

**City of Marion, Illinois**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended April 30, 2025**

Prepared by Treasurer's Department

Lance Roye, CPA  
Treasurer

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## **Introductory Section**

CITY OF MARION, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2025

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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

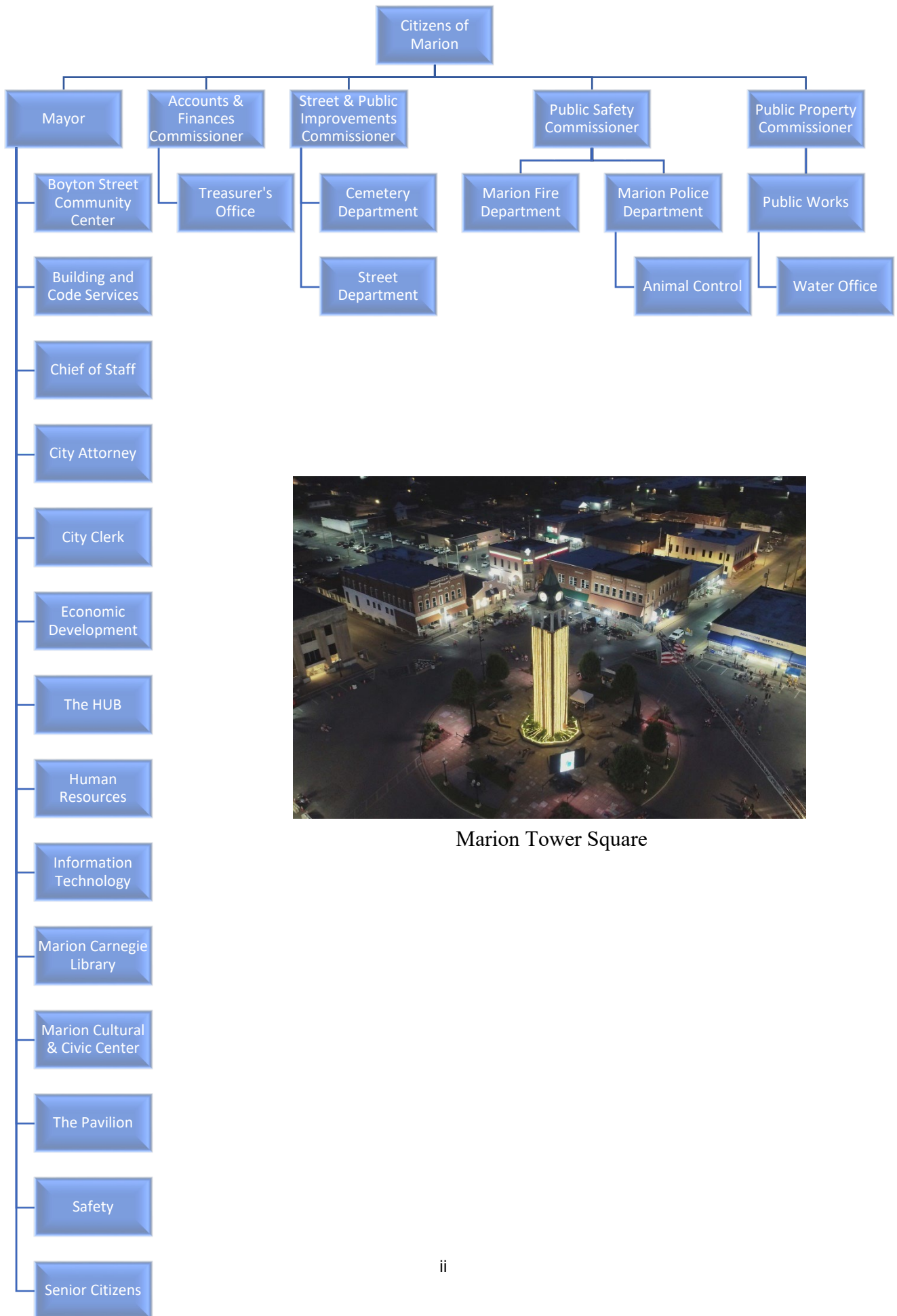
John Barwick, Jr.  
Public Health & Safety Commissioner

