



**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

March 20, 2025

ATLAS CPAs & Advisors LLC

P.O. Box 1728

Marion, Illinois 62959

This representation letter is provided in connection with your audits of the financial statements of the City of Marion, Illinois, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of April 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 20, 2025, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 14, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

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4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

11) We have provided you with:

a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

b) Additional information that you have requested from us for the purpose of the audit.

c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the City and involves:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

### **Government-specific**

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.

21) We have a process to track the status of audit findings and recommendations.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.

27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.

- 30) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by GASBS No. 84.
- 34) The financial statements properly classify all funds and activities in accordance with GAS BS No. 34, as amended.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Special and extraordinary items are appropriately classified and reported.
- 43) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 45) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 46) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

47) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

48) With respect to the non-major funds combining balance sheets and combining statements of revenues, expenditures, and changes in fund balances on which an in-relation-to opinion is issued:

a) We acknowledge our responsibility for presenting the non-major funds combining balance sheets and combining statements of revenues, in accordance with accounting principles generally accepted in the United States of America, and we believe the non-major funds combining balance sheets and combining statements of revenues, expenditures, and changes in fund balance, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the non-major funds combining balance sheets and combining statements of revenues, expenditures and changes in fund balances, have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the non-major funds combining balance sheets and combining statements of revenues, expenditures, and changes in fund balance is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

49) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

s) We have charged costs to federal awards in accordance with applicable cost principles.

t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and passthrough entities, including all management decisions.

u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

w) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signature

A handwritten signature in blue ink, appearing to be "K. CPA", written over a horizontal line.

Title:

The word "Treasurer" handwritten in blue ink, written over a horizontal line.

**City of Marion, Illinois  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended April 30, 2024**

Prepared by Treasurer's Department

Lance Roye, CPA  
Treasurer



**City of Marion, Illinois  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended April 30, 2024**

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## **Introductory Section**

CITY OF MARION, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2024

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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

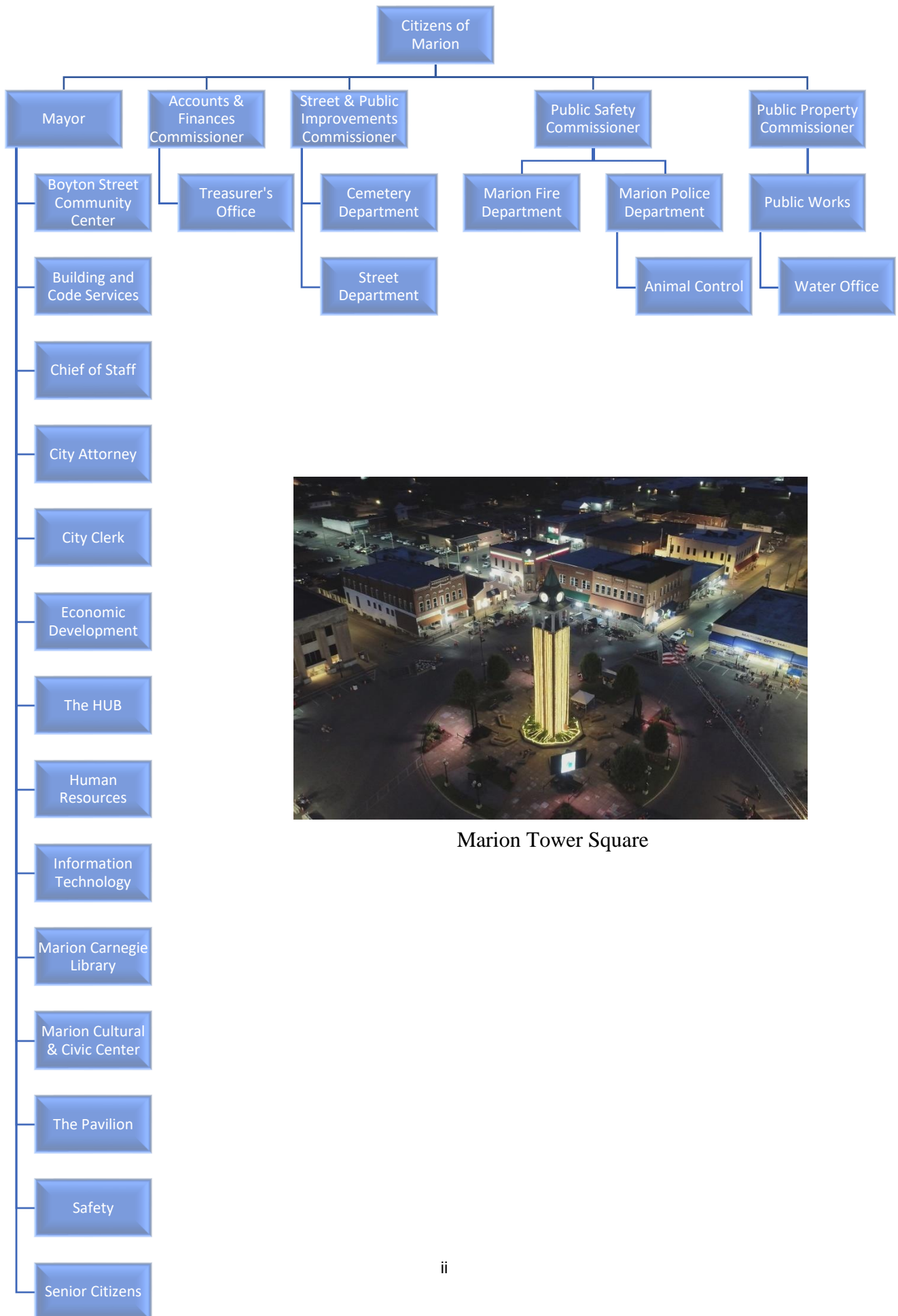
John Barwick, Jr.  
Public Health & Safety Commissioner

ADMINISTRATIVE

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

Lance Royce, 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

March 20, 2025

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

The Comprehensive Annual Financial Report (CAFR) of the City of Marion, Illinois for the fiscal year ended April 30, 2024, 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, 2024, 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, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of various federal and state financial assistance programs, The City of Marion may be required under the Uniform Guidance Audit Requirements, to have an annual audit of certain federal grant programs performed if we meet specified criteria. The City did meet those criteria this year.

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

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

The City of Marion was incorporated on February 24, 1841. The city is located in Williamson County. 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. Marion serves as the home to many of the employees of the region's largest employers which 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 Dillard's, Menard's, Home Depot, Kroger. National chain restaurants are also a large driver of sales tax production in the City including Olive Garden, Texas Roadhouse, Cracker Barrel, Red Lobster, and O'Charley's.

For the Fiscal Year ending in April 2024, the city outperformed the prior year's municipal sales tax by nearly 3.8%. Additionally, the City experienced a 1.59% 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 a Chick-Fil-A, Raising Canes, and Chipotle. Additionally, Oasis Outdoors is expected to break ground on several projects centered around the approved STAR Bond Development and a new multi-sport complex that is expected to drive hundreds of thousands of people annually to Marion. Additional projects in the construction phase are a new restaurant and a new microbrewery.

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. Since 2019 the City's reserve funds have grown by more than \$5M topping \$13M for the first time in the City's history. The council is committed to future reserve growth and debt reduction policies moving forward.

### **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 \$15,000.00.

**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



Lance Roye, CPA  
Treasurer



Cody Moake  
Mayor's Chief of Staff



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, 2024, 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, 2024, 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 84 through 86 and the retirement plans schedules of changes in net pension liability and related ratios, and schedules of contributions on pages 87 through 97, 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 98 through 115, 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.

ATLAS CPAs & Advisors PLLC

Marion, Illinois  
March 20, 2025

# **CITY OF MARION, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**April 30, 2024**

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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.

The 2023 balances in Table Two includes various reclassifications to reflect appropriate reclasses made on matching 2024 balances.

### **Fund Financial Statements**

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

The Governmental Major Fund (see pages 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 83 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 84 through 97 of this report.

### **Infrastructure Assets**

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



**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2024**

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 STATEMENTS**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Position:

**Table 1**  
**Statement of Net Position**  
**As of April 30, 2024**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current and Other Assets	\$ 54,075	\$ 51,152	\$ 8,157	\$ 6,547	\$ 62,231	\$ 57,699
Capital Assets	114,972	107,532	33,189	34,534	148,161	138,484
<b>Total Assets</b>	<b>169,047</b>	<b>158,684</b>	<b>41,346</b>	<b>41,081</b>	<b>210,394</b>	<b>199,765</b>
<b>Deferred Outflows of Resources</b>	<b>19,725</b>	<b>25,077</b>	<b>2,282</b>	<b>2,909</b>	<b>22,007</b>	<b>27,986</b>
Current Liabilities	4,083	4,559	2,205	2,269	6,288	6,828
Noncurrent Liabilities	77,412	77,700	13,281	15,026	90,693	92,726
<b>Total Liabilities</b>	<b>81,495</b>	<b>82,259</b>	<b>15,486</b>	<b>17,295</b>	<b>96,981</b>	<b>99,554</b>
<b>Deferred Inflows of Resources</b>	<b>18,245</b>	<b>20,880</b>	<b>1,806</b>	<b>1,837</b>	<b>20,051</b>	<b>22,717</b>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	92,472	90,907	21,529	27,790	114,001	118,697
Restricted	18,367	18,038	647	935	19,014	18,973
Nonspendable	1	982	-	-	1	982
Assigned	37	-	-	-	37	-
Committed	9,056	-	-	-	9,056	-
Unrestricted (deficit)	(30,901)	(29,306)	4,160	(3,867)	(26,741)	( 33,173)
<b>Total Net Position</b>	<b>\$ 89,032</b>	<b>\$ 80,621</b>	<b>\$ 26,336</b>	<b>\$ 24,858</b>	<b>\$ 115,368</b>	<b>\$ 105,479</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 \$105.48 million to \$115.37 million for a total increase of \$9.88 million in net position. Of this increase, Governmental Activities increased by \$8.41 million and Business-Type Activities increased by \$1.47 million. Within Governmental Activities, Current and Other assets increased by \$2.92 million. Of the \$8.41 million increase, \$4.80 million was an increase in cash and investments. The reason for the increase in cash was cash revenues over cash disbursements in the General Fund (\$9.96 million), and the Tax Increment Financing Fund (\$1.94 million). The City had a net decrease in total receivables of \$2.1 million which was due to a decrease in Property Tax Receivable. This decrease was due to the decrease in property tax in the Tax Increment Financing Fund. Pension and OPEB Deferred Outflows of Resources decreased by \$5.35 million. This will be recognized as an expense in future years. Current Liabilities decreased by \$476 thousand which was due to an accounts payable decrease of \$178 thousand due to construction projects and \$298 thousand decrease in unearned revenue most of which was from grant monies received but not yet spent. Noncurrent Liabilities decreased by \$288 thousand. Main reasons for the decrease were a decrease in the OPEB Liability of \$754 thousand and a decrease in Pension liability of \$1.95 million. The decrease in pension liability is due to good investment performance and other factors. Pension and OPEB Deferred Inflows of Resources decreased by \$2.64 million. In Business Activities, the main reason for the \$1.61 million increase in Current and Other Assets was an increase in cash and investments. The \$658 thousand decrease in Deferred Outflows of Resources and Deferred Inflows of Resources is due to the same reasons as mentioned above under Governmental Activities.

Noncurrent Liabilities decreased by \$1.75 million. The decrease was due to a net decrease in long-term debt of \$1.20 million and a decrease in Net Pension and OPEB Liability of \$555 thousand.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2024**

**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, 2024**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 4,851	\$ 3,945	\$ 10,232	\$ 8,572	\$ 15,083	\$ 12,517
Operating grants and contributions	822	1,840	-	-	822	1,840
Capital grants and contributions	106	2,465	-	1,179	106	3,644
General revenues:						
Property taxes	7,828	6,952	-	-	7,828	6,952
Sales Tax (shared and home rule)	25,863	24,704	-	-	25,863	24,704
Other taxes	9,590	9,438	-	-	9,590	9,438
Other	2,080	1,283	259	126	2,339	1,409
<b>Total Revenues</b>	<b>51,140</b>	<b>50,627</b>	<b>10,491</b>	<b>9,877</b>	<b>61,631</b>	<b>60,504</b>
<b>EXPENSES:</b>						
General government	6,096	4,470	-	-	6,096	4,470
Public health and safety	16,869	16,331	-	-	16,869	16,331
Streets, alleys & cemeteries	5,716	5,659	-	-	5,716	5,659
Culture and recreation	6,839	6,461	-	-	6,839	6,461
Development	6,610	5,786	-	-	6,610	5,786
Interest expense	309	273	-	-	309	273
Unallocated depreciation	456	1,371	-	-	456	1,371
Water	-	-	5,326	4,114	5,326	4,114
Sewer	-	-	3,521	3,600	3,521	3,600
<b>Total Expenses</b>	<b>42,896</b>	<b>40,351</b>	<b>8,847</b>	<b>7,714</b>	<b>51,743</b>	<b>48,605</b>
<b>Excess before Transfers</b>	<b>8,245</b>	<b>10,276</b>	<b>1,644</b>	<b>2,163</b>	<b>9,889</b>	<b>12,439</b>
Transfers	166	(4)	(166)	4	-	-
<b>Change in Net Position</b>	<b>8,411</b>	<b>10,272</b>	<b>1,478</b>	<b>2,167</b>	<b>9,457</b>	<b>12,439</b>
<b>Net Position, May 1</b>	<b>80,621</b>	<b>70,349</b>	<b>24,858</b>	<b>22,691</b>	<b>105,479</b>	<b>93,040</b>
<b>Net Position, April 30</b>	<b>\$ 89,032</b>	<b>\$ 80,621</b>	<b>\$ 26,336</b>	<b>\$ 24,858</b>	<b>\$ 115,368</b>	<b>\$ 105,479</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 49.87% 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 42.75% of total Governmental Activities general revenues. The second largest source of revenue is property taxes at 13% of total Governmental Activities general revenues. Tax Increment Financing (TIF) districts generated \$7.6 million or 97.90% 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 items and transfers remained consistent year over year. Charges for services increased by \$906 thousand due to increased activity in the revenue producing facilities. Net ticket sales for the Marion Cultural and Civic Center increased by \$682 thousand. Capital Grants and Contributions decreased by \$2.27 million. Most of that decrease was from no longer receiving COVID-19 money for capital projects. Property taxes increased by \$876 thousand due to the increase in TIF receipts and a new residential TIF. Investment income increased by \$841 thousand.

#### **Expenses:**

Total expenses increased by \$2.46 million from the prior year. The \$378 thousand increase in Culture and Recreation was due to increased activity. Public Health and Safety increased by \$650 thousand with \$250 thousand of the increase due to GASB 68 pension and OPEB costs. \$255 thousand of the increase was in salary and operating cost and \$131 thousand increase in depreciation expense. Streets and Alleys expenses increased \$58 thousand due to operating, pension and OPEB costs. Development expenses increased by \$832 thousand over the prior year. 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 by \$1.6 million, which was from normal operations.

#### **Expenses:**

Total expenses for Water and Sewer Departments increased over the prior year. The Water Department had an increase of \$1.2 million while the Sewer Department had a decrease of \$78 thousand. There was a \$549 thousand decrease in pensions in both departments due to a decrease in pension and OPEB costs.

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

### **Governmental Funds**

On April 30, 2024, the governmental funds (as presented on the balance sheet on page 17) reported a fund balance of \$43.46 million which is a 12% increase from the beginning of the year (\$38.47 million). Due to the increase in cash during the year as discussed above, the following fund balances increased as follows, Economic Development \$1.66 million, Committed \$485 thousand and Unassigned \$2.89 million. \$13.76 million is in unassigned general fund types indicates availability for continuing City services. The \$9.05 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 \$897 thousand in net increases. Capital Outlay had an increase of \$234 thousand.

**Table 3**  
**Budget Compared to Actual**  
**For the Fiscal Year Ended April 30, 2024**  
**(in thousands)**

<b>General Fund Types</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Expenditures			
General Government	\$5,090	\$5,253	\$5,060
Public Health and Safety	11,331	11,532	11,234
Streets, Alleys & Cemeteries	3,910	3,931	3,899
Cultural and Recreation	1,839	2,118	2,101
Development	1,066	1,066	1,025
Debt Service	476	475	493
Capital Outlay	1,072	1,307	1,533
Total	<u>\$24,784</u>	<u>\$25,682</u>	<u>\$25,345</u>

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2024**

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**Capital Assets**

At the end of Fiscal year 2024, the City's Governmental Funds invested \$114.9 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, 2023</b>	<b>Net Additions/ Deletions</b>	<b>Transfers</b>	<b>Balance April 30, 2024</b>
Non-depreciable Assets				
Land	\$ 29,246	\$ (257)	\$ -	\$ 28,989
Construction in Progress	5,829	4,304	-	10,133
Other Capital Assets				
Infrastructure	75,740	(8,819)	-	66,921
Parking Lot Improvements	614	78	-	692
Buildings	43,881	4,773	-	48,654
Machinery and Equipment	7,385	622	-	8,007
Vehicles	6,736	757	-	7,493
Software	113	59	-	172
Land Improvements	1,758	90	-	1,848
Leased Equipment	92	-	-	92
Less Accumulated Depreciation on Other Capital Assets	(63,863)	(5,834)		(58,029)
<b>Totals</b>	<b>\$ 107,531</b>	<b>\$ 7,441</b>	<b>\$</b>	<b>\$ 114,972</b>

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2024**

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**Debt Outstanding**

The City 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, 2024, the City had total long-term debt and loans payable of \$29.1 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.

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

	<b>Balance April 30, 2023</b>	<b>Net Additions/ Deletions</b>	<b>Balance April 30, 2024</b>
Governmental Activities			
General Obligation Debt	\$ 11,705	\$ (1,980)	\$ 9,725
Other Contractual Liabilities	7,907	4,388	12,295
Governmental Activities Total	19,612	2,408	22,020
Business Activities			
General Obligation Debt	3,417	(709)	2,708
Other Contractual Liabilities	4,868	(497)	4,371
Business Activities Total	8,285	(1,206)	7,079
<b>Total Long-Term Debt</b>	<b>\$ 27,897</b>	<b>\$ 1202</b>	<b>\$ 29,099</b>

The City during the year incurred bank loans \$5.7 million of which \$5 million was for new sports complex, while paying off \$1.9 million in total debt. See Note 7 of Notes to Financial Statements for additional detail.



## **Economic Factors**

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

Unemployment over the fiscal year was a low of 4.1% in May 2023, and a high of 5.1% in January 2024. The 12-month unemployment average for the fiscal year was 4.7%, which is a slight decrease over the previous fiscal year.

Commercial building permits increased both in number and in total investment with 32 permits issued, totaling \$30,462,289 while the previous year was 17 permits totaling \$15,196,859. 65 new residential permits were issued, which was much higher than the previous year, those permits totaled \$8,514,622 in new residential investment. A total of 97 building permits were issued in the fiscal year which includes homes, apartments, additions, and commercial buildings which is only down two permits from the previous year whereas, the total dollars invested in these buildings was \$ 38,976,911 compared to the previous year total of \$29,134,929; a 33% increase over the previous year.

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

Most notable commercial project in this fiscal year were Olive Garden, Smoothie King, Oasis Homes, and expansions across the Oasis family of businesses.

The City continues to be optimistic about economic activity, not only by ongoing interest in new commercial sites, but also by current business expansions.

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.

## **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 Lance Royce, City Treasurer, City of Marion, 350 Tower Square Plaza, Marion, IL 62959.

