301	3,973,120	112.83%	203.02
2014	7,363,440	294,542	7,068,898	4,558,294	64.48%	407.22
2015	11,385,645	421,751	10,963,894	5,747,259	52.42%	617.44
2016	10,667,358	372,839	10,294,519	7,933,730	77.07%	580.07
2017	9,871,690	368,177	9,503,513	5,614,346	59.08%	539.57
2018	9,059,377	379,893	8,679,484	4,475,282	51.56%	491.56
2019	8,138,582	389,713	7,748,869	2,881,768	37.19%	440.58
2020	7,355,225	391,103	6,964,122	707,772	10.16%	395.64
2021	5,877,319	328,307	5,549,012	1,255,411	22.62%	316.72
2022	5,740,419	363,652	5,376,767	2,665,833	49.58%	319.00

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

Fiscal Year	Gross General Obligation Bonds	Less Funds Reserved for Debt Service	Net General Obligation Debt	Water and Sewer Debt Service Billings	Percentage of Water and Sewer Debt Service Billings To GO Debt	Per Capita GO Debt
2013	4,161,779	221,082	3,940,697	1,115,821	28.32%	227.19
2014	3,827,397	226,737	3,600,660	1,141,178	31.69%	207.42
2015	8,119,793	311,651	7,808,142	1,121,742	14.37%	439.72
2016	6,791,153	219,910	6,571,243	1,137,504	17.31%	370.27
2017	6,141,876	224,362	5,917,514	1,141,443	19.29%	335.97
2018	5,538,785	105,423	5,433,362	1,144,106	21.06%	307.72
2019	4,813,458	109,802	4,703,656	1,145,625	24.36%	267.44
2020	4,072,094	108,858	3,963,236	1,135,250	28.64%	225.16
2021	3,309,749	110,554	3,199,195	1,168,859	36.54%	182.60
2022	2,526,337	113,186	2,413,151	1,367,087	56.65%	143.17

**City of Marion, Illinois**  
**Direct and Overlapping Bonded Debt**  
**April 30, 2022**

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
Willamson County	16,895,000	31.02%	\$5,240,623
Williamson Co. CUSD 2	19,480,000	55.90%	\$10,889,320
Williamson CUSD 5	35,120,000	6.16%	\$2,163,392
Williamson County Airport	4,060,000	31.06%	\$1,261,148
John A. Logan College	27,310,000	17.90%	\$4,887,247
Marion Park District	727,000	99.82%	\$725,725
	<u>\$116,357,051</u>		<u>\$37,932,506</u>

Per Capita Direct and Overlapping Debt

- (1) Gross bonded debt does not include the debt being paid with Tax Increment Financing funds.  
(2) Determined by ratio of assessed value of property subject to taxation in the City to assessed value of property subject to taxation in the overlapping unit.  
(3) Williamson County Clerk's Office and [www.EMMA.MSRB.org](http://www.EMMA.MSRB.org) (excludes principal due on or before April 30,2022.)

**City of Marion, Illinois**  
**Full time Equivalent City Government Employees by Functions/Programs**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Functions/Programs										
General Government										
Mayor and Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Administrator	-	-	-	1.00	1.00	1.00	1.00	NA	NA	NA
Code Enforcement	4.00	3.94	3.00	3.00	3.12	3.38	3.00	NA	NA	NA
Information Technology	3.12	2.64	3.00	3.00	3.00	2.00	2.00	NA	NA	NA
Treasurer's Office	4.84	4.87	5.00	5.00	5.00	5.00	5.00	NA	NA	NA
City Clerk's Office	2.00	1.87	2.42	2.46	2.45	2.39	2.18	NA	NA	NA
Human Resources	1.00	1.00	1.00	-	-	-	-			
Economic Development	1.16	0.85								
Mayor's Chief of Staff	1.00	1.00	1.00	-	-		-	-	-	-
City Attorney	1.00	1.00	1.00	-	-		-	-	-	-
Community Programs	0.38	0.95								
Senior Citizens Center	6.64	7.33	6.94	6.92	7.17	7.10	7.01	NA	NA	NA
Boyton St. Community Center	5.48	3.26	5.10	4.90	3.96	4.31	4.27	NA	NA	NA
Public Health & Safety										
Police Department	60.80	58.23	54.47	50.67	48.35	47.92	45.27	NA	NA	NA
Fire Department	26.00	27.09	26.00	26.00	26.00	25.39	25.16	NA	NA	NA
Emergency Management	1.31	0.25	0.25	0.25	0.50	0.50	0.50	NA	NA	NA
Safety Department	1.00	1.00	1.00	1.00	1.00	1.00	1.00	NA	NA	NA
Animal Control	2.37	2.44	2.65	2.82	2.50	2.45	2.49	NA	NA	NA
Streets, Alleys and Cemeteries										
Street Department	26.05	26.31	22.82	23.18	22.05	22.29	20.54	NA	NA	NA
Cemetery Department	6.95	6.63	6.92	6.90	6.60	6.53	6.59	NA	NA	NA
Cultural and Recreation										
Cultural & Civic Center	8.27	3.39	8.56	6.95	6.76	6.81	6.11	NA	NA	NA
Carnegie Library	13.59	10.80	13.50	14.08	14.23	13.55	12.32	NA	NA	NA
The Pavilion	4.26	3.16	4.46	4.37	4.24	4.24	4.19	NA	NA	NA
Hub Recreational Center	29.93	21.26	39.32	43.33	41.27	39.10	35.62	NA	NA	NA
Public Utilities										
Water-Outside and Plant	12.51	11.00	11.00	10.83	10.00	10.00	10.91	NA	NA	NA
Water Office	5.00	5.54	5.85	6.00	5.87	5.76	4.50	NA	NA	NA
Sewer - Outside and Plant	12.53	11.13	11.74	12.21	12.57	12.72	12.43	NA	NA	NA
	246.19	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**

Fiscal Year	Population	Median Household Income	Per Capita Income	Median Age	K thru 12 School Enrolment	Unemployment Rate
2013	17359	38260	24054	40.80	3828	8.90%
2014	17757	41319	26126	41.20	3749	8.64%
2015	17747	42489	26088	40.80	3804	6.71%
2016	17613	42839	25205	42.90	3886	6.70%
2017	17657	43146	25204	40.10	3835	5.72%
2018	17588	43407	25851	40.30	3819	4.80%
2019	17602	43587	26395	39.20	3820	5.00%
2020	17520	43502	27252	39.30	3794	4.80%
2021	16855	44929	29475	40.00	3723	5.07%
2022	16742	N/A	N/A	N/A	3705	5.07%

N/A - Not available

Data Sources

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