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

# CITY OF MARION ORGANIZATIONAL CHART



Marion Tower Square



**MICHAEL W. ABSHER, MAYOR**

Public Affairs

COMMISSIONERS

**DOUG PATTON**

Accounts & Finances

**JOHN STOECKLIN**

Public Property

COMMISSIONERS

**JIM WEBB**

Streets & Public Improvements

**JOHN M. BARWICK, JR.**

Public Health & Safety

November 21, 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, 2025, 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, 2025, 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, 2025, 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.

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

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

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 Mt. Dew 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, Deaconess Illinois 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 2025, 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



## 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, 2025, 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, 2025, 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.



## ***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 83 through 85 and the retirement plans schedules of changes in net pension liability and related ratios, and schedules of contributions on pages 86 through 96, 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 87 through 110 and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Information***

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

*ATLAS CPAs & Advisors PLLC*

Marion, Illinois  
November 21, 2025

# CITY OF MARION, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

April 30, 2025

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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.

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2025**

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**Fund Financial Statements**

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

The Governmental Major Fund (see pages 17 and 19) presentation is presented on a sources and uses of liquid resources basis. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses associated therewith.

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

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 21-23) are the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 18 and 20). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into Governmental Activities column (in the Governmental-Wide Statement).

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 82 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 83 through 96 of this report.

**Infrastructure Assets**

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

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2025**

The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed.

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Position:

**Table 1  
Statement of Net Position  
As of April 30, 2025  
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 58,138	\$ 54,075	\$ 8,194	\$ 8,157	\$ 66,332	\$ 62,232
Capital Assets	142,184	114,972	42,329	33,189	184,513	148,161
<b>Total Assets</b>	<b>200,322</b>	<b>169,047</b>	<b>50,523</b>	<b>41,346</b>	<b>250,845</b>	<b>210,393</b>
<b>Deferred Outflows of Resources</b>	<b>14,864</b>	<b>19,725</b>	<b>2,081</b>	<b>2,282</b>	<b>16,945</b>	<b>22,007</b>
Current Liabilities	4,729	4,803	1,884	2,205	6,613	6,288
Noncurrent Liabilities	85,913	77,412	15,908	13,281	101,821	90,693
<b>Total Liabilities</b>	<b>90,642</b>	<b>81,495</b>	<b>17,792</b>	<b>15,486</b>	<b>108,434</b>	<b>96,981</b>
<b>Deferred Inflows of Resources</b>	<b>23,704</b>	<b>18,245</b>	<b>1,686</b>	<b>1,806</b>	<b>25,390</b>	<b>20,051</b>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	102,700	92,472	32,561	21,529	135,261	114,001
Restricted	29,337	27,461	2,322	647	31,659	28,108
Unrestricted (deficit)	(31,197)	(30,901)	(1,757)	4,160	(32,954)	(26,741)
<b>Total Net Position</b>	<b>\$ 100,840</b>	<b>\$ 89,032</b>	<b>\$ 33,126</b>	<b>\$ 26,336</b>	<b>\$ 133,966</b>	<b>\$ 115,368</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 \$115.37 million to \$133.97 million for a total increase of \$18.60 million in net position. Of this increase, Governmental Activities increased by \$11.81 million and Business-Type Activities increased by \$6.80 million. Within Governmental Activities, Current and Other assets increased by \$4.06 million. Of the \$4.06 million increase, \$4.00 million was an increase in cash and investments. The reason for the increase in cash was cash revenues over cash disbursements in the Governmental Funds 3.48 million. The City had a net increase in total receivables of \$1.14 million which was due to an increase in Sales Tax Receivable. Pension and OPEB Deferred Outflows of Resources decreased by \$4.86 million. This will be recognized as an expense in future years. Current Liabilities increased by \$646 thousand which was due to an accounts payable increase of \$170 thousand due to construction projects. Noncurrent Liabilities increased by \$8.5 million. Main reason for the increase is a loan for the construction of the new stadium. The OPEB Liability and Pension liability decreased by \$8.38 million. The decrease in pension liability is due to good investment performance and other factors. Pension and OPEB Deferred Inflows of Resources had a net decrease of \$1.99 million. In Business Activities, the main reason for the \$6.80 million increase in Current and Other Assets was an increase in cash and investments. The \$321 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 increased by \$2.63 million. The increase was due to a net increase in long-term debt and an increase in Net Pension and OPEB Liability.