## **Financial Section**

**City of Marion, Illinois**  
**Statement of Net Position**  
**April 30, 2024**

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,878,205	2,024,935	\$ 11,903,140
Restricted cash	317,129	1,871,159	2,188,288
Investments	26,782,237	3,123,788	29,906,025
Restricted investments	1,763,098	-	1,763,098
Receivables, net			
Accounts receivable	379,420	610,663	990,083
Property taxes	5,964,251	-	5,964,251
Sales taxes	6,404,515	-	6,404,515
Other taxes	583,153	-	583,153
Accrued interest	28,852	-	28,852
Grant receivable	50,915	-	50,915
Loans receivable	645,848	-	645,848
Intergovernmental receivable	615,182	-	615,182
Due from other funds	38,623	-	38,623
Inventories	-	409,589	409,589
Prepaid items	610,107	116,601	726,708
Capital assets, non-depreciable	39,122,274	3,409,371	42,531,645
Capital assets, net of accumulated depreciation	75,850,073	29,779,630	105,629,703
<b>Total Assets</b>	<b>169,033,882</b>	<b>41,345,736</b>	<b>210,379,618</b>
<b>Deferred Outflow of Resources</b>			
Deferred outflows, pensions	11,856,825	1,148,828	13,005,653
Deferred outflows, other postemployment	7,868,470	1,132,926	9,001,396
<b>Total Deferred Outflow of Resources</b>	<b>19,725,295</b>	<b>2,281,754</b>	<b>22,007,049</b>
<b>Liabilities</b>			
Accounts payable	1,757,807	1,290,116	3,047,923
Property taxes payable	16,651	-	16,651
Accrued payroll	403,916	45,921	449,837
Accrued payroll related expenses	39,580	-	39,580
Accrued interest payable	390	34,889	35,279
Due to other funds	-	38,624	38,624
Customer deposits	-	795,929	795,929
Damage deposits	112,300	-	112,300
Unearned revenue	1,738,862	-	1,738,862
Noncurrent liabilities:			
Due within one year	8,847,106	712,828	9,559,934
Due in more than one year	13,758,880	6,459,423	20,218,303
Net pension liability	19,425,628	398,451	19,824,079
Net OPEB liability	35,380,695	5,709,880	41,090,575
<b>Total Liabilities</b>	<b>81,481,815</b>	<b>15,486,061</b>	<b>96,967,876</b>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue, property taxes	5,964,251	-	5,964,251
Deferred inflows, pensions	5,538,770	674,188	6,212,958
Deferred inflows, other postemployment	6,741,893	1,131,693	7,873,586
<b>Total Deferred Inflows of Resources</b>	<b>18,244,914</b>	<b>1,805,881</b>	<b>20,050,795</b>
<b>Net Position</b>			
Net investment in capital assets	92,472,096	21,528,421	114,000,517
Restricted for:			
Donor restricted expenditures	350,319	-	350,319
Public safety expenditures	1,063,444	-	1,063,444
Capital projects	7,058,491	-	7,058,491
Debt service	899,935	646,737	1,546,672
Cemetery	17,210	-	17,210
Maintenance of roadways	1,984,234	-	1,984,234
Tourism and recreation	316,182	-	316,182
Economic development	6,677,769	-	6,677,769
Nonspendable	1,000	-	1,000
Committed	9,055,866	-	9,055,866
Assigned	37,091	-	37,091
Unrestricted (deficit)	(30,901,189)	4,160,390	(26,740,799)
<b>Total Net Position</b>	<b>\$ 89,032,448</b>	<b>\$ 26,335,548</b>	<b>\$ 115,367,996</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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 6,096,271	844,152	\$ 634,123	\$ -	\$ (4,617,996)	\$ -	\$ (4,617,996)
Public health and safety	16,868,686	604,191	112,788	72,700	(16,079,007)	-	(16,079,007)
Streets, alleys, and cemeteries	5,716,391	69,225	-	13,761	(5,633,405)	-	(5,633,405)
Culture and recreation	6,839,252	3,333,301	75,137	19,925	(3,410,889)	-	(3,410,889)
Economic development	6,609,962	-	-	-	(6,609,962)	-	(6,609,962)
Interest expense	309,484	-	-	-	(309,484)	-	(309,484)
Unallocated depreciation expense	455,636	-	-	-	(455,636)	-	(455,636)
<b>Total Governmental Activities</b>	<b>42,895,682</b>	<b>4,850,869</b>	<b>822,048</b>	<b>106,386</b>	<b>(37,116,379)</b>	<b>-</b>	<b>(37,116,379)</b>
<b>Business-Type Activities</b>							
Water	5,325,759	4,585,488	-	-	-	(740,271)	(740,271)
Sewer	3,521,274	5,646,806	-	-	-	2,125,532	2,125,532
<b>Total Business-Type Activities</b>	<b>8,847,033</b>	<b>10,232,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,385,261</b>	<b>1,385,261</b>
<b>Total Primary Government</b>	<b>\$ 51,742,715</b>	<b>\$ 15,083,163</b>	<b>\$ 822,048</b>	<b>\$ 106,386</b>	<b>(37,116,379)</b>	<b>1,385,261</b>	<b>(35,731,118)</b>
<b>General Revenues</b>							
Taxes							
Property taxes					7,827,898	-	7,827,898
Sales taxes					25,862,975	-	25,862,975
Other taxes and franchise fees					4,943,780	-	4,943,780
Intergovernmental					4,646,608	-	4,646,608
Investment income					1,770,750	243,721	2,014,471
Miscellaneous					308,848	15,228	324,076
Transfers					166,460	(166,460)	-
<b>Total General Revenues and Transfers</b>					<b>45,527,319</b>	<b>92,489</b>	<b>45,619,808</b>
<b>Change in Net Position</b>					<b>8,410,940</b>	<b>1,477,750</b>	<b>9,888,690</b>
<b>Net Position - Beginning of Year</b>					<b>80,621,508</b>	<b>24,857,798</b>	<b>105,479,306</b>
<b>Net Position - End of Year</b>					<b>\$ 89,032,448</b>	<b>\$ 26,335,548</b>	<b>\$ 115,367,996</b>

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

**City of Marion, Illinois**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2024**

	General	TIF Development	Capital Projects	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 2,736,114	\$ 2,129,050	\$ 1,766,000	\$ 1,169,963	\$ 1,512,053	\$ 9,313,180
Restricted cash	71,590	-	-	-	245,539	317,129
Investments	13,531,534	4,454,159	8,762,840	-	33,704	26,782,237
Restricted investments	1,416,219	-	-	-	346,879	1,763,098
Accounts receivable	-	-	-	-	379,420	379,420
Property taxes receivable	100	5,797,711	-	-	166,440	5,964,251
Sales taxes receivable	5,518,158	-	-	-	899,368	6,417,526
Other taxes receivable	408,118	-	-	-	175,035	583,153
Accrued interest receivable	28,852	-	-	-	-	28,852
Grant receivable	-	-	7,457	-	43,458	50,915
Loan receivable	228,586	417,262	-	-	-	645,848
Intergovernmental receivable	615,182	-	-	-	-	615,182
Due from (to) other funds, net	325,479	-	(296,879)	-	30,041	58,641
Prepaid items	524,369	-	-	-	85,738	610,107
<b>Total Assets</b>	<b>25,404,301</b>	<b>12,798,182</b>	<b>10,239,418</b>	<b>1,169,963</b>	<b>3,917,675</b>	<b>53,529,539</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	381,704	218,748	1,054,911	-	122,462	1,777,825
Accrued payroll	351,938	-	16,651	-	51,978	420,567
Accrued payroll related expenses	39,580	-	-	-	-	39,580
Damage deposits	112,300	-	-	-	-	112,300
Unearned revenue	-	-	1,709,219	-	29,643	1,738,862
<b>Total Liabilities</b>	<b>885,522</b>	<b>218,748</b>	<b>2,780,781</b>	<b>-</b>	<b>204,083</b>	<b>4,089,134</b>
<b>Deferred Inflow of Resources</b>						
Unavailable revenue, property taxes	100	5,797,711	-	-	166,440	5,964,251
<b>Fund Balances</b>						
Nonspendable	524,369	417,262	-	-	1,000	942,631
Restricted for:						
Donor restricted expenditures	13,350	-	-	-	336,969	350,319
Public safety	27,278	-	-	-	1,036,166	1,063,444
Capital projects	-	-	7,058,491	-	-	7,058,491
Debt service	-	-	-	929,117	-	929,117
Cemetery	-	-	-	-	17,210	17,210
Maintenance of roadways	-	-	-	-	1,984,234	1,984,234
Tourism and recreation	-	-	-	-	316,182	316,182
Economic development	1,577,370	6,364,461	-	-	-	7,941,831
Committed	9,055,866	-	-	-	-	9,055,866
Assigned	37,091	-	-	-	-	37,091
Unassigned (Deficit)	13,283,355	-	400,146	240,846	(144,609)	13,779,738
<b>Total Fund Balances</b>	<b>24,518,679</b>	<b>6,781,723</b>	<b>7,458,637</b>	<b>1,169,963</b>	<b>3,547,152</b>	<b>43,476,154</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 25,404,301</b>	<b>\$ 12,798,182</b>	<b>\$ 10,239,418</b>	<b>\$ 1,169,963</b>	<b>\$ 3,917,675</b>	<b>\$ 53,529,539</b>

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, 2024**

<b>Total Fund Balances of Governmental Funds</b>	<b>\$ 43,476,154</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the balance sheet of the governmental funds.	114,972,347
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.	(390)
The assets and liabilities of the health reimbursement fund are not included in the fund financial statements, but are included in the governmental activities Statement of Net Position.	565,025
Compensated absences are not due and payable in the current period and therefore, is not reported in the governmental funds.	(443,496)
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.	(22,175,501)
Deferred inflows and outflows of resources related to pensions and OPEB are not reported in governmental funds.	7,444,632
Net Pension Liability and Net OPEB obligation are not reported in the governmental funds.	<u>(54,806,323)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 89,032,448</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, 2024**

	General	TIF Development	Capital Projects	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 57	\$ 7,663,087	\$ -	\$ -	\$ 164,754	\$ 7,827,898
Sales tax	23,159,798	-	-	-	2,703,177	25,862,975
Other taxes and franchise fees	3,778,911	-	-	-	1,164,869	4,943,780
Licenses and permits	480,121	-	-	-	-	480,121
Intergovernmental revenue	3,497,776	-	-	-	1,148,832	4,646,608
Service charges and fees	2,384,187	-	11,251	-	1,823,101	4,218,539
Grant revenue	820,111	-	-	-	108,323	928,434
Investment income	859,983	284,518	500,756	35,615	74,849	1,755,721
Miscellaneous revenue	294,014	-	615	-	18,219	312,848
Restricted donations	34,825	-	-	-	5,386	40,211
<b>Total Revenues</b>	<b>35,309,783</b>	<b>7,947,605</b>	<b>512,622</b>	<b>35,615</b>	<b>7,211,510</b>	<b>51,017,135</b>
<b>Expenditures</b>						
General government	5,060,435	-	-	-	-	5,060,435
Public health and safety	11,234,040	-	-	-	2,560,288	13,794,328
Streets, alleys and cemeteries	3,899,442	92,331	-	-	1,358,281	5,350,054
Culture and recreation	2,100,863	-	-	-	3,614,418	5,715,281
Economic development	1,025,029	5,210,591	326,935	-	34,398	6,596,953
Debt Service:						
Principal	462,058	708,182	182,201	1,948,425	14,810	3,315,676
Interest	30,898	-	103,947	205,107	1,460	341,412
Capital outlay	1,533,195	-	7,999,332	-	1,858,858	11,391,385
<b>Total Expenditures</b>	<b>25,345,960</b>	<b>6,011,104</b>	<b>8,612,415</b>	<b>2,153,532</b>	<b>9,442,513</b>	<b>51,565,524</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>9,963,823</b>	<b>1,936,501</b>	<b>(8,099,793)</b>	<b>(2,117,917)</b>	<b>(2,231,003)</b>	<b>(548,389)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	(7,911,934)	(255,177)	3,338,417	2,358,763	2,086,394	(383,537)
General long-term debt issued	572,042	-	5,148,512	-	-	5,720,554
Proceeds from sale of capital assets	215,442	-	-	-	-	215,442
<b>Total Other Financing Sources (Uses)</b>	<b>(7,124,450)</b>	<b>(255,177)</b>	<b>8,486,929</b>	<b>2,358,763</b>	<b>2,086,394</b>	<b>5,552,459</b>
<b>Net Change in Fund Balances</b>	<b>2,839,373</b>	<b>1,681,324</b>	<b>387,136</b>	<b>240,846</b>	<b>(144,609)</b>	<b>5,004,070</b>
<b>Fund Balances - Beginning of Year</b>	<b>21,679,306</b>	<b>5,100,399</b>	<b>7,071,500</b>	<b>929,117</b>	<b>3,691,761</b>	<b>38,472,085</b>
<b>Fund Balances - End of Year</b>	<b>\$ 24,518,679</b>	<b>\$ 6,781,723</b>	<b>\$ 7,445,626</b>	<b>\$ 1,169,963</b>	<b>\$ 3,547,152</b>	<b>\$ 43,463,143</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, 2024**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 5,004,070
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities.		
Depreciation expense	(3,768,269)	
Capital asset purchases, capitalized	<u>11,391,385</u>	7,623,116
The effect of various transactions involving capital assets (sales, trade-ins, and contributions) is to increase (decrease) net assets.		
		(215,441)
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.		
		(6,696)
Deferred inflows and outflows of resources related to pensions and OPEB are not reported in governmental funds.		
OPEB liability	(1,919,224)	
Net pension liability	<u>(232,105)</u>	(2,151,329)
The issuance of long-term debt (bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of long-term debt	3,280,821	
Amortization of bond premium	31,928	
Issuance of long-term debt	<u>(5,720,554)</u>	(2,407,805)
The Health Reimbursement fund is used by management to charge the costs of health insurance reimbursements to individual funds. The net revenue is reported with the governmental activities.		
		<u>565,025</u>
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 8,410,940</u></u>

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



**City of Marion, Illinois**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2024**

	Enterprise Funds			Governmental Activities
	Water Department	Sewer Department	Total Business- Type Activities	Internal Service Health Reimbursement Fund
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 1,401,127	\$ 623,808	\$ 2,024,935	\$ 565,025
Restricted cash	857,203	1,013,956	1,871,159	-
Investments	2,744,946	378,842	3,123,788	-
Accounts receivable	296,296	314,367	610,663	-
Inventory	302,134	107,455	409,589	-
Prepaid items	52,434	64,167	116,601	-
<b>Total Current Assets</b>	<b>5,654,140</b>	<b>2,502,595</b>	<b>8,156,735</b>	<b>565,025</b>
<b>Non-Current Assets:</b>				
Capital assets, non-depreciable	1,027,298	2,382,073	3,409,371	-
Capital assets, net of accumulated depreciation	14,696,284	15,083,346	29,779,630	-
<b>Total Non-Current Assets</b>	<b>15,723,582</b>	<b>17,465,419</b>	<b>33,189,001</b>	<b>-</b>
<b>Total Assets</b>	<b>21,377,722</b>	<b>19,968,014</b>	<b>41,345,736</b>	<b>565,025</b>
<b>Deferred Outflow of Resources</b>				
Deferred outflows, pensions	549,520	599,308	1,148,828	-
Deferred outflows, other postemployment	479,050	653,876	1,132,926	-
<b>Total Deferred Outflow of Resources</b>	<b>1,028,570</b>	<b>1,253,184</b>	<b>2,281,754</b>	<b>-</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	343,710	946,406	1,290,116	-
Accrued payroll	21,351	24,570	45,921	-
Accrued interest payable	12,302	22,587	34,889	-
Due to other funds	5,015	33,609	38,624	-
Compensated absences	41,556	50,772	92,328	-
Customer deposits	795,929	-	795,929	-
Bonds payable	240,499	-	240,499	-
Notes payable	195,622	309,347	504,969	-
<b>Total Current Liabilities</b>	<b>1,655,984</b>	<b>1,387,291</b>	<b>3,043,275</b>	<b>-</b>
<b>Non-Current Liabilities:</b>				
Bonds payable	1,815,464	652,000	2,467,464	-
Notes payable	1,720,667	2,145,418	3,866,085	-
Capital lease payable	906	-	906	-
Net pension liability	174,795	223,656	398,451	-
Net OPEB liability	2,305,876	3,404,004	5,709,880	-
<b>Total Non-Current Liabilities</b>	<b>6,017,708</b>	<b>6,425,078</b>	<b>12,442,786</b>	<b>-</b>
<b>Total Liabilities</b>	<b>7,673,692</b>	<b>7,812,369</b>	<b>15,486,061</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows, pensions	309,832	364,356	674,188	-
Deferred inflows, other post employment	423,073	708,620	1,131,693	-
<b>Total Deferred Inflow of Resources</b>	<b>732,905</b>	<b>1,072,976</b>	<b>1,805,881</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	11,636,379	9,892,042	21,528,421	-
Restricted for:				
Debt service	317,339	329,398	646,737	-
Unrestricted	2,045,977	2,114,413	4,160,390	565,025
<b>Total Net Position</b>	<b>\$ 13,999,695</b>	<b>\$ 12,335,853</b>	<b>\$ 26,335,548</b>	<b>\$ 565,025</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, 2024**

	<b>Enterprise Funds</b>			<b>Governmental Activities Internal Service</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Total Business- Type Activities</b>	<b>Health Reimbursement Fund</b>
<b>Operating Revenues</b>				
Service charges and fees	\$ 4,585,488	\$ 4,297,946	\$ 8,883,434	\$ -
Miscellaneous	7,137	8,091	15,228	-
<b>Total Operating Revenues</b>	<b>4,592,625</b>	<b>4,306,037</b>	<b>8,898,662</b>	<b>-</b>
<b>Operating Expenses</b>				
Personnel services	980,368	1,071,190	2,051,558	-
Contractual services	82,659	73,550	156,209	-
Utilities	127,090	486,794	613,884	-
Repairs and maintenance	175,290	519,852	695,142	-
Other supplies and expenses	124,480	397,873	522,353	-
Insurance claims and expenses	239,467	441,000	680,467	-
Water purchases	1,575,355	-	1,575,355	-
Depreciation	494,233	730,338	1,224,571	-
Sale Closing Costs	97,463	-	97,463	-
<b>Total Operating Expenses</b>	<b>3,896,405</b>	<b>3,720,597</b>	<b>7,617,002</b>	<b>-</b>
<b>Operating Income</b>	<b>696,220</b>	<b>585,440</b>	<b>1,281,660</b>	<b>-</b>
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	173,342	70,379	243,721	15,029
General Long-Term Debt Issued	-	1,348,860	1,348,860	-
Bad Debt	(3,239)	(3,240)	(6,479)	-
Bond premium amortization	5,382	28,195	33,577	-
Interest expense	(84,374)	(63,699)	(148,073)	-
Capital Outlay	-	(1,800)	(1,800)	-
Sale of capital assets	(1,107,257)	-	(1,107,257)	-
<b>Total Non-Operating Revenues</b>	<b>(1,016,431)</b>	<b>1,378,980</b>	<b>362,549</b>	<b>15,029</b>
<b>Income Before Transfers</b>	<b>(319,926)</b>	<b>1,964,135</b>	<b>1,644,209</b>	<b>15,029</b>
Transfers in (out)	(83,230)	(83,229)	(166,459)	549,996
<b>Change in Net Position</b>	<b>(403,156)</b>	<b>1,880,906</b>	<b>1,477,750</b>	<b>565,025</b>
<b>Net Position - Beginning of Year</b>	<b>14,402,851</b>	<b>10,454,947</b>	<b>24,857,798</b>	<b>-</b>
<b>Net Position - End of Year</b>	<b>\$ 13,999,695</b>	<b>\$ 12,335,853</b>	<b>\$ 26,335,548</b>	<b>\$ 565,025</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, 2024**

	Enterprise Funds			Governmental Activities
	Water Department	Sewer Department	Total Business- Type Activities	Internal Service Health Reimbursement Fund
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 4,799,386	\$ 4,345,405	\$ 9,144,791	\$ -
Payments to employees	(862,688)	(900,118)	(1,762,806)	-
Payments to suppliers of goods and services	(3,116,783)	(1,567,374)	(4,684,157)	-
<b>Net Cash Provided by Operating Activities</b>	<b>819,915</b>	<b>1,877,913</b>	<b>2,697,828</b>	<b>-</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Net operating transfers	(79,519)	(86,332)	(165,851)	549,996
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(79,519)</b>	<b>(86,332)</b>	<b>(165,851)</b>	<b>549,996</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	6,496,018	-	6,496,018	-
Interest paid on capital debt	(77,109)	(66,063)	(143,172)	-
Bond issue costs	(3,239)	(3,240)	(6,479)	-
Purchase of capital assets	(4,053,414)	(2,322,332)	(6,375,746)	-
Bond premium amortization	5,382	28,195	33,577	-
Proceeds from sale of capital assets	(1,107,257)	-	(1,107,257)	-
General long-term debt issued	-	1,348,860	1,348,860	-
Proceeds from long-term debt	(426,946)	(775,139)	(1,202,085)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>833,435</b>	<b>(1,789,719)</b>	<b>(956,284)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>				
Interest on investments	173,342	70,379	243,721	15,029
Change in Investment	(2,182,757)	(120,122)	(2,302,879)	-
<b>Net Cash (Used) by Investing Activities</b>	<b>(2,009,415)</b>	<b>(49,743)</b>	<b>(2,059,158)</b>	<b>15,029</b>
Decrease in Cash and Cash Equivalents	(435,584)	(47,881)	(483,465)	565,025
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,693,914</b>	<b>1,685,645</b>	<b>4,379,559</b>	<b>-</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,258,330</b>	<b>\$ 1,637,764</b>	<b>\$ 3,896,094</b>	<b>\$ 565,025</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 696,220	\$ 585,440	\$ 1,281,660	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	494,233	730,339	1,224,572	-
(Increase) decrease in accounts receivable	206,761	39,368	246,129	-
(Increase) decrease in inventories	(24,545)	(834)	(25,379)	-
(Increase) decrease in prepaid items	(9,059)	(2,021)	(11,080)	-
(Increase) decrease in deferred outflows	292,419	334,619	627,038	-
Increase (decrease) in accounts payable	(618,068)	465,236	(152,832)	-
Increase (decrease) in accrued payroll	9,632	12,959	22,591	-
Increase (decrease) in customer deposits	68,142	-	68,142	-
Increase (decrease) in capital lease payable	-	(2,581)	(2,581)	-
Increase (decrease) in net pension liability	(160,157)	(154,495)	(314,652)	-
Increase (decrease) in net OPEB liability	(113,335)	(121,373)	(234,708)	-
Increase (decrease) in deferred inflows	(22,328)	(8,744)	(31,072)	-
Total Adjustments	123,695	1,292,473	1,416,168	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 819,915</b>	<b>\$ 1,877,913</b>	<b>\$ 2,697,828</b>	<b>\$ -</b>

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, 2024**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 772,092
Investments -	
Consolidated Pooled Investments	<u>35,276,807</u>
<b>Total Assets</b>	<u>36,048,899</u>
 <b>Net Position</b>	
Held in trust for pension benefits	<u><u>\$ 36,048,899</u></u>

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, 2024**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions	
Employer	\$ 2,477,494
Plan members	474,379
	<hr/>
Total Contributions	2,951,873
	<hr/>
Investment Income	
Net appreciation in fair value of investments	2,767,783
Interest and dividends	467,670
Investment expense	(8,367)
	<hr/>
Net Investment Income	3,227,086
	<hr/>
<b>Total Additions</b>	6,178,959
	<hr/>
<b>Deductions</b>	
Benefits paid	2,300,677
Refunds of contributions	40,201
Administrative expense	80,514
	<hr/>
<b>Total Deductions</b>	2,421,392
	<hr/>
<b>Change in Net Position</b>	3,757,567
	<hr/>
<b>Net Position, Beginning</b>	32,291,332
	<hr/>
<b>Net Position, Ending</b>	\$ 36,048,899
	<hr/> <hr/>

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**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, 2024**

**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, 2024**

**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, 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, 2024**

**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, 2024**

**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, 2024**

**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 various fines, fees, and other revenue. 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 the federal government for COVID-19 Coronavirus Relief Funding.
Internal Service Fund	Accounts for reimbursements to City employees and certain retirees to cover medical claims and deductibles over \$500.
Star Bonds Fund	Accounts for revenues and expenditures of the City's Star Bonds.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**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, 2024**

**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 \$3,896,094 at April 30, 2024.

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.

Investments held by the fiduciary funds are managed as a single consolidated portfolio and entities that transferred assets to the portfolio are considered Participant Members. Each Participant Member owns a percentage of the overall pool, and their allocated fund is based on the initial in-kind asset transfer and additional cash contributions and withdrawals submitted to the fund. Percentage ownerships for all Participant Member Funds are recalculated each time a contribution or withdrawal is received and invested (or redeemed) from the consolidated portfolio. Income and expense activity for each month is earned at the consolidated portfolio level and is then allocated to each member fund based on the weighted average of the percentage ownership during the month. Participant Member Funds do not own the underlying assets in the consolidated portfolios, but instead own a percentage of the overall Net Asset Value (NAV) of the consolidated fund.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

**I. Due To and Due From Other Funds**

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

**J. Restricted Assets**

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

**K. Capital Assets**

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

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

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical or estimated historical cost, including all ancillary charges necessary to place the asset in its intended location and condition for use. Infrastructure projects with a cost of \$100,000 or more are also reported at historical cost. Donated capital assets requires measurement at acquisition value (an entry price). Additions, improvements and other capital outlays that exceed \$15,000 for building improvements, \$10,000 for land improvements, \$50,000 for water and sewer line improvements, and \$10,000 for software, and which significantly extend the useful life of an asset are capitalized. Depreciation on all assets is calculated using the straight-line method. The estimated useful lives of assets are based on local government suggested basis, past experience, or other reliable sources. Useful lives typically will not exceed fifty (50) years.

The following estimated useful lives are used for depreciation purposes:

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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

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

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

**L. Compensated absences**

For the City as a whole, benefit pay is accrued for benefits earned but not taken at April 30, 2024. 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, 2024, the liability for sick leave is \$2,496,330.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

**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."
- 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.
- e) Unassigned fund balances are the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

**O. Operating Revenues and Expenses**

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

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

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

**R. Leases**

Effective May 1, 2022, the City implemented GASB No. 87, Leases. As the lessee, the City determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as short-term leases. Lease agreements that transfer ownership of the underlying asset to the City at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the City's right to use an underlying asset during the lease term and the lease liability represents the City's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate present value of unpaid lease payments over the lease term. The City uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the City applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments.

**S. Subscription-Based Information Technology Arrangements**

Effective for reporting periods beginning after June 15, 2022, the City implemented GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA). The City determines whether a contract conveys control of the right to use another party's (SBITA vendor's) IT software, infrastructure, or data warehouse, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The SBITA liability is the present value of the annual payments using the County's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

The City did not have any SBITA's applicable to the implementation of the new standard during the year ended April, 2024. Therefore, GASB No. 96 does not affect the financial statement presentation and disclosure.

**T. Coronavirus Disease (COVID-19)**

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, 2024**

**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).

**A. Deposits**

	Primary Government			Statement of	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Net Position	Total
Cash and Cash Equivalents	\$ 9,878,205	\$ 2,024,935	\$ 11,903,140	\$ 772,092	\$ 12,675,232
Restricted Cash	317,129	1,871,159	2,188,288	-	2,188,288
Investments	26,782,237	3,123,788	29,906,025	35,276,807	65,182,832
Restricted Investments	1,763,098	-	1,763,098	-	1,763,098
Total Cash and Investments	<u>\$ 38,740,669</u>	<u>\$ 7,019,882</u>	<u>\$ 45,760,551</u>	<u>\$ 36,048,899</u>	<u>\$ 81,809,450</u>

**Custodial Credit Risk Related to Deposits with Financial Institutions**

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

At April 30, 2024, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$14,848,925 (excludes \$14,598 in cash on hand held at the City). The bank balance was \$43,238,132. As of April 30, 2024, 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, 2024, the depository banks used by the City had pledged \$4,788,750 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

The City also had a \$19,000,000 irrevocable letter of credit issued by the Federal Home Loan Bank to cover deposits held by First Southern Bank.

**B. Investments**

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

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

**Firefighters' Pension Fund**

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at [www.ifpif.org](http://www.ifpif.org).

IFPIF 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 the Illinois Firefighters' Pension Investment Fund are valued at Illinois Fund's share price, the price for which the investments could be sold. IFPIF acts as the investment custodian under the Treasury and Security Division.

The Firefighters' Pension Fund's investment policy, in accordance with Illinois Statutes, establishes a target allocation across asset classes. The target allocation table is available at [www.ifpif.org](http://www.ifpif.org).

*Investment Policy:* IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

*Investments:* At year end, the Fund's allocated value of investments with the Illinois Firefighters' Pension Investment Fund were \$15,984,665 measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org).

**Police Pension Fund**

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police officer pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police officer pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at [www.ipopif.org](http://www.ipopif.org).

IPOPIF 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 the Illinois Police Officers' Pension Investment Fund are valued at Illinois Fund's share price, the price for which the investments could be sold. IPOPIF acts as the investment custodian under the Treasury and Security Division.

The Police Officers' Pension Fund's investment policy, in accordance with Illinois Statutes, establishes a target allocation across asset classes. The target allocation table is available at [www.ipopif.org](http://www.ipopif.org).

*Investment Policy:* IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021, revised April 14, 2023. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

*Investments:* At year end, the Fund's allocated value of investments with the Illinois Police Officers' Pension Investment Fund were \$19,292,142 measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ipopif.org](http://www.ipopif.org).

The only assets not transferred were the two Insurance contracts held with Edwards Jones. The two contracts mature on November 17, 2023 and December 9, 2023 respectively.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

As of April 30, 2024, the City, 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	
Common & Preferred Stocks	\$ 133,469	\$ 133,469	\$ -	\$ -	\$ -	N/A
Municipal Bonds	1,700,000	-	-	285,000	1,415,000	AA3 – A2
Illinois Funds Money Market	28,231,793	28,231,793	-	-	-	N/A
IMET	1,603,861	1,603,861	-	-	-	N/A
Total	<u>\$31,669,123</u>	<u>\$29,969,123</u>	<u>-</u>	<u>\$ 285,000</u>	<u>\$ 1,415,000</u>	

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

**Interest rate risk**

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

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

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, 2024.

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	Economic Incentive	Boyton Street Community Center	Marion Carnegie Library	Special Revenue Police	Permanent Fund	Total
Cash	\$ 71,107	\$ -	-	\$ 483	\$ 3,366	\$242,173	\$ -	\$ 317,129
Investments	-	10,892	1,405,327	-	344,748	-	2,131	1,763,098
Total	<u>\$ 71,192</u>	<u>\$ 10,892</u>	<u>1,405,327</u>	<u>\$ 483</u>	<u>\$348,114</u>	<u>\$242,173</u>	<u>\$ 2,131</u>	<u>\$2,080,227</u>

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



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

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

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

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

Restricted assets of the Economic Incentive Fund are restricted for developer payments.

Restricted assets of the Housing Rehab Fund are restricted for grant expenditures.

Restricted assets of the Special Revenues Police fund represent various cash accounts, which are restricted by state statutes or other restrictions.

Enterprise Fund

	<u>Water Department</u>	<u>Sewer Department</u>
Cash	\$ <u>857,203</u>	\$ <u>1,013,956</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 2023 assessed valuation for property taxes collected in fiscal year 2024 in the City of Marion was \$428,409,858 and in the Tax Increment Funds were \$77,163,381. The tax levy for 2023 which represents the property taxes collected in fiscal year 2024 was 0.00002 per \$100 assessed valuation.



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**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%	\$ 94,519	\$ -	\$ 94,519
Economic Development Loans		<u>134,067</u>	<u>417,262</u>	<u>551,329</u>
Total		<u>\$ 228,586</u>	<u>\$ 417,262</u>	<u>\$ 645,848</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**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	Ending Balance
Capital assets not being depreciated:				
Land	\$ 29,246,642	\$ 25,395	\$ (282,697)	\$ 28,989,340
Construction in Progress	5,828,821	9,510,040	(5,205,927)	10,132,934
Total capital assets not being depreciated	<u>35,075,463</u>	<u>9,535,435</u>	<u>(5,488,624)</u>	<u>39,122,274</u>
Capital assets being depreciated:				
Land improvements	1,758,478	89,666	-	1,848,144
Parking lot improvements	613,694	78,081	-	691,755
Office equipment	527,406	-	(22,032)	505,374
Fixed mechanical equipment	3,209,439	445,517	(186,002)	3,468,954
Major moveable equipment	3,649,371	472,921	(87,959)	4,034,335
Vehicles	6,735,871	957,279	(200,133)	7,493,017
Railroad improvements	610,953	-	-	610,953
Mall infrastructure	19,157,897	-	(8,820,000)	10,337,897
Buildings	43,881,035	5,242,021	(469,066)	48,653,990
Streets	42,008,204	-	-	42,008,204
Bridges	946,386	-	-	946,386
Storm sewers	3,869,951	-	-	3,869,951
Sidewalks	2,952,284	-	-	3,952,284
Flood control projects	5,050,469	-	-	5,050,469
Street lights	716,590	-	-	716,590
Traffic lights	425,797	-	-	425,797
Software	113,442	70,100	(10,929)	172,613
Leased Equipment	92,000	-	-	92,000
Total capital assets being depreciated	<u>136,319,268</u>	<u>7,355,585</u>	<u>(9,796,121)</u>	<u>133,878,731</u>
Less accumulated depreciation for:				
Land improvements	302,690	96,276	-	398,966
Parking lot improvements	286,366	37,351	-	323,717
Office equipment	427,568	24,178	(22,032)	429,714
Fixed mechanical equipment	1,339,171	192,967	(178,172)	1,353,966
Major moveable equipment	2,310,639	338,370	(86,798)	2,562,405
Vehicles	4,131,018	586,536	(145,546)	4,752,005
Railroad improvements	505,307	15,275	-	520,583
Mall infrastructure	19,157,897	-	(8,820,000)	10,337,897
Buildings	13,856,608	1,117,944	(339,090)	14,635,462
Streets	16,168,693	938,345	-	17,107,038
Bridges	595,535	23,659	-	619,194
Storm sewers	1,295,021	98,470	-	1,393,491
Sidewalks	710,255	98,360	-	808,615
Flood control projects	2,316,333	101,009	-	2,417,342
Street lights	277,413	35,830	-	313,243
Traffic lights	36,655	21,290	-	57,945
Software	111,332	7,953	(10,929)	108,356
Leased Equipment	34,457	34,457	-	68,914
Total accumulated depreciation	<u>63,862,958</u>	<u>3,768,270</u>	<u>(9,602,567)</u>	<u>58,028,658</u>
Total capital assets being depreciated, net	<u>72,456,310</u>	<u>3,587,315</u>	<u>(193,554)</u>	<u>75,850,073</u>
Governmental activities capital assets, net	<u>\$ 107,531,773</u>	<u>\$ 13,122,750</u>	<u>\$ (5,682,178)</u>	<u>\$ 114,972,347</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,113,024
Public health and safety	795,449
Streets, alleys and cemeteries	301,079
Cultural and recreation	1,103,082
Unallocated	455,636
Total governmental activities depreciation expense	<u>\$ 3,768,270</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,372,543	\$ -	\$ (3,135,062)	\$ 237,481
Construction in progress	5,679,082	2,859,164	(5,366,356)	3,171,890
Total capital assets not being depreciated	9,051,625	2,859,164	(8,501,418)	3,409,371
Capital assets being depreciated:				
Land improvements	65,505	-	-	65,505
Structures	3,351,714	4,053,115	-	7,404,829
Buildings	18,764,039	-	-	18,764,039
Fixed equipment	2,974,731	66,296	-	3,041,027
Equipment and machinery	1,233,172	119,200	(74,742)	1,277,630
Trucks and tractors	1,499,472	46,785	-	1,546,257
Transmission and distribution systems	15,275,697	1,302,583	-	16,578,280
Lift station	1,493,931	-	-	1,493,931
Leased equipment	10,161	-	-	10,161
Total capital assets being depreciated	44,668,422	5,587,979	(74,742)	50,181,659
Less accumulated depreciation for:				
Land improvements	41,012	3,112	-	44,124
Structures	912,458	146,369	-	1,058,827
Buildings	10,039,936	448,523	-	10,488,459
Fixed equipment	1,045,687	99,905	-	1,145,292
Equipment and machinery	902,792	51,320	(8,745)	945,367
Trucks and tractors	1,263,755	84,705	-	1,348,459
Transmission and distribution systems	4,089,049	320,092	-	4,409,141
Lift station	887,708	66,739	-	954,448
Leased equipment	3,806	3,806	-	7,612
Total accumulated depreciation	19,186,203	1,224,571	(8,745)	20,402,029
Total capital assets being depreciated, net	25,482,219	4,363,408	(65,997)	29,779,630
Business-type activities capital assets, net	<u>\$ 34,533,845</u>	<u>\$ 7,222,572</u>	<u>\$ (8,567,416)</u>	<u>\$ 33,189,001</u>

<u>Business-type activities:</u>	
Water	\$ 494,232
Sewer	730,339
Total business-type activities depreciation expense	<u>\$ 1,224,571</u>

**Note 7 – Leases**

Pursuant to GASB No. 87, Leases, the City has recorded an intangible right to use lease asset which represents the City's right to use an underlying asset during the lease term. The City has obtained property through Right to Use leased assets.

Monthly installments of \$3,195. Discount rate is the respective lease start date and term, at 7.830%. The due dates range from 2022 to 2024.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 7 – Leases (continued)**

At April 30, 2024, Right-to-Use leased assets consisted of the following:

Governmental Activities	
Right-to-Use Asset	\$ <u>92,000</u>
Total Right-to-Use Assets	<u>92,000</u>
Less accumulated amortization:	<u>(68,194)</u>
Right-to-Use Assets, net	\$ <u>23,806</u>
Business Type Activities	
Right-to-Use Asset	\$ <u>10,161</u>
Total Right-to-Use Assets	<u>10,161</u>
Less accumulated amortization:	<u>(7,612)</u>
Right-to-Use Assets, net	\$ <u>2,549</u>

Pursuant to GASB No.87, Leases, the City recorded a right to use lease liability in conjunction with the intangible right to use lease asset. The lease liability represents the City's obligation to make lease payments arising from the lease.

**Note 8— 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8— Long-Term Obligations (continued)**

**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, 2024:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
General Obligation Bonds-					
GO Bonds, series 2014	2,325,000	-	325,000	2,000,000	335,000
GO Bonds, series 2019	334,710	-	108,417	226,293	111,540
GO Bonds, series 2020	8,670,000	-	1,515,000	7,155,000	1,535,000
Subtotal	11,329,710	-	1,948,417	9,381,293	1,981,540
Add - Premium on bonds	375,560	-	31,928	343,632	54,990
Total Bonds Payable	11,705,270	-	1,980,345	9,724,925	2,036,530
Other Liabilities -					
Finance Lease Payable	59,722	-	34,898	24,824	24,824
Notes Payable	7,846,999	5,664,201	1,241,157	12,270,043	6,217,559
Compensated absences	579,497	6,696	-	586,193	568,193
Net Pension Liability	36,135,182	-	16,709,554	19,425,628	-
OPEB Liability	21,373,669	14,007,026	-	35,380,695	-
Total Other Liabilities	65,995,069	19,677,923	17,985,609	67,687,383	6,810,576
Total Long-Term Debt	<u>\$ 77,700,339</u>	<u>\$19,677,923</u>	<u>\$ 19,965,954</u>	<u>\$ 77,412,309</u>	<u>\$ 8,847,106</u>

Loans with U.S. Bancorp Government Leasing, which were shown as capital leases in the prior years, have been reclassified to notes payable.