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2025**

**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, 2025  
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,549	\$ 4,851	\$ 14,910	\$ 10,232	\$ 18,459	\$ 15,083
Operating grants and contributions	914	822	-	-	914	822
Capital grants and contributions	3,742	106	-	-	3,742	106
General revenues:						
Property taxes	5,940	7,828	-	-	5,940	7,828
Sales Tax (shared and home rule)	27,906	25,863	-	-	27,906	25,863
Other taxes	13,057	9,590	-	-	13,057	9,590
Other	3,245	2,080	348	259	3,593	2,339
<b>Total Revenues</b>	<b>58,353</b>	<b>51,140</b>	<b>15,258</b>	<b>10,491</b>	<b>73,611</b>	<b>61,631</b>
<b>EXPENSES:</b>						
General government	6,930	6,096	-	-	6,930	6,096
Public health and safety	17,865	16,869	-	-	17,865	16,869
Streets, alleys & cemeteries	4,846	5,716	-	-	4,846	5,716
Culture and recreation	7,482	6,839	-	-	7,482	6,839
Development	9,276	6,610	-	-	9,276	6,610
Interest expense	325	309	-	-	325	309
Unallocated depreciation	-	456	-	-	-	456
Water	-	-	4,636	5,326	4,636	5,326
Sewer	-	-	3,654	3,521	3,654	3,521
<b>Total Expenses</b>	<b>46,724</b>	<b>42,895</b>	<b>8,290</b>	<b>8,847</b>	<b>55,014</b>	<b>51,742</b>
<b>Excess before Transfers And Special Item</b>	<b>11,629</b>	<b>8,245</b>	<b>6,968</b>	<b>1,644</b>	<b>18,598</b>	<b>9,889</b>
Transfers	179	166	(179)	(166)	-	-
<b>Change in Net Position</b>	<b>11,808</b>	<b>8,411</b>	<b>6,789</b>	<b>1,478</b>	<b>18,598</b>	<b>9,889</b>
<b>Net Position, May 1</b>	<b>89,032</b>	<b>80,621</b>	<b>26,356</b>	<b>24,858</b>	<b>115,368</b>	<b>105,479</b>
<b>Net Position, April 30</b>	<b>\$ 100,840</b>	<b>\$ 89,032</b>	<b>\$ 33,145</b>	<b>\$ 26,356</b>	<b>\$ 133,966</b>	<b>\$ 115,368</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 47.82% of total Governmental Activities general revenues. The second largest source of revenue is property taxes at 10.18% of total Governmental Activities general revenues. Tax Increment Financing (TIF) districts generated \$5.75 million or 96.8% 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 increased by 7.21 million due to due to grants and intergovernmental revenue. Charges for services decreased by 26.84%. Net ticket sales for the Marion Cultural and Civic Center decreased by \$731 thousand. Capital Grants and Contributions increased by 3.63 million. Most of that decrease was from no longer receiving COVID-19 money for capital projects. Property taxes increased by \$876 thousand due to increase in TIF receipts and a new residential TIF. Investment income increased by \$37 thousand.

#### **Expenses:**

Total expenses increased by \$2.33 million from the prior year. The \$643 thousand increase in Culture and Recreation was due to increased activity. Public Health and Safety decreased by \$502 thousand due to GASB 68 pension and OPEB costs. Streets and Alleys expense decreased \$870 thousand due to pension and OPEB costs. Development expenses increased by \$2.66 million over the prior year, this was due to the construction of the new stadium. 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 \$4.7 million, which was from normal operations.