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 \$226,293 and \$12,270,043 respectively. There are no special provisions to these issues. In regards to the notes payable, \$5,194,272 of the debt has specific collateral attached to it.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

General Obligation Bonds payable at April 30, 2024, are comprised of the following individual issues:

**General Obligation –**

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%	\$ 2,000,000
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%	226,293
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>7,155,000</u>
General Obligation Bonds Payable	9,381,293
Add: Premium on bonds	<u>343,632</u>
Total	<u><u>\$ 9,724,925</u></u>

As of April 30, 2024, \$1,169,963 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
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	685,000	69,056	754,056
2029	695,000	59,563	754,563
2030 - 2033	2,895,000	113,588	3,008,588
Total	<u>\$9,381,293</u>	<u>\$ 687,106</u>	<u>\$ 10,068,399</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

Notes payable at April 30, 2024 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.	\$ 90,000
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, 2027.	1,854,545
d)	Banterra Bank for Toyota Corolla & Honda HR-V, in monthly installment of \$1,413.25 beginning Aug. 21, 2022, through July 21, 2025.	20,835
e)	First Southern Trust Bank for '22 Explorer for Police Dept. in monthly installment of \$6,319.65 beginning Aug. 19, 2023, through July 19, 2025.	93,260
f)	Banterra Bank for Gas Tax Street 2022 Caterpillar. In monthly payment of \$2,727.13 beginning July 27, 2022, through June 27, 2027.	100,045
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.	37,620
h)	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.	30,304
i)	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.	46,390
j)	2.50% note payable to First Southern Bank for construction loan beginning January 12, 2021, through January 15, 2032.	4,297,552
k)	First Southern Bank for Ford F250 for Fire Department, in monthly installment of \$792.64 beginning Dec. 18, 2023, through Dec. 18, 2027.	35,162
l)	2.366% note payable to Government leasing for 2 fire trucks in monthly installments of \$5,821 beginning May 18, 2016, through May 18, 2026	141,863
m)	5.50% note payable to First Southern Bank for an interest only construction loan for a sports complex. Beginning April 30, 2024, through July 30, 2024. This was refinanced May 30, 2024. See subsequent event Note 20.	5,000,000



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

n)	4.65% note payable to First Southern Bank for 2 police vehicles in monthly installments of \$1,767 beginning November 8, 2023, through November 8, 2024.	\$ 87,364
o)	4.65% note payable to First Southern Bank for reversible snowplow in monthly installments of \$2,985 beginning December 6, 2023, through December 6, 2028.	150,012
p)	5.00% note payable to Farmers State Bank for 7 police vehicles in monthly installments of \$9,544 beginning January 5, 2024, through December 15, 2026.	285,091
Total		<u>\$ 12,270,043</u>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2025	\$ 6,217,589	\$ 49,528	\$ 6,267,117
2026	1,098,034	101,433	1,199,467
2027	417,817	96,453	514,270
2028	341,463	91,638	433,101
2029	320,691	85,873	406,564
2030- 2033	3,874,449	370,510	4,244,959
Total	<u>\$ 12,270,043</u>	<u>\$ 795,435</u>	<u>\$ 13,065,478</u>

Finance lease payable at April 30, 2024 are comprised of the following individual lease:

**Finance Lease Payable –**

7.830% lease payable to Wells Fargo for office copiers in monthly installments of \$3,195 beginning May 1, 2022 through December 31, 2024.	\$ 24,824
Total	<u>\$ 24,824</u>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2025	\$ 24,824	\$ 734	\$ 25,558
Total	<u>\$ 24,824</u>	<u>\$ 734</u>	<u>\$ 25,558</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—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, 2024:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
General Obligation Bonds-					
GO Bonds, series 2014	\$ 445,000	\$ -	\$ 445,000	\$ -	\$ -
GO Refunding Bonds, series 2017	1,210,000	-	230,000	980,000	235,000
GO Bonds, series 2022	1,700,000	-	-	1,700,000	-
Subtotal	3,355,000	-	675,000	2,680,000	235,000
Add - Premium on bonds	61,540	-	33,577	27,963	27,963
Total Bonds Payable	3,416,540	-	708,577	2,707,963	262,963
Other Liabilities -					
Finance Lease Payable	6,596	-	3,854	2,742	2,742
Notes Payable	4,861,452	-	493,509	4,367,903	353,682
Compensated absences	83,343	8,986	-	92,329	92,329
Net Pension Liability	713,103	-	314,652	398,451	-
Net OPEB Liability	5,944,588	-	234,708	5,709,880	-
Total Other Liabilities	11,609,082	8,986	1,946,723	10,751,345	449,865
Total Long-Term Debt	\$ 15,025,622	\$ 8,986	\$ 1,755,300	\$ 13,279,308	\$ 712,828

The City's outstanding notes payable from direct borrowings related to business-type activities of \$1,665,887 are secured with specific collateral for each borrowing.

Loans with U.S. Bancorp Government Leasing which were show as capital leases in prior years, have been reclassified to notes payable.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

General obligation bonds payable at April 30, 2024, are comprised of the following individual issues:

**General Obligation –**

\$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%.	\$ 980,000
\$1,700,000, Series 2022, Taxable General Obligation Bonds, dated October 15, 2022, due annual installments ranging from \$65,000 to \$255,000 through October 15, 2038; interest is 3.0%	1,700,000
General Obligation Bonds Payable	\$ 2,680,000
Add: Premium on bonds	27,963
Total	<u>\$ 2,707,963</u>

As of April 30, 2024, \$646,727 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
2025	\$ 235,000	\$ 75,088	\$ 310,088
2026	240,000	69,150	309,150
2027	250,000	62,400	312,400
2028	255,000	54,825	309,825
2029 – 2033	285,000	248,775	533,775
2034 - 2038	1,195,000	124,875	1,319,875
2039	220,000	3,300	223,300
Total	<u>\$ 2,680,000</u>	<u>\$ 638,413</u>	<u>\$ 3,318,413</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

Enterprise Fund notes payable at April 30, 2024, 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.	\$ 227,228
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.	158,452
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.	601,512
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.	1,003,653
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.	331,638
f)	1.50% note payable to the State of Illinois for construction of water main loop and high service pump installation, in semi-annual installments ranging from \$11,927 to \$12,090 beginning December 30, 2021, through June 30, 2041.	370,959
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	194,286
h)	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	859,638
i)	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	620,537
Total		<u>\$ 4,367,903</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 8—Long-Term Obligations (continued)**

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2025	\$ 353,682	\$ 65,689	\$ 419,371
2026	661,653	57,140	718,793
2027	520,661	48,422	569,083
2028	466,160	40,224	506,384
2029	460,473	33,371	493,844
2030 – 2034	1,584,418	74,380	1,658,798
2035 – 2039	231,894	15,572	247,466
2040 - 2042	88,962	2,037	90,999
Total	<u>\$ 4,367,903</u>	<u>\$ 336,835</u>	<u>\$ 4,704,738</u>

Enterprise Fund lease payable as of April 30, 2024 is as follows:

**Finance Lease Payable –**

7.830% lease payable to Wells Fargo for office copiers in monthly installment of \$353 beginning May 1, 2022 through December 31, 2024	\$ 2,742
Total	<u>\$ 2,742</u>

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2025	<u>\$ 2,742</u>	<u>\$ 81</u>	<u>\$ 2,823</u>
Total	<u>\$ 2,742</u>	<u>\$ 81</u>	<u>\$ 2,823</u>

**Note 9 – 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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans**

Summary:

Net Pension Liability:

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

	<u>Net Pension Liability</u>
Illinois Municipal Retirement Fund	\$ 1,638,399
Fire Pension Fund	8,653,258
Police Pension Fund	<u>9,532,422</u>
Total Aggregate Net Pension Liability	<u>\$ 19,824,079</u>

Deferred Inflows and Outflows of Resources

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

	Net Differences Between Expected and Actual Experience	Subsequent Employer Contributions	Net Differences Between Projected and Actual Earnings	Changes in Assumptions
Illinois Municipal Retirement Fund	\$ 860,659	\$ 20,434	\$ 1,711,606	\$ (113,269)
Fire Pension Fund	455,787	-	590,743	1,633,247
Police Pension Fund	225,864	-	514,025	893,599
Totals	<u>\$ 1,542,310</u>	<u>\$ 20,434</u>	<u>\$ 2,816,374</u>	<u>\$ 2,413,577</u>

Pension Expense

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

	<u>Pension Expense</u>
Illinois Municipal Retirement Fund	\$ (228,554)
Fire Pension Fund	1,567,009
Police Pension Fund	<u>1,603,043</u>
Total Pension Expense	<u>\$ 2,941,498</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – 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 Annual Comprehensive 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**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

Employees Covered by Benefit Terms:

As of December 31, 2023, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	112
Inactive plan members entitled to but not yet receiving benefits	91
Active plan members	160
Total	363

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 2023 was 5.95%. For the fiscal year ended April 30, 2024, the City contributed \$477,569 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, 2023. 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, 2023**

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year smoothed market; 20% corridor
Price Inflation	2.25%
Salary Increases	2.75% 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, 2024**

**Note 10 – 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, 2023:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05–8.65%
Cash Equivalents	1.0%	3.80%
Total	100.0%	

**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 3.77%, and the resulting single discount rate is 7.25%.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – 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, 2022</b>	\$ 33,589,470	\$ 30,316,174	\$ 3,273,296
<b>Changes for the year:</b>			
Service Cost	694,260	-	694,260
Interest on the Total Pension Liability	2,392,171	-	2,392,171
Differences Between Expected and Actual Experience of the Total Pension Liability	258,146	-	258,146
Changes of assumptions	(43,933)	-	(43,933)
Contributions-Employer	-	456,427	(456,427)
Contributions-Employee	-	370,239	(370,239)
Net Investment Income	-	3,383,756	(3,383,756)
Benefit Payments, including Refunds of Employee Contributions	(1,882,274)	(1,882,274)	-
Other (Net Transfer)	-	725,119	(725,119)
Net changes	1,418,370	3,074,409	(1,634,897)
<b>Balances at December 31, 2023</b>	<u>\$ 35,007,840</u>	<u>\$ 33,390,583</u>	<u>\$ 1,638,399</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 95.38%

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

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

	<b>1% Lower (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Higher (8.25%)</b>
Net Pension Liability (Asset)	\$ 5,617,494	\$ 1,638,399	\$ (1,551,902)

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

For the year ended April 30, 2024, the City recognized pension income of \$(228,554). At April 30, 2024, 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, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 890,107	\$ 29,448
Changes of assumptions	-	113,269
Net difference between projected and actual earnings on pension plan investments	<u>4,331,412</u>	<u>2,619,806</u>
 Total Deferred Amounts to be recognized in pension expense in future periods	 <u>5,221,519</u>	 <u>2,762,523</u>
 Pension Contributions made subsequent to the Measurement Date	 <u>20,434</u>	 <u>-</u>
 <b>Total Deferred Amounts Related to Pensions</b>	 <u><b>\$ 5,241,953</b></u>	 <u><b>\$ 2,762,523</b></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:

Year Ending December 31,	Net Deferred Outflows of Resources
2024	\$ 449,445
2025	796,804
2026	1,394,187
2027	<u>(181,440)</u>
Total	<u><u>\$ 2,458,996</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – 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, 2024, the Fire Pension Plan membership consisted of:

	Fire
Active members	25
Retirees and beneficiaries	19
Inactive, Non-retired members	1
Total	45

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, 2024**

**Note 10 – 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, 2024, the City's contribution was 59.81% of covered payroll.

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2024. 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 – 12% at 50 to 100% at age 65 Tier 2 – 3% at 50 to 100% at age 65
Mortality	PubS-2010 base rates projected to 2023 with scale MP2021

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

**D. 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 4.12%, and the resulting single discount rate is 6.75%.

**E. 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, 2023</b>	\$ 23,914,047	\$ 14,643,564	\$ 9,270,483
<b>Changes for the year:</b>			
Service Cost	493,419	-	493,419
Interest on the Total Pension Liability	1,576,794	-	1,576,794
Differences Between Expected and Actual Experience of the Total Pension Liability	73,115	-	73,115
Assumption changes	-	-	-
Contributions-Employer	-	1,059,674	(1,059,674)
Contributions-Employee	-	171,670	(171,670)
Net Investment Income	-	1,529,209	(1,529,209)
Benefit Payments, including Refunds of Employee Contributions	(1,023,022)	(1,023,022)	-
Other (admin expense)	(33,843)	(33,843)	-
Net changes	1,086,463	1,703,688	(617,225)
<b>Balances at April 30, 2024</b>	<b>\$ 25,000,510</b>	<b>\$ 16,347,252</b>	<b>\$ 8,653,258</b>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 65.39%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

**F. Sensitivity of the Net Pension Liability 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:

	<u>1% Lower (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Higher (7.75%)</u>
Net Pension Liability	\$ 12,429,985	\$ 8,653,258	\$ 5,590,587

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

For the year ended April 30, 2024, the City recognized pension expense of \$1,567,009. At April 30, 2024, 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	\$ 691,436	\$ 235,649
Changes of assumptions	1,633,247	-
Net difference between projected and actual earnings on pension plan investments	<u>1,581,925</u>	<u>991,182</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u><u>\$ 3,906,608</u></u>	<u><u>\$ 1,226,831</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:

Year Ending April 30,	Net Deferred Outflows of Resources
2025	\$ 418,594
2026	981,873
2027	533,105
2028	333,559
2029	377,770
Thereafter	34,876
Total	<u><u>\$ 2,679,777</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – 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, 2024, the Police Pension Plan membership consisted of:

	Police
Active members	45
Retirees and beneficiaries	30
Inactive, Non-retired members	7
Total	82

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**  
**April 30, 2024**

**Note 10 – 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, 2024, the City's contribution was 46.12% 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, 2024. 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 – 20% at 50 to 100% at age 65 Tier 2 – 5% at 50 to 100% at age 65
Mortality	PubS-2010 base rates projected generationally with scale MP2021

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

**D. 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 4.12%, and the resulting single discount rate is 6.75%.

**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, 2023</b>	\$ 27,190,762	\$ 17,647,769	\$ 9,542,993
<b>Changes for the year:</b>			
Service Cost	\$ 832,676	-	\$ 832,676
Interest on the Total Pension Liability	1,787,192	-	1,787,192
Differences Between Expected and Actual Experience of the Total Pension Liability	770,450	-	770,450
Assumption changes	-	-	-
Contributions-Employer	-	1,417,820	(1,417,820)
Contributions-Employee	-	302,709	(302,709)
Net Investment Income	-	1,680,360	(1,680,360)
Benefit Payments, including Refunds of Employee Contributions	(1,317,857)	(1,317,857)	-
Other (admin. expense)	(29,154)	(29,154)	-
Net changes	2,043,307	2,053,878	(10,571)
<b>Balances at April 30, 2024</b>	<b>\$ 29,234,069</b>	<b>\$ 19,701,647</b>	<b>\$ 9,532,422</b>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 67.39%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

**F. Sensitivity of the Net Pension Liability 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	\$ 13,878,413	\$ 9,532,422	\$ 6,026,764

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

For the year ended April 30, 2024, the City recognized pension expense of \$1,603,043. At April 30, 2024, 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	\$ 1,426,825	\$ 1,200,961
Changes of assumptions	893,599	-
Net difference between projected and actual earnings on pension plan investments	<u>1,536,66</u>	<u>1,022,643</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u><u>\$ 3,857,092</u></u>	<u><u>\$ 2,223,604</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 10 – Defined Benefit Pension Plans (continued)**

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

Year Ending April 30,	Net Deferred Outflows of Resources
2025	\$ 209,178
2026	850,598
2027	278,369
2028	5,291
2029	147,702
Thereafter	142,350
Total	<u>\$ 1,633,488</u>

**Note 11 – 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 12 - Other Postemployment Benefits**

**A. Plan Description**

In addition to providing pension benefits described in Note 10, the City of Marion, Illinois provides the continuation of health care benefits to employees, who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the required portion of the monthly premium rate. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended through its personnel manual and union contracts. No assets are accumulated in a way that meets the criteria in paragraph 4 of GASB statement 75.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 12 - Other Postemployment Benefits (continued)**

Benefits Provided

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

Membership

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

At April 30, 2024, membership consisted of:

Retirees and beneficiaries currently receiving benefits	88
Active employees	<u>154</u>
<b>Total</b>	<u><u>242</u></u>
<b>Participating employers</b>	<u>1</u>

**B. Total OPEB Liability**

The City's OPEB liability of \$41,090,575 was measured as of April 30, 2024, and was determined by an actuarial valuation as of April 30, 2024.

**C. Actuarial Assumptions and Other Inputs**

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

Actuarial Cost Method	Entry Age Normal
Discount (Interest) Rate	4.12%
Salary Increases	3.50% per year
Mortality	PubS-2010 table rates projected generationally using scale MP2021 for Police and Fire. All others PubG-2010 table using scale MP2021

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 12 — Other Postemployment Benefits (continued)**

D. Changes in Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at April 30, 2023</b>	\$ 42,079,770
Changes for the year:	
Service Cost	1,088,141
Interest	1,562,130
Assumption Changes	(2,351,442)
Benefit Payments	(1,287,924)
Net Changes	(989,095)
<b>Balance at April 30, 2024</b>	<b>\$ 41,090,675</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 (3.12 percent) or 1-percentage-point higher (5.12 percent) than the current discount rate:

	<b>1% Decrease (3.12%)</b>	<b>Discount Rate (4.12%)</b>	<b>1% Increase (5.12%)</b>
Total OPEB liability	\$ 48,869,787	\$ 41,090,675	\$ 35,033,357

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 12 — 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 (6.75 percent decreasing to 3.25 percent) or 1 percentage-point higher (7.75 percent decreasing to 5.25 percent) than the current healthcare cost trend rates.

	<b>1% Decrease (5.75%) Decreasing to 3.25%</b>	<b>Discount Rate (6.75%) Decreasing to 4.25%</b>	<b>1% Increase (7.75%) Decreasing to 5.25%</b>
Total OPEB liability	\$ <u>34,626,297</u>	\$ <u>41,090,675</u>	\$ <u>49,517,302</u>

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

For the year ended April 30, 2024, the City recognized OPEB expense of \$3,098,156. At April 30, 2024, 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	\$ 253,905	\$ 12,445
Changes of assumptions	<u>8,747,491</u>	<u>7,861,141</u>
<b>Total Deferred Amounts Related to OPEB</b>	<u>\$ 9,001,396</u>	<u>\$ 7,873,586</u>

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

Year Ending April 30,	Net Deferred Outflows of Resources
2025	\$ 706,923
2026	706,923
2027	660,223
2028	337,454
2029	(700,254)
Thereafter	<u>(583,459)</u>
Total	<u>\$ 1,127,810</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 13 – 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.

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. \$366,724 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, 2024**

**Note 13 – 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, 2024**

**Note 13 – Fund Balance Reporting (continued)**

	General Fund	Permanent Fund	Capital Projects Fund	Special Revenue Funds	Debt Service Funds	Total Government Funds
Fund Balances						
Nonspendable	\$ 524,369	\$ 1,000	\$ -	\$ 417,262	\$ -	\$ 942,631
Restricted for:						
Donor expenditures	13,350	-	-	336,969	-	350,319
Public health and safety	27,278	-	-	1,036,166	-	1,063,444
Capital projects	-	-	7,058,491	-	-	7,058,491
Debt service	-	-	-	-	929,117	929,117
Cemetery	-	1,020	-	16,190	-	17,210
Maintenance of roadways	-	-	-	1,984,234	-	1,984,234
Tourism and recreation	-	-	-	316,182	-	316,182
Economic development	1,577,370	-	-	6,364,461	-	7,941,831
Committed	9,055,866	-	-	-	-	9,055,866
Assigned	37,091	-	-	-	-	37,091
Unassigned (Deficit)	13,283,355	111	387,135	(144,720)	240,846	13,766,727
Total Fund Balances	<u>\$ 24,518,679</u>	<u>\$ 2,131</u>	<u>\$ 7,445,626</u>	<u>\$ 10,326,744</u>	<u>\$ 1,169,963</u>	<u>\$ 43,463,143</u>

**Note 14 – 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, 2024 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
	\$ 327,210	\$ -
General Fund	267	-
Goddard Chapel Fund Senior	-	97
Citizen Fund Pavilion Fund	-	5,527
HUB Recreation Center Fund	-	32,102
TIF	-	20,018
Gas Tax Fund	68,002	-
Foreign Fire Insurance Fund	-	599
Water Fund	-	5,015
Sewer Fund	-	33,609
Property Tax	-	1,634
Star Bond	16,611	16,611
Capital Projects Fund	-	296,878
Total	<u>\$ 412,090</u>	<u>\$ 412,090</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 14 – Interfund Transactions (continued)**

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:

Fund	Transfer Out	Transfer In
<u>General Fund Types -</u>		
General Fund	\$ 9,823,905	\$ 249,811
Cultural and Civic Center Fund	-	875,813
Senior Citizen Council Fund	-	615,047
Boyton Street Fund	-	366,959
Capital Projects Replacement Fund	20,660	425,000
Economic Incentive Fund	600,000	-
Total General Fund Types	<u>10,444,565</u>	<u>2,532,630</u>
<u>Special Revenue Funds -</u>		
Carnegie Library Fund	-	841,588
Motor Fuel Tax Fund	-	691,855
HUB Recreational Center Fund	966,360	1,670,895
TIF Redevelopment Fund	6,452,465	6,197,288
Gas Tax Fund	160,825	-
Police Fund	4,699	-
Foreign Fire Insurance Fund	9,512	-
Property Tax Fund	-	23,453
Total Special Revenue Funds	<u>7,593,861</u>	<u>9,425,079</u>
Capital Project Fund	<u>939,935</u>	<u>4,278,352</u>
Health Reimbursement	<u>-</u>	<u>549,996</u>
Debt Service Fund	<u>-</u>	<u>2,358,763</u>
<u>Enterprise Funds -</u>		
Water Fund	83,230	-
Sewer Fund	83,229	-
Total Enterprise Funds	<u>166,459</u>	<u>-</u>
Total	<u>\$ 19,144,820</u>	<u>\$ 19,144,820</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 14 – Interfund Transactions (continued)**

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

**Note 15 – Tax Abatement**

As of April 30, 2024, 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 percentage 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 is created. The developer will receive rebates until the earlier of the eligible project costs are reimbursed or the TIF ends. Specific details such as eligibility, special provisions, percentage of rebate, type of rebate, commitments by Developers, etc. would be specific to each Redevelopment Agreement, but all the terms in the contracts are per an approved Redevelopment Agreement entered into pursuant to the TIF Act. The following is the amount of taxes rebated during the year ending April 30, 2024 by TIF District.

### Note 15 – Tax Abatement (continued)

Total Sales Tax Rebated \$ 129,916

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 16 – Pledged Revenue**

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

Effective July 1, 2005, the City increased its home rule sales tax by one quarter of one percent. The City has entered into an agreement with the Southern Illinois Baseball Group, Inc. (Developer) to pay them one-half of the sales tax increase (one eighth of one percent). The City pays the Developer by the last day of the month its sales tax portion for the preceding month. The Developer cannot use the funds for any purpose other than to satisfy construction loan obligations. 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, 2024, the Developer's portion of the home rule sales tax increase amounted to \$800,541.

**Note 17 – 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, 2024, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**Contingencies:**

**Litigation**

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

**Grants**

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

**Development**

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2024**

**Note 18 – 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 19 – 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 20 – Subsequent Events**

In preparing the financial statements, the City has evaluated transactions for potential disclosure through March 20, 2025, the date the financial statements were available to be issued. Management has determined that one event has occurred subsequent to April 30, 2024, that would require disclosure.

On May 29, 2024, the City refinanced a \$5 million, 5.5% short-term construction loan that was in effect as of April 30, 2024, to a \$30 million long-term construction loan. The loan payments begin June 29, 2024 with 18 months of interest only payments, and end December 5, 2050. It carries an initial interest rate of 5.5%, then increases to 7.5% in 2036.

## **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, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 100	\$ 100	\$ 57	\$ (43)
Sales taxes	24,810,000	24,810,000	23,159,798	(1,650,202)
Other taxes and franchise fees	3,725,750	3,725,750	3,778,911	53,161
Licenses and permits	433,350	433,350	480,121	46,771
Intergovernmental revenue	3,361,000	3,361,000	3,497,776	136,776
Service charges and fees	1,759,870	1,669,870	2,384,187	714,317
Grant revenue	649,280	699,280	820,111	120,831
Investment income	365,700	365,700	859,983	494,283
Interest income	95,100	95,100	-	(95,100)
Miscellaneous income	199,100	262,100	294,014	31,914
Operating donations	36,000	36,000	34,825	(1,175)
<b>Total Revenues</b>	<b>35,435,250</b>	<b>35,458,250</b>	<b>35,309,783</b>	<b>(148,467)</b>
<b>Expenditures</b>				
General government	5,089,540	5,252,920	5,060,435	(192,485)
Public health and safety	11,330,710	11,532,210	11,234,040	(298,170)
Streets, alleys, and cemeteries	3,910,550	3,930,550	3,899,442	(31,108)
Cultural and recreation	1,839,360	2,117,860	2,100,863	(16,997)
Economic development	1,066,050	1,066,050	1,025,029	(41,021)
Debt service:				
Principal	444,460	444,460	462,058	17,598
Interest	31,110	31,110	30,898	(212)
Capital outlay	1,072,650	1,306,650	1,533,195	226,545
<b>Total Expenditures</b>	<b>24,784,430</b>	<b>25,681,810</b>	<b>25,345,960</b>	<b>(335,850)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>10,650,820</b>	<b>9,776,440</b>	<b>9,963,823</b>	<b>187,383</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(11,085,900)	(11,094,900)	\$ (7,911,934)	3,182,966
General long-term debt issued	678,000	678,000	572,042	(105,958)
Net increase (decrease) in fair value	(4,000)	(4,000)	-	4,000
Proceeds from sale of capital assets	-	-	215,442	215,442
<b>Total Other Financing (Uses)</b>	<b>(10,411,900)</b>	<b>(10,420,900)</b>	<b>(7,124,450)</b>	<b>3,296,450</b>
<b>Net Change in Fund Balances</b>	<b>\$ 238,920</b>	<b>\$ (644,460)</b>	<b>2,839,373</b>	<b>\$ 3,483,833</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 Development Fund**  
**Year Ended April 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 6,955,630	\$ 7,428,630	\$ 7,663,087	\$ 234,457
Interest Income	72,600	74,210	-	(74,210)
Investment income	75,000	8,610	284,518	275,908
<b>Total Revenues</b>	<b>7,103,230</b>	<b>7,511,450</b>	<b>7,947,605</b>	<b>436,155</b>
<b>Expenditures</b>				
Streets, alleys and cemeteries	104,000	299,000	92,331	(206,669)
Economic development	5,527,470	6,181,130	5,210,591	(970,539)
Debt service:				
Principal	708,200	708,200	708,182	(18)
<b>Total Expenditures</b>	<b>6,339,670</b>	<b>7,188,330</b>	<b>6,011,104</b>	<b>(1,177,226)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>763,560</b>	<b>323,120</b>	<b>1,936,501</b>	<b>1,613,381</b>
<b>Other Financing (Uses)</b>				
Transfers out	(391,820)	(391,820)	(255,177)	136,643
<b>Net Change in Fund Balances</b>	<b>\$ 371,740</b>	<b>\$ (68,700)</b>	<b>1,681,324</b>	<b>\$ 1,750,024</b>

See notes to required supplementary information

**City of Marion, Illinois**  
**Notes to Required Supplemental Information**  
**April 30, 2024**

**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	\$ 35,309,783	\$ 8,817	\$ 35,318,600	\$ 35,458,250	\$ (139,650)
Expenditures	25,345,960	-	25,345,960	25,681,810	(335,850)
Excess (deficiency) of revenues over expenditures	9,963,823	8,817	9,972,640	9,776,440	196,200
Other financing sources (uses)	(7,124,450)	(2,449,644)	(9,574,094)	(10,420,900)	(846,806)
Net change in fund balances	2,839,373	\$ (2,440,827)	\$ 398,546	\$ (644,460)	\$ 245,914
Fund balance, beginning of year	21,679,306				
Fund balance, end of year	<u>\$ 24,518,679</u>				
<b>TIF Fund:</b>					
Revenues	\$ 7,947,605	\$ -	\$ 7,947,605	\$ 7,511,450	\$ (436,155)
Expenditures	6,011,104	-	6,011,104	7,188,330	1,177,226
Excess (deficiency) of revenues over expenditures	1,936,501	-	1,936,501	323,120	1,613,381
Other financing sources (uses)	(255,177)	-	(255,177)	391,820	136,643
Net change in fund balances	1,681,324	\$ -	\$ 1,681,324	\$ (68,700)	\$ 1,750,024
Fund balance, beginning of year	5,100,399				
Fund balance, end of year	<u>\$ 6,781,723</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 Nine Fiscal Years**

	<u>2024</u>	<u>2023</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 694,260	\$ 639,931
Interest on the Total Pension Liability	2,392,171	2,274,771
Differences Between Expected and Actual Experience	258,146	595,907
Changes in Assumptions	(43,933)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,882,274)</u>	<u>(1,954,643)</u>
<b>Net Change in Pension Liability</b>	1,418,370	1,555,966
<b>Total Pension Liability - Beginning</b>	<u>33,589,470</u>	<u>32,033,504</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 35,007,840</u>	<u>\$ 33,589,470</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Employer contributions	\$ 477,569	\$ 555,046
Employee contributions	370,239	340,287
Net Investment Income	3,383,756	(4,647,911)
Benefit Payments, Including Refunds of Employee Contributions	(1,882,274)	(1,954,643)
Other (Net Transfers)	<u>725,119</u>	<u>60,329</u>
<b>Net Change in Plan Fiduciary Net Position</b>	3,074,409	(5,646,892)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>30,316,174</u>	<u>35,963,066</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 33,390,583</u>	<u>\$ 30,316,174</u>
<b>Net Pension (Asset)/Liability - Ending (A) - (B)</b>	<u>\$ 1,617,257</u>	<u>\$ 3,273,296</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	95.38%	90.25%
<b>Covered Valuation Payroll</b>	\$ 8,026,377	\$ 7,561,941
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	20.15%	43.29%

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 578,818	\$ 651,066	\$ 650,197	\$ 601,509	\$ 611,219	\$ 591,756	\$ 556,314
2,171,907	2,128,698	2,001,545	1,963,085	1,982,884	1,919,498	1,813,559
521,648	(102,736)	757,224	(435,519)	(618,757)	(327,102)	372,714
-	(272,871)	-	791,468	(837,535)	(31,862)	-
<u>(1,813,603)</u>	<u>(1,730,486)</u>	<u>(1,580,644)</u>	<u>(1,443,037)</u>	<u>(1,350,847)</u>	<u>(1,351,237)</u>	<u>(1,340,561)</u>
1,458,770	673,671	1,828,322	1,477,506	(213,036)	801,053	1,402,026
<u>30,574,734</u>	<u>29,901,063</u>	<u>28,072,741</u>	<u>26,595,235</u>	<u>26,808,271</u>	<u>26,007,218</u>	<u>24,605,192</u>
<u>\$ 32,033,504</u>	<u>\$ 30,574,734</u>	<u>\$ 29,901,063</u>	<u>\$ 28,072,741</u>	<u>\$ 26,595,235</u>	<u>\$ 26,808,271</u>	<u>\$ 26,007,218</u>
\$ 631,554	\$ 567,142	\$ 547,638	\$ 669,876	\$ 651,087	\$ 621,827	\$ 618,207
311,651	286,524	298,579	312,701	274,662	258,102	253,187
5,376,001	4,097,305	4,580,448	(1,417,569)	4,125,252	1,554,011	112,070
(1,813,603)	(1,730,486)	(1,580,644)	(1,443,037)	(1,350,847)	(1,351,237)	(1,340,561)
<u>(163,492)</u>	<u>(31,546)</u>	<u>339,294</u>	<u>303,198</u>	<u>(1,129,183)</u>	<u>(157,298)</u>	<u>33,620</u>
4,342,111	3,188,939	4,185,315	(1,574,831)	2,570,971	925,405	(323,477)
<u>31,620,955</u>	<u>28,432,016</u>	<u>24,246,701</u>	<u>25,821,532</u>	<u>23,250,561</u>	<u>22,325,156</u>	<u>22,648,633</u>
<u>\$ 35,963,066</u>	<u>\$ 31,620,955</u>	<u>\$ 28,432,016</u>	<u>\$ 24,246,701</u>	<u>\$ 25,821,532</u>	<u>\$ 23,250,561</u>	<u>\$ 22,325,156</u>
<u>\$ (3,929,562)</u>	<u>\$ (1,046,221)</u>	<u>\$ 1,469,047</u>	<u>\$ 3,826,040</u>	<u>\$ 773,703</u>	<u>\$ 3,557,710</u>	<u>\$ 3,682,062</u>
112.27%	103.42%	95.09%	86.37%	97.09%	86.73%	85.84%
\$ 6,917,350	\$ 6,267,830	\$ 6,630,005	\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
-56.81%	-16.69%	22.16%	58.60%	12.68%	62.42%	65.84%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 477,569	\$ 555,046	\$ 631,554	\$ 566,612	\$ 547,638
Contribution in relation to the actuarially determined contribution	<u>477,569</u>	<u>555,046</u>	<u>631,554</u>	<u>567,142</u>	<u>547,638</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (530)</u>	<u>\$ -</u>
Covered payroll	\$ 8,026,377	\$ 7,561,941	\$ 6,917,350	\$ 6,267,830	\$ 6,630,005
Contributions as a percentage of covered payroll	5.95%	7.34%	9.13%	9.05%	8.26%
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution		\$ 669,876	\$ 635,324	\$ 621,828	\$ 610,097
Contribution in relation to the actuarially determined contribution		<u>669,876</u>	<u>651,087</u>	<u>621,827</u>	<u>618,207</u>
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ (15,763)</u>	<u>\$ 1</u>	<u>\$ (8,110)</u>
Covered payroll		\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
Contributions as a percentage of covered payroll		10.26%	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	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 493,419	\$ 437,061	\$ 407,884
Interest on the Total Pension Liability	1,576,794	1,409,034	1,277,866
Changes of benefit terms	-	-	-
Differences Between Expected and Actual Experience	73,115	445,633	130,266
Changes in Assumptions	-	1,202,013	1,046,676
Benefit Payments, Including Refunds of Employee Contributions	(1,023,022)	(955,572)	(830,080)
Other (admin expense)	<u>(33,843)</u>	<u>(16,294)</u>	<u>(21,408)</u>
<b>Net Change in Pension Liability</b>	1,086,463	2,521,875	2,011,204
<b>Total Pension Liability - Beginning</b>	<u>23,914,047</u>	<u>21,392,172</u>	<u>19,380,968</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 25,000,510</u>	<u>\$ 23,914,047</u>	<u>\$ 21,392,172</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Employer contributions	\$ 1,059,674	\$ 1,093,897	\$ 720,967
Employee contributions	171,670	167,455	157,741
Net Investment Income	1,529,209	(148,906)	(1,190,012)
Benefit Payments, Including Refunds of Employee Contributions	(1,023,022)	(955,572)	(830,080)
Other (Net Transfers)	-	-	-
Other (admin expense)	<u>(33,843)</u>	<u>(16,294)</u>	<u>(21,408)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,703,688	140,580	(1,162,792)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>14,643,564</u>	<u>14,502,984</u>	<u>15,665,776</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 16,347,252</u>	<u>\$ 14,643,564</u>	<u>\$ 14,502,984</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 8,653,258</u>	<u>\$ 9,270,483</u>	<u>\$ 6,889,188</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	65.39%	61.23%	67.80%
<b>Covered Valuation Payroll</b>	\$ 1,771,722	\$ 1,639,408	\$ 1,687,421
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	488.41%	565.48%	408.27%

**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.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 416,887	\$ 421,285	\$ 380,816	\$ 373,215	\$ 365,360	\$ 356,987	\$ 347,912
1,193,796	1,121,897	1,067,048	1,038,539	994,434	943,345	844,096
-	5,457	-	-	-	-	-
432,935	(46,100)	(4,911)	(458,631)	(182,202)	(31,022)	(101,072)
11,817	272,648	-	-	-	-	870,309
(749,145)	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
<u>(16,971)</u>	<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,289,319	1,128,853	910,741	423,592	657,935	762,966	1,483,448
<u>18,091,649</u>	<u>16,962,796</u>	<u>16,052,055</u>	<u>15,628,463</u>	<u>14,970,528</u>	<u>14,207,562</u>	<u>12,724,114</u>
<u>\$ 19,380,968</u>	<u>\$ 18,091,649</u>	<u>\$ 16,962,796</u>	<u>\$ 16,052,055</u>	<u>\$ 15,628,463</u>	<u>\$ 14,970,528</u>	<u>\$ 14,207,562</u>
\$ 673,801	\$ 670,792	\$ 671,961	\$ 656,121	\$ 550,277	\$ 493,200	\$ 425,800
159,422	150,991	148,466	145,684	142,499	139,192	133,500
3,626,759	(392,343)	686,637	650,050	653,365	19,892	512,933
(749,145)	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)	(477,797)
-	-	(17,665)	(15,357)	(14,789)	(15,338)	(22,225)
<u>(16,971)</u>	<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,693,866	(216,894)	957,187	906,967	811,695	130,602	572,211
<u>11,971,910</u>	<u>12,188,804</u>	<u>11,231,617</u>	<u>10,324,650</u>	<u>9,512,955</u>	<u>9,382,353</u>	<u>8,810,142</u>
<u>\$ 15,665,776</u>	<u>\$ 11,971,910</u>	<u>\$ 12,188,804</u>	<u>\$ 11,231,617</u>	<u>\$ 10,324,650</u>	<u>\$ 9,512,955</u>	<u>\$ 9,382,353</u>
<u>\$ 3,715,192</u>	<u>\$ 6,119,739</u>	<u>\$ 4,773,992</u>	<u>\$ 4,820,438</u>	<u>\$ 5,303,813</u>	<u>\$ 5,457,573</u>	<u>\$ 4,825,209</u>
80.83%	66.17%	71.86%	69.97%	66.06%	63.54%	66.04%
\$ 1,602,842	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067
231.79%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 874,458	\$ 1,093,897	\$ 720,967	\$ 672,247	\$ 656,860
Contribution in relation to the actuarially determined contribution	<u>1,059,674</u>	<u>1,093,897</u>	<u>720,967</u>	<u>673,801</u>	<u>670,792</u>
Contribution deficiency (excess)	<u>\$ (185,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,554)</u>	<u>\$ (13,932)</u>
Covered payroll	\$ 1,771,722	\$ 1,639,408	\$ 1,687,421	\$ 1,602,842	\$ 1,604,657
Contributions as a percentage of covered payroll	59.81%	66.73%	42.73%	42.04%	41.80%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 673,801	\$ 657,794	\$ 622,389	\$ 423,633	\$ 425,798
Contribution in relation to the actuarially determined contribution	<u>671,961</u>	<u>656,121</u>	<u>550,277</u>	<u>493,200</u>	<u>425,800</u>
Contribution deficiency (excess)	<u>\$ 1,840</u>	<u>\$ 1,673</u>	<u>\$ 72,112</u>	<u>\$ (69,567)</u>	<u>\$ (2)</u>
Covered payroll	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356	\$ 1,431,067
Contributions as a percentage of covered payroll	41.99%	42.50%	36.40%	33.43%	29.75%

**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 Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 832,676	\$ 816,898	\$ 780,947
Interest on the Total Pension Liability	1,787,192	1,679,591	1,532,776
Changes of benefit terms	-	-	-
Differences Between Expected and Actual Experience	770,450	378,076	(171,776)
Changes in Assumptions	-	93,957	1,304,104
Benefit Payments, Including Refunds of Employee Contributions	(1,317,857)	(1,375,341)	(1,094,284)
Other (admin expense)	<u>(29,154)</u>	<u>(30,229)</u>	<u>(24,488)</u>
<b>Net Change in Pension Liability</b>	2,043,307	1,562,952	2,327,279
<b>Total Pension Liability - Beginning</b>	<u>27,190,762</u>	<u>25,627,810</u>	<u>23,300,531</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 29,234,069</u>	<u>\$ 27,190,762</u>	<u>\$ 25,627,810</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Employer contributions	\$ 1,417,820	\$ 1,751,433	\$ 1,217,031
Employee contributions	302,709	287,315	266,336
Net Investment Income	1,680,360	231,279	(1,252,137)
Benefit Payments, Including Refunds of Employee Contributions	(1,317,857)	(1,375,341)	(1,094,284)
Other (Net Transfers)			
Other (admin expense)	<u>(29,154)</u>	<u>(30,229)</u>	<u>(24,488)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	2,053,878	864,457	(887,542)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>17,647,769</u>	<u>16,783,312</u>	<u>17,670,854</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 19,701,647</u>	<u>\$ 17,647,769</u>	<u>\$ 16,783,312</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 9,532,422</u>	<u>\$ 9,542,993</u>	<u>\$ 8,844,498</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	67.39%	64.90%	65.49%
<b>Covered Valuation Payroll</b>	\$ 3,074,454	\$ 3,057,010	\$ 2,669,608
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	310.05%	312.17%	331.30%

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 767,261	\$ 618,466	\$ 559,356	\$ 541,348	\$ 515,566	\$ 489,508	\$ 480,209
1,464,611	1,317,308	1,380,424	1,349,045	1,306,976	1,235,401	1,074,041
-	33,502	-	-	-	-	-
(114,210)	1,291,960	(1,755,490)	(487,598)	(279,109)	238,173	(850,327)
15,008	40,371	-	-	-	-	2,526,327
(1,079,701)	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
<u>(35,212)</u>	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,017,757	2,160,633	(762,566)	472,447	631,845	1,067,888	2,437,439
<u>22,282,774</u>	<u>20,122,141</u>	<u>20,884,707</u>	<u>20,412,260</u>	<u>19,780,415</u>	<u>18,712,527</u>	<u>16,275,088</u>
<u>\$ 23,300,531</u>	<u>\$ 22,282,774</u>	<u>\$ 20,122,141</u>	<u>\$ 20,884,707</u>	<u>\$ 20,412,260</u>	<u>\$ 19,780,415</u>	<u>\$ 18,712,527</u>
\$ 1,017,351	\$ 1,012,811	\$ 1,014,558	\$ 997,462	\$ 850,449	\$ 722,600	\$ 662,900
261,350	225,133	213,300	202,395	200,549	180,337	178,949
4,116,492	(470,338)	802,525	838,002	996,676	173,455	738,694
(1,079,701)	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)	(792,811)
-	-	(35,303)	(25,250)	(22,663)	(11,262)	(10,054)
<u>(35,212)</u>	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,280,280	(373,368)	1,048,224	1,082,261	1,113,423	169,936	777,678
<u>13,390,574</u>	<u>13,763,942</u>	<u>12,715,718</u>	<u>11,633,457</u>	<u>10,520,034</u>	<u>10,350,098</u>	<u>9,572,420</u>
<u>\$ 17,670,854</u>	<u>\$ 13,390,574</u>	<u>\$ 13,763,942</u>	<u>\$ 12,715,718</u>	<u>\$ 11,633,457</u>	<u>\$ 10,520,034</u>	<u>\$ 10,350,098</u>
<u>\$ 5,629,677</u>	<u>\$ 8,892,200</u>	<u>\$ 6,358,199</u>	<u>\$ 8,168,989</u>	<u>\$ 8,778,803</u>	<u>\$ 9,260,381</u>	<u>\$ 8,362,429</u>
75.84%	60.09%	68.40%	60.89%	56.99%	53.18%	55.31%
\$ 2,613,422	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825
215.41%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,326,065	\$ 1,751,433	\$ 1,217,031	\$ 1,058,015	\$ 1,101,703
Contribution in relation to the actuarially determined contribution	<u>1,417,820</u>	<u>1,751,433</u>	<u>1,217,031</u>	<u>1,017,351</u>	<u>1,012,811</u>
Contribution deficiency (excess)	<u>\$ (91,755)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,664</u>	<u>\$ 88,892</u>
Covered payroll	\$ 3,074,454	\$ 3,057,010	\$ 2,669,608	\$ 2,613,422	\$ 2,430,908
Contributions as a percentage of covered payroll	46.12%	57.29%	45.59%	38.93%	41.66%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,117,351	\$ 1,102,293	\$ 1,033,259	\$ 722,504	\$ 662,898
Contribution in relation to the actuarially determined contribution	<u>1,014,558</u>	<u>997,462</u>	<u>850,449</u>	<u>722,600</u>	<u>662,900</u>
Contribution deficiency (excess)	<u>\$ 102,793</u>	<u>\$ 104,831</u>	<u>\$ 182,810</u>	<u>\$ (96)</u>	<u>\$ (2)</u>
Covered payroll	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868	\$ 1,824,825
Contributions as a percentage of covered payroll	48.28%	48.19%	43.15%	38.71%	36.33%

**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 Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<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	10.38%	(0.94)%	(7.55)%	30.17%	(3.18)%	6.00%	6.18%	6.75%	2.50%	6.05%
Police Pension Plan	9.42%	1.41%	(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 Six Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>Total OPEB Liability</u></b>						
Service Cost	\$ 1,088,141	\$ 799,868	\$ 1,112,780	\$ 818,611	\$ 644,279	\$ 589,748
Interest on total OPEB liability	1,562,030	1,291,910	972,679	1,070,225	1,175,782	1,168,126
Changes of benefit terms	-	-	-	(279,752)	-	-
Differences Between Expected and Actual Experience	-	1,622,993	-	288,950	-	-
Changes in Assumptions	(2,351,442)	1,203,982	(8,996,650)	8,337,779	5,024,096	880,678
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,287,924)</u>	<u>(1,228,241)</u>	<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>	(989,195)	3,690,512	(8,072,431)	9,132,598	5,767,486	1,636,998
<b>Total OPEB Liability - Beginning</b>	<u>42,079,770</u>	<u>38,389,258</u>	<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>	<b>\$ 41,090,575</b>	<b>\$ 42,079,770</b>	<b>\$ 38,389,258</b>	<b>\$ 46,461,689</b>	<b>\$ 37,329,091</b>	<b>\$ 31,561,605</b>
<b>Covered Valuation Payroll</b>	\$ 9,255,405	\$ 8,942,419	\$ 8,899,268	\$ 8,598,325	\$ 8,786,287	\$ 8,489,166
<b>Net OPEB Liability as a Percentage of Covered Valuation Payroll</b>	443.96%	470.56%	431.38%	540.36%	424.86%	371.79%

**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, 2024**

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 1,512,053	\$ 1,512,053
Restricted cash	-	245,539	245,539
Investments	-	33,704	33,704
Restricted investments	2,131	344,748	346,879
Accounts receivable	-	379,420	379,420
Property taxes receivable	-	166,440	166,440
Sales taxes receivable	-	899,368	899,368
Other taxes receivable	-	175,035	175,035
Grant receivable	-	43,458	43,458
Due from other funds	-	30,041	30,041
Prepaid items	-	85,738	85,738
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<u>2,131</u>	<u>3,915,544</u>	<u>3,917,675</u>
 <b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	122,462	122,462
Accrued payroll	-	51,978	51,978
Unearned revenue	-	29,643	29,643
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<hr/> -	<hr/> 204,083	<hr/> 204,083
 <b>Deferred Inflow of Resources</b>			
Unavailable revenue	-	166,440	166,440
	<hr/>	<hr/>	<hr/>
<b>Fund Balances</b>			
Nonspendable	1,000	-	1,000
Restricted for:			
Donor restricted expenditures	-	336,969	336,969
Public safety	-	1,036,166	1,036,166
Cemetery	1,020	16,190	17,210
Maintenance of roadways	-	1,984,234	1,984,234
Tourism and recreation	-	316,182	316,182
Unassigned	111	(144,720)	(144,609)
	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<u>2,131</u>	<u>3,545,021</u>	<u>3,547,152</u>
 <b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 2,131</u>	<u>\$ 3,915,544</u>	<u>\$ 3,917,675</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, 2024**

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ 164,754	\$ 164,754
Sales tax	-	2,703,177	2,703,177
Other taxes and franchise fees	-	1,164,869	1,164,869
Intergovernmental revenue	-	1,148,832	1,148,832
Service charges and fees	-	1,823,101	1,823,101
Grant revenue	-	108,323	108,323
Investment income	111	74,738	74,849
Operating Donation	-	5,386	5,386
Miscellaneous revenue	-	18,219	18,219
	<hr/>	<hr/>	<hr/>
<b>Total Revenues</b>	111	7,211,399	7,211,510
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Public health and safety	-	2,560,288	2,560,288
Streets, alleys and cemeteries	-	1,358,281	1,358,281
Culture and recreation	-	3,614,418	3,614,418
Economic development	-	34,398	34,398
Debt service:			
Principal	-	14,810	14,810
Interest	-	1,460	1,460
Capital outlay	-	1,858,858	1,858,858
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	-	9,442,513	9,442,513
	<hr/>	<hr/>	<hr/>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	111	(2,231,114)	(2,231,003)
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	2,086,394	2,086,394
	<hr/>	<hr/>	<hr/>
<b>Total Other Financing Sources</b>	-	2,086,394	2,086,394
	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	111	(144,720)	(144,609)
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - Beginning of Year</b>	2,020	3,689,741	3,691,761
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - End of Year</b>	<u>\$ 2,131</u>	<u>\$ 3,545,021</u>	<u>\$ 3,547,152</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, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grant revenue	\$ 6,530,000	\$ 6,530,000	\$ -	\$ (6,530,000)
Investment income	286,080	286,080	500,756	214,676
Interest income	26,500	26,500	-	(26,500)
Charges for service	18,000	18,000	11,251	(6,749)
Miscellaneous revenue	1,990,790	1,990,790	615	(1,990,175)
<b>Total Revenues</b>	<b>8,851,370</b>	<b>8,851,370</b>	<b>512,622</b>	<b>(8,338,748)</b>
<b>Expenditures</b>				
Economic development	946,460	946,460	5,378,576	4,432,116
Debt service:				
Principal	-	-	182,201	182,201
Interest	-	87,500	103,947	16,447
Capital outlay	14,346,790	11,817,500	2,947,691	(8,869,809)
<b>Total Expenditures</b>	<b>15,293,250</b>	<b>12,851,460</b>	<b>8,612,415</b>	<b>(4,239,045)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,441,880)</b>	<b>(4,000,090)</b>	<b>(8,099,793)</b>	<b>(4,099,703)</b>
<b>Other Financing Sources</b>				
Transfers in	-	-	3,338,417	3,338,417
General long-term debt issued	2,553,230	2,553,230	5,148,512	2,858,205
<b>Total Other Financing Sources</b>	<b>2,553,230</b>	<b>2,553,230</b>	<b>8,486,929</b>	<b>2,858,205</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,888,650)</b>	<b>\$ (1,446,860)</b>	<b>\$ 387,136</b>	<b>\$ (1,241,498)</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, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Interest income	\$ 24,620	24,620	\$ 35,615	\$ 10,995
<b>Total Revenues</b>	24,620	24,620	35,615	10,995
<b>Expenditures</b>				
Administration Costs	1,460	1,460	-	(1,460)
Bank Fees	30	30	-	(30)
Debt service:				
Principal	1,948,420	1,948,420	1,948,425	5
Interest	204,190	204,190	205,107	917
<b>Total Expenditures</b>	2,154,100	2,154,100	2,153,532	922
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,129,480)	(2,129,480)	(2,117,917)	10,073
<b>Other Financing Sources</b>				
Transfers in	2,153,520	2,153,520	2,358,763	205,243
<b>Total Other Financing Sources (Uses)</b>	2,153,520	2,153,520	2,358,763	205,243
<b>Net Change in Fund Balances</b>	\$ 24,040	\$ 24,040	\$ 240,846	\$ 215,316

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Permanent Fund**  
**Year Ended April 30, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 50	\$ 50	\$ 111	\$ 61
<b>Total Revenues</b>	50	50	111	61
<b>Expenditures</b>	-	-		
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	50	50	111	61
<b>Net Change in Fund Balances</b>	\$ 50	\$ 50	\$ 111	\$ 61

**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, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 158,500	\$ 234,000	\$ 164,754	\$ (69,246)
Sales tax	-	-	2,703,177	2,703,177
Other taxes and franchise fees	1,053,070	1,053,070	1,164,869	111,799
Operating/capital grants	1,238,360	1,238,360	-	(1,238,360)
Intergovernmental	741,270	797,870	1,148,832	350,962
Service charges and fees	1,748,270	1,748,270	1,823,101	74,831
Grant revenue	759,200	784,200	238,021	(546,179)
Investment income	-	-	74,738	74,738
Interest income	10,070	10,070	-	(10,070)
Operating donation	16,000	16,000	5,386	(10,614)
Miscellaneous revenue	17,250	17,250.00	18,219	969
<b>Total Revenues</b>	<b>5,741,990</b>	<b>5,899,090</b>	<b>7,341,097</b>	<b>1,442,007</b>
<b>Expenditures</b>				
Streets, alleys and cemeteries	5,139,990	5,140,990	2,560,288	(2,580,702)
Cultural and recreation	3,794,130	3,819,130	1,358,281	(2,460,849)
Economic development	-	-	3,614,418	3,614,418
Debt service:				
Principal			34,398	
Interest	-	-	14,810	14,810
Grant Expenditure	1,500	1,500	1,460	
Capital outlay	2,644,780	2,644,780	1,988,556	(656,224)
<b>Total Expenditures</b>	<b>11,580,400</b>	<b>11,606,400</b>	<b>9,572,211</b>	<b>(2,068,547)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(5,838,410)</b>	<b>(5,707,310)</b>	<b>(2,231,114)</b>	<b>3,510,554</b>
<b>Other Financing Sources</b>				
Transfers in	4,650,480	6,139,730	2,086,394	(4,053,336)
<b>Total Other Financing Sources</b>	<b>4,650,480</b>	<b>6,139,730</b>	<b>2,086,394</b>	<b>(4,053,336)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,187,930)</b>	<b>\$ 432,420</b>	<b>\$ (144,720)</b>	<b>\$ (542,782)</b>

City of Marion, Illinois  
Combining Balance Sheet  
General Fund Types  
April 30, 2024

	General	Cultural and Civic Center	Senior Citizens Council	Boynton Street Community Center	Capital projects replacement fund	Economic Incentive	Total - General Fund Types
<b>Assets</b>							
Cash and cash equivalents	\$ 1,527,528	\$ 573,185	\$ 46,489	\$ 756	\$ 334,564	\$ 253,592	\$ 2,736,114
Restricted cash	71,107	-	-	483	-	-	71,590
Investments	13,528,078	3,456	-	-	-	-	13,531,534
Restricted investments	-	-	10,892	-	-	1,405,327	1,416,219
Property taxes receivable	100	-	-	-	-	-	100
Sales taxes receivable	5,268,156	-	-	-	-	250,002	5,518,158
Other taxes receivable	408,118	-	-	-	-	-	408,118
Accrued interest receivable	28,847	-	5	-	-	-	28,852
Loans receivable	94,519	-	-	-	-	134,067	228,586
Intergovernmental receivable	615,182	-	-	-	-	-	615,182
Due from other funds	327,210	-	(97)	-	(1,634)	-	325,479
Prepaid items	416,106	93,886	9,150	5,227	-	-	524,369
<b>Total Assets</b>	<b>22,284,951</b>	<b>670,527</b>	<b>66,439</b>	<b>6,466</b>	<b>332,930</b>	<b>2,042,988</b>	<b>25,404,301</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	306,560	56,332	17,437	1,375	-	-	381,704
Accrued payroll	325,064	13,612	6,931	6,331	-	-	351,938
Accrued payroll related expenses	39,580	-	-	-	-	-	39,580
Damage deposits	112,300	-	-	-	-	-	112,300
<b>Total Liabilities</b>	<b>783,504</b>	<b>69,944</b>	<b>24,368</b>	<b>7,706</b>	<b>-</b>	<b>-</b>	<b>885,522</b>
<b>Deferred Inflow of Resources</b>							
Unavailable revenue	100	-	-	-	-	-	100
<b>Fund Balances</b>							
Nonspendable	416,106	93,886	9,150	5,227	-	-	524,369
Restricted for:							
Donor restricted expenditures	-	-	10,897	2,453	-	-	13,350
Public safety	27,278	-	-	-	-	-	27,278
Economic development	-	-	-	-	-	1,577,370	1,577,370
Assigned	37,091	-	-	-	-	-	37,091
Committed	9,055,866	-	-	-	-	-	9,055,866
Unassigned (Deficit)	11,965,006	506,697	22,024	(8,920)	332,930	465,618	13,283,355
<b>Total Fund Balances</b>	<b>21,501,347</b>	<b>600,583</b>	<b>42,071</b>	<b>(1,240)</b>	<b>332,930</b>	<b>2,042,988</b>	<b>24,518,679</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 22,284,951</b>	<b>\$ 670,527</b>	<b>\$ 66,439</b>	<b>\$ 6,466</b>	<b>\$ 332,930</b>	<b>\$ 2,042,988</b>	<b>\$ 25,404,301</b>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Types**  
**For the Year Ended April 30, 2024**

	General	Cultural and Civic Center	Senior Citizens Council	Boyton Street Community Center	Capital projects replacement fund	Economic Incentive	Total - General Fund Types
<b>Revenues</b>							
Property tax	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57
Sales tax	22,159,800	-	-	-	-	999,998	23,159,798
Other taxes and franchise fees	3,483,579	295,332	-	-	-	-	3,778,911
Licenses and permits	480,121	-	-	-	-	-	480,121
Intergovernmental revenues	3,497,776	-	-	-	-	-	3,497,776
Service charges and fees	742,585	1,559,875	81,727	-	-	-	2,384,187
Grant revenue	757,186	35,500	-	27,425	-	-	820,111
Investment income	760,721	13,895	-	-	9,973	75,394	859,983
Miscellaneous revenue	273,850	13,563	6,601	-	-	-	294,014
Restricted donations	30,647	-	1,357	2,821	-	-	34,825
<b>Total Revenues</b>	<b>32,186,322</b>	<b>1,918,165</b>	<b>89,685</b>	<b>30,246</b>	<b>9,973</b>	<b>1,075,392</b>	<b>35,309,783</b>
<b>Expenditures</b>							
General government	3,995,545	-	671,227	393,663	-	-	5,060,435
Public health and safety	11,234,040	-	-	-	-	-	11,234,040
Streets, alleys and cemeteries	3,899,442	-	-	-	-	-	3,899,442
Culture and recreation	-	2,100,863	-	-	-	-	2,100,863
Economic development	1,013,621	-	-	-	1,634	9,774	1,025,029
Debt Service:							
Principal	454,778	1,356	4,568	1,356	-	-	462,058
Interest	30,180	134	450	134	-	-	30,898
Capital outlay	1,379,095	48,284	20,930	5,136	79,750	-	1,533,195
<b>Total Expenditures</b>	<b>22,006,701</b>	<b>2,150,637</b>	<b>697,175</b>	<b>400,289</b>	<b>81,384</b>	<b>9,774</b>	<b>25,345,960</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>10,179,621</b>	<b>(232,472)</b>	<b>(607,490)</b>	<b>(370,043)</b>	<b>(71,411)</b>	<b>1,065,618</b>	<b>9,963,823</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in (out)	(9,574,094)	875,813	615,047	366,959	404,341	(600,000)	(7,911,934)
General long-term debt issued	572,042	-	-	-	-	-	572,042
Proceeds from sale of capital assets	215,441	-	-	-	-	-	215,441
<b>Total Other Financing Sources (Uses)</b>	<b>(8,786,611)</b>	<b>875,813</b>	<b>615,047</b>	<b>366,959</b>	<b>404,341</b>	<b>(600,000)</b>	<b>(7,124,451)</b>
<b>Net Change in Fund Balances</b>	<b>1,393,010</b>	<b>643,341</b>	<b>7,557</b>	<b>(3,084)</b>	<b>332,930</b>	<b>465,618</b>	<b>2,839,372</b>
<b>Fund Balances - Beginning of Year</b>	<b>20,108,340</b>	<b>(42,758)</b>	<b>34,512</b>	<b>1,843</b>	<b>-</b>	<b>1,577,370</b>	<b>21,679,307</b>
<b>Fund Balances - End of Year</b>	<b>\$ 21,501,350</b>	<b>\$ 600,583</b>	<b>\$ 42,069</b>	<b>\$ (1,241)</b>	<b>\$ 332,930</b>	<b>\$ 2,042,988</b>	<b>\$ 24,518,679</b>

City of Marion, Illinois  
Combining Balance Sheet  
TIF Development Fund  
April 30, 2024

	TIF #5	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14
<b>Assets</b>							
Cash and cash equivalents	\$ 64,197	\$ 52,872	\$ 35,078	\$ 122,623	\$ 25,826	\$ 433,565	\$ 102,314
Investments	-	719,618	-	3,734,541	-	-	-
Property taxes receivable	222,879	176,427	860,851	557,949	7,855	734,857	134,019
Loans receivable	-	-	-	-	-	417,262	-
<b>Total Assets</b>	<u>287,076</u>	<u>948,917</u>	<u>895,929</u>	<u>4,415,113</u>	<u>33,681</u>	<u>1,585,684</u>	<u>236,333</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	-	-	180,880	-	-	14,250	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>180,880</u>	<u>-</u>	<u>-</u>	<u>14,250</u>	<u>-</u>
<b>Deferred Inflow of Resources</b>							
Unavailable revenue	<u>222,879</u>	<u>176,427</u>	<u>860,851</u>	<u>557,949</u>	<u>7,855</u>	<u>734,857</u>	<u>134,019</u>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	417,262	-
Restricted for:							
Economic development	<u>64,197</u>	<u>772,490</u>	<u>(145,802)</u>	<u>3,857,164</u>	<u>25,826</u>	<u>419,315</u>	<u>102,314</u>
<b>Total Fund Balances</b>	<u>64,197</u>	<u>772,490</u>	<u>(145,802)</u>	<u>3,857,164</u>	<u>25,826</u>	<u>836,577</u>	<u>102,314</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 287,076</u>	<u>\$ 948,917</u>	<u>\$ 895,929</u>	<u>\$ 4,415,113</u>	<u>\$ 33,681</u>	<u>\$ 1,585,684</u>	<u>\$ 236,333</u>



TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	TIF #22	Total - TIF Development Fund
\$ 365,262	\$ 49,670	\$ 74,359	\$ 36,998	\$ 51,582	\$ 318,226	\$ 396,478	\$ -	\$ 2,129,050
-	-	-	-	-	-	-	-	4,454,159
300,643	78,491	262,581	35,631	34,866	1,784,954	605,708	-	5,797,711
-	-	-	-	-	-	-	-	417,262
<u>665,905</u>	<u>128,161</u>	<u>336,940</u>	<u>72,629</u>	<u>86,448</u>	<u>2,103,180</u>	<u>1,002,186</u>	<u>-</u>	<u>12,798,182</u>
-	-	-	-	-	20,018	-	3,600	218,748
-	-	-	-	-	20,018	-	3,600	218,748
<u>300,643</u>	<u>78,491</u>	<u>262,581</u>	<u>35,631</u>	<u>34,866</u>	<u>1,784,954</u>	<u>605,708</u>	<u>-</u>	<u>5,797,711</u>
-	-	-	-	-	-	-	-	417,262
<u>365,262</u>	<u>49,670</u>	<u>74,359</u>	<u>36,998</u>	<u>51,582</u>	<u>298,208</u>	<u>396,478</u>	<u>(3,600)</u>	<u>6,364,461</u>
<u>365,262</u>	<u>49,670</u>	<u>74,359</u>	<u>36,998</u>	<u>51,582</u>	<u>298,208</u>	<u>396,478</u>	<u>(3,600)</u>	<u>6,781,723</u>
<u>\$ 665,905</u>	<u>\$ 128,161</u>	<u>\$ 336,940</u>	<u>\$ 72,629</u>	<u>\$ 86,448</u>	<u>\$ 2,103,180</u>	<u>\$ 1,002,186</u>	<u>\$ -</u>	<u>\$ 12,801,782</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**TIF Development Fund**  
**For the Year Ended April 30, 2024**

	<b>TIF #1</b>	<b>TIF #5</b>	<b>TIF #8</b>	<b>TIF #10</b>	<b>TIF #11</b>	<b>TIF #12</b>	<b>TIF #13</b>	<b>TIF #14</b>
<b>Revenues</b>								
Property taxes	\$ 3,520,262	\$ 225,632	\$ 178,542	\$ 653,136	\$ 487,896	\$ 9,175	\$ 667,266	\$ 97,033
Investment income	95,977	2,459	39,091	4,023	69,256	815	27,537	2,744
<b>Total Revenues</b>	<b>3,616,239</b>	<b>228,091</b>	<b>217,633</b>	<b>657,159</b>	<b>557,152</b>	<b>9,990</b>	<b>694,803</b>	<b>99,777</b>
<b>Expenditures</b>								
Streets, alleys and cemeteries	-	-	-	-	1,061	-	-	-
Economic development and Administration cost	412,800	288,331	7,335	1,266,598	298,625	5,367	703,464	44,722
Debt service:								
Principal	618,182	-	-	13,500	76,500	-	-	-
<b>Total Expenditures</b>	<b>1,030,982</b>	<b>288,331</b>	<b>7,335</b>	<b>1,280,098</b>	<b>376,186</b>	<b>5,367</b>	<b>703,464</b>	<b>44,722</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,585,257</b>	<b>(60,240)</b>	<b>210,298</b>	<b>(622,939)</b>	<b>180,966</b>	<b>4,623</b>	<b>(8,661)</b>	<b>55,055</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in (out)	(5,206,373)	125,955	(123,539)	673,517	3,683,825	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,206,373)</b>	<b>125,955</b>	<b>(123,539)</b>	<b>673,517</b>	<b>3,683,825</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(2,621,116)</b>	<b>65,715</b>	<b>86,759</b>	<b>50,578</b>	<b>3,864,791</b>	<b>4,623</b>	<b>(8,661)</b>	<b>55,055</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,621,116</b>	<b>(1,518)</b>	<b>685,731</b>	<b>(196,380)</b>	<b>(7,627)</b>	<b>21,203</b>	<b>845,238</b>	<b>47,259</b>
<b>Fund Balances - End of Year</b>	<b>\$ -</b>	<b>\$ 64,197</b>	<b>\$ 772,490</b>	<b>\$ (145,802)</b>	<b>\$ 3,857,164</b>	<b>\$ 25,826</b>	<b>\$ 836,577</b>	<b>\$ 102,314</b>

TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	TIF #22	Total - TIF Development Fund
\$ 306,077	\$ 83,241	\$ 230,017	\$ 36,066	\$ 36,765	\$ 796,055	\$ 335,924	-	\$ 7,663,087
11,090	1,701	4,094	1,160	1,428	13,748	9,395	-	284,518
317,167	84,942	234,111	37,226	38,193	809,803	345,319	-	7,947,605
-	-	-	-	-	85,268	6,002	-	92,331
190,210	59,172	840,061	25,550	16,276	992,952	55,528	3,600	5,210,591
-	-	-	-	-	-	-	-	708,182
190,210	59,172	840,061	25,550	16,276	1,078,220	61,530	3,600	6,011,104
126,957	25,770	(605,950)	11,676	21,917	(268,417)	283,789	(3,600)	1,936,501
-	-	600,000	-	-	-	(8,562)	-	(255,177)
-	-	600,000	-	-	-	(8,562)	-	(255,177)
126,957	25,770	(5,950)	11,676	21,917	(268,417)	275,227	(3,600)	1,681,324
238,305	23,900	80,309	25,322	29,665	566,625	121,251	-	5,100,399
<u>\$ 365,262</u>	<u>\$ 49,670</u>	<u>\$ 74,359</u>	<u>\$ 36,998</u>	<u>\$ 51,582</u>	<u>\$ 298,208</u>	<u>\$ 396,478</u>	<u>(3,600)</u>	<u>\$ 6,781,723</u>

City of Marion, Illinois  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
April 30, 2024

	Goddard Chapel Restoration	Carnegie Library	Pavilion Fund	HUB Recreation Center Fund	Road and Bridge	Motor Fuel Tax
<b>Assets</b>						
Cash and cash equivalents	\$ 18,187	\$ 10,125	\$ (17,537)	\$ 188,308	\$ 43,342	\$ 525,685
Restricted cash	-	3,366	-	-	-	-
Investments	-	33,701	-	-	-	-
Restricted investments	-	344,748	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	166,440	-
Sales taxes receivable	-	-	-	-	-	-
Other taxes receivable	-	-	112,158	-	-	-
Grant receivable	-	-	-	-	-	43,458
Due from (to) other funds	267	-	(5,527)	(32,102)	-	-
Prepaid items	-	15,358	11,597	58,783	-	-
<b>Total Assets</b>	<u>18,454</u>	<u>407,298</u>	<u>100,691</u>	<u>214,989</u>	<u>209,782</u>	<u>569,143</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	-	10,002	13,836	58,274	-	7,077
Accrued payroll	-	14,490	5,629	31,859	-	-
Unearned revenue	-	-	-	29,643	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>24,492</u>	<u>19,465</u>	<u>119,776</u>	<u>-</u>	<u>7,077</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue, property taxes	-	-	-	-	166,440	-
<b>Fund Balances</b>						
Restricted for:						
Donor restricted expenditures	-	336,969	-	-	-	-
Public safety	-	-	-	-	-	-
Cemetery	16,190	-	-	-	-	-
Maintenance of roadways	-	-	-	-	101,900	1,426,411
Tourism and recreation	-	48,198	224,866	43,118	-	-
Unassigned	2,264	(2,361)	(143,640)	52,095	(58,558)	(864,345)
<b>Total Fund Balances</b>	<u>18,454</u>	<u>382,806</u>	<u>81,226</u>	<u>95,213</u>	<u>43,342</u>	<u>562,066</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 18,454</u>	<u>\$ 407,298</u>	<u>\$ 100,691</u>	<u>\$ 214,989</u>	<u>\$ 209,782</u>	<u>\$ 569,143</u>

<u>Gas Tax</u>	<u>Foreign Fire Insurance</u>	<u>Special Revenue Police</u>	<u>Star Bond District</u>	<u>Housing Rehab</u>	<u>Property Tax</u>	<u>Federal Assistance</u>	<u>Total - Special Revenue Funds</u>
\$ 500,329	\$ 46,762	\$ 84,563	\$ 106,531	\$ -	\$ 5,758	\$ -	\$ 1,512,053
-	-	242,173	-	-	-	-	245,539
-	-	-	-	-	3	-	33,704
-	-	-	-	-	-	-	344,748
-	-	2,423	376,997	-	-	-	379,420
-	-	-	-	-	-	-	166,440
-	-	-	289,753	-	609,615	-	899,368
62,877	-	-	-	-	-	-	175,035
-	-	-	-	-	-	-	43,458
68,002	(599)	-	-	-	-	-	30,041
-	-	-	-	-	-	-	85,738
<u>631,208</u>	<u>46,163</u>	<u>329,159</u>	<u>773,281</u>	<u>-</u>	<u>615,376</u>	<u>-</u>	<u>3,915,544</u>
10,049	-	7,900	15,324	-	-	-	122,462
-	-	-	-	-	-	-	51,978
-	-	-	-	-	-	-	29,643
<u>10,049</u>	<u>-</u>	<u>7,900</u>	<u>15,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,083</u>
-	-	-	-	-	-	-	166,440
-	-	-	-	-	-	-	336,969
-	31,988	279,923	-	-	724,255	-	1,036,166
-	-	-	-	-	-	-	16,190
455,923	-	-	-	-	-	-	1,984,234
-	-	-	-	-	-	-	316,182
165,236	14,175	41,336	757,957	-	(108,879)	-	(144,720)
<u>621,159</u>	<u>46,163</u>	<u>321,259</u>	<u>757,957</u>	<u>-</u>	<u>615,376</u>	<u>-</u>	<u>3,545,021</u>
<u>\$ 631,208</u>	<u>\$ 46,163</u>	<u>\$ 329,159</u>	<u>\$ 773,281</u>	<u>\$ -</u>	<u>\$ 615,376</u>	<u>\$ -</u>	<u>\$ 3,915,544</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, 2024**

	<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>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 164,754	\$ -
Sales tax	-	-	-	-	-	-
Other taxes and franchise fees	-	-	308,664	-	808	-
Intergovernmental revenue	-	-	-	-	-	688,644
Service charges and fees	2,650	18,802	198,524	1,564,456	-	-
Grant revenue	-	56,062	-	3,500	-	13,761
Investment income	-	13,891	-	-	-	-
Operating Donation	275.0000	2,360	-	-	-	-
Interest Income	3	7	3,061	4,193	1,446	26,296
Miscellaneous revenue	-	11	-	1,190	-	-
<b>Total Revenues</b>	<u>2,928</u>	<u>91,133</u>	<u>510,249</u>	<u>1,573,339</u>	<u>167,008</u>	<u>728,701</u>
<b>Expenditures</b>						
Public health and safety	-	-	-	-	-	-
Streets, alleys and cemeteries	664	-	-	-	225,566	675,000
Culture and recreation	-	872,410	510,887	2,231,121	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	7,188	1,356	6,266	-	-
Interest	-	708	134	618	-	-
Capital outlay	-	54,776	141,512	(12,226)	-	1,609,901
<b>Total Expenditures</b>	<u>664</u>	<u>935,082</u>	<u>653,889</u>	<u>2,225,779</u>	<u>225,566</u>	<u>2,284,901</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,264</u>	<u>(843,949)</u>	<u>(143,640)</u>	<u>(652,440)</u>	<u>(58,558)</u>	<u>(1,556,200)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	-	841,588	-	704,535	-	691,855
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>841,588</u>	<u>-</u>	<u>704,535</u>	<u>-</u>	<u>691,855</u>
<b>Net Change in Fund Balances</b>	<u>2,264</u>	<u>(2,361)</u>	<u>(143,640)</u>	<u>52,095</u>	<u>(58,558)</u>	<u>(864,345)</u>
<b>Fund Balances - Beginning of Year</b>	<u>16,190</u>	<u>385,167</u>	<u>224,866</u>	<u>43,118</u>	<u>101,900</u>	<u>1,426,411</u>
<b>Fund Balances - End of Year</b>	<u>\$ 18,454</u>	<u>\$ 382,806</u>	<u>\$ 81,226</u>	<u>\$ 95,213</u>	<u>\$ 43,342</u>	<u>\$ 562,066</u>

<u>Gas Tax</u>	<u>Foreign Fire Insurance</u>	<u>Special Revenue Police</u>	<u>Star Bond District</u>	<u>Property Tax</u>	<u>Total - Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,754
-	-	-	358,529	2,344,648	2,703,177
768,829	86,443	125	-	-	1,164,869
-	-	26,546	433,642	-	1,148,832
-	-	38,669	-	-	1,823,101
-	-	35,000	-	-	108,323
-	-	-	-	-	13,891
-	-	2,750	0	-	5,385
14,283	-	10,860	184	514	60,847
-	-	17,018	-	-	18,219
<u>783,112</u>	<u>86,443</u>	<u>130,968</u>	<u>792,355</u>	<u>2,345,162</u>	<u>7,211,398</u>
-	62,756	20,038	-	2,477,494	2,560,288
457,051	-	-	-	-	1,358,281
-	-	-	-	-	3,614,418
-	-	-	34,398	-	34,398
-	-	-	-	-	14,810
-	-	-	-	-	1,460
-	-	64,895	-	-	1,858,858
<u>457,051</u>	<u>62,756</u>	<u>84,933</u>	<u>34,398</u>	<u>2,477,494</u>	<u>9,442,513</u>
<u>326,061</u>	<u>23,687</u>	<u>46,035</u>	<u>757,957</u>	<u>(132,332)</u>	<u>(2,231,115)</u>
<u>(160,825)</u>	<u>(9,512)</u>	<u>(4,699)</u>	<u>-</u>	<u>23,453</u>	<u>2,086,395</u>
<u>(160,825)</u>	<u>(9,512)</u>	<u>(4,699)</u>	<u>-</u>	<u>23,453</u>	<u>2,086,395</u>
165,236	14,175	41,336	757,957	(108,879)	(144,720)
<u>455,923</u>	<u>31,988</u>	<u>279,923</u>	<u>-</u>	<u>724,255</u>	<u>3,689,741</u>
<u>\$ 621,159</u>	<u>\$ 46,163</u>	<u>\$ 321,259</u>	<u>\$ 757,957</u>	<u>\$ 615,376</u>	<u>\$ 3,545,021</u>

**City of Marion, Illinois**  
**Combining Statement of Plan Net Position**  
**Pension Trust Funds**  
**April 30, 2024**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 409,505	\$ 362,587	\$ 772,092
Investments -			
Consolidated Pooled Investments	<u>19,292,142</u>	<u>15,984,665</u>	<u>35,276,807</u>
<b>Total Assets</b>	<u>19,701,647</u>	<u>16,347,252</u>	<u>36,048,899</u>
 <b>Net Position</b>			
Held in trust for pension benefits	<u>\$ 19,701,647</u>	<u>\$ 16,347,252</u>	<u>\$ 36,048,899</u>



**City of Marion, Illinois**  
**Combining Statement of Changes in Plan Net Position**  
**Pension Trust Funds**  
**For the Year Ended April 30, 2024**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Additions</b>			
Contributions			
Employer	\$ 1,417,820	\$ 1,059,674	\$ 2,477,494
Plan members	302,709	171,670	474,379
	<u>1,720,529</u>	<u>1,231,344</u>	<u>2,951,873</u>
Total Contributions			
	<u>1,720,529</u>	<u>1,231,344</u>	<u>2,951,873</u>
Investment Income			
Net appreciation in fair value of investments	1,525,420	1,533,679	3,059,099
Interest and dividends	164,844	11,509	176,353
Investment expense	(5,834)	(15,979)	(21,813)
	<u>1,684,430</u>	<u>1,529,209</u>	<u>3,213,639</u>
Net Investment Income			
	<u>1,684,430</u>	<u>1,529,209</u>	<u>3,213,639</u>
<b>Total Additions</b>	<u>3,404,959</u>	<u>2,760,553</u>	<u>6,165,512</u>
<b>Deductions</b>			
Benefits paid	1,317,857	982,821	2,300,678
Refunds of contributions	-	40,201	40,201
Administrative expense	33,224	33,842	67,066
	<u>1,351,081</u>	<u>1,056,864</u>	<u>2,407,945</u>
<b>Total Deductions</b>	<u>1,351,081</u>	<u>1,056,864</u>	<u>2,407,945</u>
<b>Change in Net Position</b>	<u>2,053,878</u>	<u>1,703,689</u>	<u>3,757,567</u>
<b>Net Position, Beginning</b>	<u>17,647,769</u>	<u>14,643,563</u>	<u>32,291,332</u>
<b>Net Position, Ending</b>	<u>\$ 19,701,647</u>	<u>\$ 16,347,252</u>	<u>\$ 36,048,899</u>

## **Statistical Section**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>GOVERNMENTAL ACTIVITIES</b>											
Net investment in capital assets	\$ 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	\$ 90,907,222	\$ 95,123,386
Restricted	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	18,038,057	18,367,564
Nonspendable		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	982,492	9,093,957
Unrestricted	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)	(29,306,263)	(30,901,189)
Total governmental activities net position	60,691,629	66,243,179	57,272,307	56,279,950	58,362,661	48,389,616	51,002,516	59,155,474	70,348,972	80,621,508	91,683,718
<b>BUSINESS-TYPE ACTIVITIES</b>											
Net investment in capital assets	\$ 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	\$ 27,790,225	\$ 26,423,151
Restricted	1,584,620	993,495	1,057,109	608,764	538,239	647,651	767,698	288,199	353,191	934,330	1,130,914
Unrestricted	469,822	270,046	(506,364)	518,054	(168,842)	(4,042,028)	(3,931,078)	(3,199,137)	(2,630,849)	(3,866,757)	(1,194,963)
Total business-type activities net position	\$ 18,737,103	\$ 18,770,759	\$ 18,535,419	\$ 20,147,906	\$ 20,955,998	\$ 18,115,431	\$ 19,722,879	\$ 20,270,230	\$ 22,691,080	\$ 24,857,798	\$ 26,359,102
<b>PRIMARY GOVERNMENT</b>											
Net investment in capital assets	\$ 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	\$ 118,697,447	\$ 121,546,537
Restricted	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	18,972,387	19,498,478
Nonspendable	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	982,492	9,093,957
Unrestricted	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)	(33,173,020)	(32,096,152)
Total primary government net position	\$ 79,428,732	\$ 85,013,938	\$ 75,807,726	\$ 76,427,856	\$ 79,318,659	\$ 66,505,047	\$ 70,725,395	\$ 79,425,704	\$ 93,040,052	\$ 105,479,306	\$ 118,042,820

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>EXPENSES</b>											
Governmental Activities											
General government	\$ 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	\$ 4,470,234	\$ 6,096,271
Public, health and safety	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	16,330,998	16,868,686
Streets, alleys and cemeteries	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	5,658,310	5,716,391
Culture and recreation	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	6,461,398	6,839,252
Development	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	5,786,361	6,609,962
Interest	997,268	1,429,749	1,531,122	1,791,774	897,069	646,396	596,237	318,490	386,740	273,155	309,484
Unallocated depreciation expense	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	1,370,918	455,636
Total Governmental Activities Expenses	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	40,351,374	42,895,682
Business-Type Activities											
Water	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	4,114,191	5,325,759
Sewer	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	3,599,729	3,521,274
Total Business-Type Activities Expenses	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	7,713,920	8,847,033
<b>TOTAL GOVERNMENT EXPENSES</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>48,065,294</b>	<b>51,742,715</b>
<b>PROGRAM REVENUES</b>											
Governmental Activities											
Charges for Services											
General government	240,997	263,636	259,680	403,481	343,011	365,579	359,645	\$ 611,510	\$ 709,490	\$ 741,973	\$ 844,152
Public, health and safety	279,359	299,545	206,155	202,967	305,639	361,725	352,754	285,793	489,008	592,779	604,191
Streets, alleys and cemeteries	92,250	94,276	97,407	90,637	94,046	117,232	87,015	95,515	111,537	59,705	69,225
Culture and recreation	419,543	845,505	2,434,950	2,500,938	2,657,089	2,581,198	2,262,979	888,126	2,022,587	2,551,289	3,333,301
Development	50,130	45,835	47,751	44,571	33,208	-	-	-	-	-	-
Operating Grants and Contributions	962,603	973,519	833,299	703,151	889,252	1,339,796	1,321,274	1,261,222	1,502,246	1,840,469	822,048
Capital Grants and Contributions	30,727	2,463,824	3,512,458	466,748	638,620	1,934,015	280,340	1,284,325	954,579	2,464,959	106,386
Total Governmental Activities Program Revenues	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	8,251,174	5,779,303
Business-Type Activities											
Charges for Services											
Water	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	4,518,317	4,585,488
Sewer	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	4,053,954	5,646,806
Operating Grants and Contributions	-	16,106	75,098	-	-	-	-	-	-	-	-
Capital Grants and Contributions	225,956	-	-	-	-	-	-	815,105	1,049,512	1,179,365	-
Total Business-Type Activities Program Revenues	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	9,751,636	10,232,294
<b>TOTAL GOVERNMENT PROGRAM REVENUES</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>18,002,810</b>	<b>16,011,597</b>
<b>NET REVENUE (EXPENSE)</b>											
Governmental Activities	(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)	(32,100,200)	(37,116,379)
Business-Type Activities	362,411	175,710	208,303	125,229	387,694	653,737	810,266	1,410,703	2,280,370	2,037,716	1,385,261
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</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>	<b>(30,062,484)</b>	<b>(35,731,118)</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(Continued)											
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>											
Governmental Activities											
Taxes											
Property taxes	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	6,951,757	7,827,898
Sales taxes	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	24,703,808	25,862,975
Other taxes and franchise fees	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	5,155,296	4,943,780
Intergovernmental	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	4,282,703	4,646,608
Investment Income	43,887	40,546	58,784	86,469	130,972	316,468	321,022	144,466	47,468	753,953	1,779,750
Miscellaneous	96,528	320,264	68,481	858	121,493	110,748	231,881	248,204	361,367	529,026	308,848
Gain (Loss) on sale of capital assets	(51,743)	(26,411)	(29,481)	-	-	(53)	-	-	26,636	-	-
Special items	-	-	-	-	(1,652,165)	-	-	-	(831,430)	-	-
Transfers	3,617	(305,006)	21,288	(1,773,665)	(175,465)	(21,678)	(796,449)	1,290,292	25,554	(3,807)	166,460
Total Governmental Activities	24,438,634	25,450,702	26,734,227	25,159,529	26,731,478	30,002,086	31,096,360	35,167,443	39,108,058	42,372,736	45,536,319
Business-Type Activities											
Investment Income	830	747	1,350	4,951	26,134	33,328	28,000	6,148	5,977	112,414	243,721
Miscellaneous	28,820	10,864	6,633	11,524	12,260	9,246	35,590	52,980	157,949	12,781	15,228
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	(3,617)	253,621	(21,288)	1,773,665	175,465	21,678	796,449	(1,290,292)	(25,554)	3,807	(166,460)
Total Business-Type Activities	166,784	(142,053)	(13,305)	1,787,258	120,398	103,398	797,182	(827,517)	140,481	129,002	92,489
<b>TOTAL PRIMARY GOVERNMENT</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>42,501,738</b>	<b>45,628,808</b>
<b>CHANGES IN NET POSITION</b>											
Governmental Activities	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	10,272,536	8,419,940
Business-Type Activities	529,195	33,657	194,998	1,912,487	508,092	757,135	1,607,448	583,186	2,420,851	2,166,718	1,477,750
<b>TOTAL PRIMARY GOVERNMENT</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>12,439,254</b>	<b>9,897,690</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>											
Governmental Activities	-	-	-	-	-	(16,282,655)	-	-	-	-	-
Business-Type Activities	-	-	-	-	-	(3,597,702)	-	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,880,357)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET POSITION AFTER PRIOR PERIOD ADJUSTMENT</b>											
Governmental Activities	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	10,272,536	8,419,940
Business-Type Activities	529,195	33,657	194,998	1,912,487	508,092	(2,840,567)	1,607,448	583,186	2,420,851	2,166,718	1,477,750
<b>TOTAL PRIMARY GOVERNMENT</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>	<b>\$ 12,439,254</b>	<b>\$ 9,897,690</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>GENERAL FUND</b>											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 926,030	\$ 572,409	\$ 524,369
Restricted	168,382	205,425	194,866	272,970	211,370	554,462	80,495	1,023,555	1,196,979	1,655,362	1,617,998
Assigned	72,536	89,007	62,132	54,532	97	102,107	50,561	50,561	-	-	37,091
Committed	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	8,570,495	9,055,866
Unassigned	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	10,881,041	13,283,555
<b>TOTAL GENERAL FUND</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>\$ 21,679,307</b>	<b>\$ 24,518,879</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>											
Special revenue funds											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,665	\$ 409,083	\$ 417,262
Restricted	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	8,381,057	10,055,222
Unassigned	-	-	-	-	-	-	-	(61,368)	(203)	-	(144,609)
Capital project funds											
Restricted	8,348,120	2,192,382	575	-	-	-	255,830	2,234,031	3,449,569	7,071,501	7,058,491
Unassigned	-	-	-	-	-	-	-	-	-	-	387,135
Debt service fund											
Restricted	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	929,117	929,117
Unassigned	-	-	-	-	-	-	-	-	-	-	240,846
Permanent fund											
Nonspendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restricted	842	843	845	853	875	917	953	957	959	1,020	1,020
<b>TOTAL ALL OTHER GERNMENTAL FUNDS</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>	<b>\$ 16,792,778</b>	<b>\$ 18,945,484</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUES</b>											
Property taxes	\$ 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	\$ 6,951,757	\$ 7,827,898
Sales Taxes	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	24,703,808	25,862,975
Grant revenue	379,379	2,834,398	1,897,603	620,796	915,218	2,143,674	963,836	2,545,547	2,456,825	4,305,428	4,943,780
Licenses and permits	109,883	134,848	135,814	196,159	177,895	205,274	193,879	412,441	504,387	479,651	480,121
Intergovernmental revenue	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	4,282,703	4,646,608
Other taxes and franchise fees	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	5,155,296	4,218,539
Service charges and fees	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	3,403,137	928,434
Investment income	43,746	40,548	58,783	96,797	120,964	301,591	272,073	113,116	47,468	753,953	1,755,721
Restricted Donations	16,701	16,349	1,960,345	57,096	53,363	636,305	8,468	13,902	11,850	57,406	312,848
Miscellaneous Revenue	228,607	385,530	125,578	219,001	379,201	208,791	408,467	215,302	349,517	529,026	40,211
Total revenues	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	50,622,165	51,017,135
<b>EXPENDITURES</b>											
General government	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	4,493,241	5,060,435
Public, health and safety	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	13,920,391	13,794,328
Streets, alleys and cemeteries	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	5,069,118	5,350,054
Culture and recreation	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	5,217,121	5,715,281
Capital outlay	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	7,982,755	11,391,385
Development	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	5,764,837	6,596,953
Debt service	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	3,438,352	3,657,088
Total Expenditures	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	45,885,815	51,565,524
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(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	4,736,350	(548,389)
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds from long-term debt	10,865,781	5,753,469	9,200,855	344,236	268,663	429,484	1,216,185	12,934,886	1,429,545	3,288,744	5,720,554
Proceeds from sale of capital assets								456,919	54,820	229,709	215,442
Transfers in (out)	15,120	(305,006)	21,288	(1,773,665)	22,559	(21,678)	(237,755)	1,523,740	25,555	(3,807)	(144,609)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	10,880,901	5,448,463	9,222,143	(1,429,429)	291,222	407,806	978,430	14,915,545	1,509,920	3,514,646	5,791,387
<b>SPECIAL ITEMS</b>											
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>	\$ 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	\$ 8,250,996	\$ 5,242,998
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>											
	11.51%	11.30%	34.33%	19.54%	19.44%	17.28%	17.89%	38.49%	16.38%	9.07%	9.10%

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

<b>Calendar Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Merchandise	\$ 1,696,741	\$ 1,196,812	\$ 1,105,635	\$ 1,102,880	\$ 1,161,140	\$ 1,094,178	\$ 1,227,403	\$ 1,264,459	\$ 1,324,151	\$ 1,515,799
Food	710,905	1,191,796	1,266,470	1,317,227	1,342,746	1,382,883	1,570,161	1,719,160	1,726,696	2,034,231
Drinking and Eating Places	801,532	821,182	860,726	867,807	884,106	744,817	936,062	996,944	1,080,507	1,171,131
Apparel	177,750	155,387	153,404	157,921	144,071	103,930	153,764	149,639	149,132	145,561
Furniture & H.H. & Radio	69,064	53,170	49,520	64,539	97,606	113,696	139,417	137,051	118,967	128,571
Lumber, Bldg, Hardware	825,783	847,350	879,159	839,450	835,742	1,040,025	1,093,741	1,153,737	1,158,898	1,150,599
Automotive & Filing Stations	1,810,741	1,848,754	1,747,596	1,929,102	1,990,760	2,077,181	2,531,865	2,416,299	2,455,151	2,328,978
Drugs & Miscellaneous Retail	1,101,557	1,145,230	1,149,109	1,103,551	1,172,294	1,224,944	1,662,372	1,599,623	1,779,616	2,003,251
Agriculture & All Others	225,661	261,433	307,578	346,752	367,574	346,452	422,248	478,371	539,214	622,185
Manufactures	105,856	95,803	101,960	79,042	89,639	77,466	101,030	156,388	123,632	129,773
<b>TOTAL</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>	<b>\$ 10,071,671</b>	<b>\$ 10,455,964</b>	<b>\$ 11,230,079</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>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Merchandise	\$ 1,417,128	\$ 1,046,629	\$ 1,076,999	\$ 1,132,320	\$ 1,089,745	\$ 1,674,141	\$ 1,946,452	\$ 1,975,421	\$ 2,013,639	\$ 2,197,254
Food	387,205	799,213	873,891	985,466	1,021,584	1,491,834	1,920,824	2,206,603	2,052,637	2,272,201
Drinking and Eating Places	992,553	1,017,522	1,174,232	1,291,109	1,328,349	1,659,676	2,097,100	2,219,201	2,423,421	2,617,349
Apparel	222,176	194,207	212,147	236,447	216,080	233,443	345,647	335,756	335,403	327,291
Furniture & H.H. & Radio	86,328	66,461	67,920	96,808	146,408	255,775	312,903	308,359	267,495	289,171
Lumber, Bldg, Hardware	952,274	973,344	1,123,200	1,250,246	1,239,608	2,317,934	2,441,060	2,570,793	2,576,771	2,561,818
Automotive & Filing Stations	596,176	573,576	597,220	752,307	728,967	1,005,186	1,223,768	1,342,202	1,434,344	1,469,539
Drugs & Miscellaneous Retail	811,985	817,151	885,825	867,884	859,513	1,432,903	2,027,565	2,019,763	2,098,260	2,086,707
Agriculture & All Others	260,013	304,745	396,527	473,775	488,584	660,071	834,774	924,963	954,489	1,122,950
Manufactures	122,241	114,135	131,685	113,510	129,732	167,094	224,663	345,624	272,673	284,137
<b>TOTAL</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>	<b>\$ 14,248,685</b>	<b>\$ 14,429,132</b>	<b>\$ 15,228,417</b>
CITY DIRECT SALES TAX RATE	1.25%	1.25%	1.50%	1.50%	1.50%	2.25%	2.25%	2.25%	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
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%
2022	3.25%	0.25%	5.00%	1.00%	9.50%
2023	3.25%	0.25%	5.00%	1.00%	9.50%
2024	3.25%	0.25%	5.00%	1.00%	9.50%

Data Source

City and County Records

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

Homerule tax increase .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 Commission	Williamson County Airport	John A. Logan College	Marion Unit #2 School District	Marion Park District	Total Overlapping Rates	
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	0.6253	4.35777	0.2889	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
2022	0.00002					0.00002	1.69181		0.10469	0.72817	4.56362	0.31717	7.40546	7.40548
2023	0.00002					0.00002	1.67419		0.09979	0.68596	4.74771	0.31732	7.52497	7.52499

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
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
2022	152,298,445	7,539,507	206,472,238	609,218	3,926,310	2,090	370,847,808	2.72%	0.00002	1,112,543,424
2023	194,928,443	7,439,988	220,496,422	608,957	4,933,958	2,090	428,409,858	15.52%	0.00002	1,285,229,574

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
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
2022	87,389,496	493,103	16,327,731	1,334	3,336,304	-	107,547,968	14.51%	322,643,904
2023	50,871,569	432,789	22,649,496	2,702	3,206,825	-	77,163,381	-28.25%	231,490,143

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
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%
2023	2021	56	56	100.00%		56	100.00%
2024	2022	58	57	98.28%		57	98.28%

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
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%
2023	2021	6,789,934	6,794,276	101.94%	131	6,794,407	101.94%
2024	2022	7,992,490	7,662,176	95.87%	911	7,663,087	0.95878594

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			
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
2023	11,705,271	-	7,846,995	59,722	3,416,540	1,960,592	6,596	2,900,862	27,896,578	5.62%	1,655.09
2024	9,724,926	-	12,270,043	24,825	2,707,963	1,707,403	4,016	2,660,542	29,099,718	5.86%	1,726.47

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
2015	21,988,103	1,212,240	20,775,863	14,577,735	1,170.01	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
2023	6,561,266	566,898	5,994,368	22,917,038	355.64	1,359.66
2024	5,415,250	572,046	4,843,204	23,367,792	287.35	1,386.40

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.

Note: As of Fiscal Year 2023 the above Total Hotel and Sales Tax includes the portion of hotel tax in General Fund only.

**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 Cash Balance	Percent of TIF Fund Balance To Net General Obligation Debt	Net Debt Per Capita
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
2023	5,144,005	362,132	4,781,873	4,953,645	103.59%	283.71
2024	4,309,676	368,825	3,940,851	6,583,209	167.05%	233.81

**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
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
2023	3,416,540	118,513	3,298,027	1,701,697	51.60%	195.67
2024	2,707,963	143,837	2,564,126	1,747,705	68.16%	152.13

**City of Marion, Illinois**  
**Direct and Overlapping Bonded Debt**  
**April 30, 2024**

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	\$8,123,213	100.00%	\$8,123,213
Willamson County	15,000,000	31.65%	\$4,747,845
Williamson Co. CUSD 2	15,375,000	58.40%	\$8,978,468
Williamson CUSD 5	32,330,000	4.63%	\$1,498,038
Williamson County Airport	3,860,000	31.69%	\$1,223,254
John A. Logan College	18,890,000	17.67%	\$3,338,786
Marion Park District	638,000	99.48%	\$634,681
Per Capita Direct and Overlapping Debt	<u>\$94,216,213</u>		<u>\$28,544,286</u>

(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, 2024.)

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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
Code Enforcement	4.88	4.78	4.00	3.94	3.00	3.00	3.12	3.38	3.00	NA
Information Technology	3.70	3.81	3.12	2.64	3.00	3.00	3.00	2.00	2.00	NA
	1.22	-	-	-	-	-	-	-	-	NA
Treasurer's Office	5.30	4.82	4.84	4.87	5.00	5.00	5.00	5.00	5.00	NA
City Clerk's Office	1.93	2.00	2.00	1.87	2.42	2.46	2.45	2.39	2.18	NA
Human Resources	1.00	1.00	1.00	1.00	1.00	-	-	-	-	
Economic Development	1.79	2.04	1.16	0.85						
Mayor's Chief of Staff	1.00	1.00	1.00	1.00	1.00	-	-		-	-
City Attorney	1.00	1.00	1.00	1.00	1.00	-	-		-	-
Community Programs	-	-	0.38	0.95						
Senior Citizens Center	6.71	6.82	6.64	7.33	6.94	6.92	7.17	7.10	7.01	NA
Boyton St. Community Center	5.49	4.76	5.48	3.26	5.10	4.90	3.96	4.31	4.27	NA
Public Health & Safety										
Police Department	65.67	64.25	60.80	58.23	54.47	50.67	48.35	47.92	45.27	NA
Fire Department	25.69	26.49	26.00	27.09	26.00	26.00	26.00	25.39	25.16	NA
Emergency Management	2.00	2.14	1.31	0.25	0.25	0.25	0.50	0.50	0.50	NA
Safety Department	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	NA
Animal Control	2.44	2.47	2.37	2.44	2.65	2.82	2.50	2.45	2.49	NA
Streets, Alleys and Cemeteries										
Street Department	27.57	26.92	26.05	26.31	22.82	23.18	22.05	22.29	20.54	NA
Cemetery Department	6.61	6.65	6.95	6.63	6.92	6.90	6.60	6.53	6.59	NA
Cultural and Recreation										
Cultural & Civic Center	11.60	10.96	8.27	3.39	8.56	6.95	6.76	6.81	6.11	NA
Carnegie Library	14.07	13.74	13.59	10.80	13.50	14.08	14.23	13.55	12.32	NA
The Pavilion	4.87	4.92	4.26	3.16	4.46	4.37	4.24	4.24	4.19	NA
Hub Recreational Center	31.12	30.30	29.93	21.26	39.32	43.33	41.27	39.10	35.62	NA
Public Utilities										
Water-Outside and Plant	11.52	11.09	12.51	11.00	11.00	10.83	10.00	10.00	10.91	NA
Water Office	5.11	5.00	5.00	5.54	5.85	6.00	5.87	5.76	4.50	NA
Sewer - Outside and Plant	11.54	11.48	12.53	11.13	11.74	12.21	12.57	12.72	12.43	NA
	259.83	254.44	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
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%
2023	16729	N/A	N/A	N/A	3738	4.50%
2024	16855	54052	N/A	40.80	3616	4.30%

N/A - Not available

Data Sources

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