#### **Expenses:**

Total expenses for Water and Sewer Departments decreased over the prior year. The Water Department had an decrease of \$690 thousand while the Sewer Department had an increase of \$133 thousand. There was a \$395 thousand decrease in pensions in both departments due to a decrease in pension and OPEB costs.

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

**Governmental Funds**

On April 30, 2025, the governmental funds (as presented on the balance sheet on page 17) reported a fund balance of \$46.94 million which is a 8% increase from the beginning of the year (\$43.46 million). Due to the increase in cash during the year as discussed above, the following fund balances increased as follows, Economic Development \$1.17 million, Public Safety \$680 thousand and Unassigned \$2.79 million. \$16.57 million is in unassigned general fund types indicates availability for continuing City services. The \$6.8 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.

**Table 3  
Budget Compared to Actual  
For the Fiscal Year Ended April 30, 2025  
(in thousands)**

<b>General Fund Types</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Expenditures			
General Government	\$5,021	\$5,021	\$5,060
Public Health and Safety	12,443	12,443	11,234
Streets, Alleys & Cemeteries	4,013	4,013	3,899
Cultural and Recreation	1,915	1,915	2,101
Development	256	256	1,025
Debt Service	550	550	493
Capital Outlay	1,227	1,227	1,533
<b>Total</b>	<b>\$25,425</b>	<b>\$25,425</b>	<b>\$25,345</b>

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2025**

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**Capital Assets**

At the end of Fiscal year 2025, the City's Governmental Funds had invested \$142.1 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, 2024</b>	<b>Net Additions/ Deletions</b>	<b>Transfer</b>	<b>Balance April 30, 2025</b>
Non-depreciable Assets				
Land	\$ 28,990	\$ 43	\$ -	\$ 29,033
Deposits	-	1		1
Construction in Progress	10,133	22,692	-	32,825
Other Capital Assets				
Infrastructure	66,918	6,265	-	73,183
Parking Lot Improvements	692	-	-	692
Buildings	48,654	392	-	49,046
Machinery and Equipment	8,009	876	-	8,885
Vehicles	7,493	386	-	7,879
Software	172	-	-	172
Land Improvements	1,848	91	-	1,939
Leased Equipment	92	-		92
Less Accumulated Depreciation on Other Capital Assets	(58,029)	(3,534)	-	(61,653)
<b>Totals</b>	<b>\$ 114,972</b>	<b>\$ 27,211</b>	<b>\$ -</b>	<b>\$ 142,184</b>

**CITY OF MARION, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
April 30, 2025**

**Debt Outstanding**

The City of Marion has an Aa3 rating with Moody's Ratings Service. As a home rule authority, the City does not have a legal debt limit. As of April 30, 2025, the City had total long-term debt and loans payable of \$46.78 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, 2024</b>	<b>Net Additions/ Deletions</b>	<b>Balance April 30, 2025</b>
<b>Governmental Activities</b>			
General Obligation Debt	\$ 9,725	\$ (1,982)	\$ 7,743
Other Contractual Liabilities	12,275	19,798	32,073
Governmental Activities Total	22,000	17,816	39,816
<b>Business Activities</b>			
General Obligation Debt	2,708	(263)	2,445
Other Contractual Liabilities	4,372	124	4,496
Business Activities Total	7,080	(139)	6,941
<b>Total Long-Term Debt</b>	<b>\$ 29,080</b>	<b>\$ 17,677</b>	<b>\$ 46,757</b>

The City during the year incurred bank loans \$21.145 million of which \$20.2 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 during the fiscal year, as reflected in generally favorable unemployment trends, continued investment in single-family and multi-family housing, strong commercial activity, and solid consumer spending.

Based on U.S. Bureau of Labor Statistics data for the Carbondale-Marion, IL Metropolitan Statistical Area, the unemployment rate during the fiscal year began at 4.6% in May 2024 and moved in a relatively narrow band through the end of calendar year 2024, peaking at 5.8% in June and July 2024 and easing to 3.7% by December 2024. Over those eight months of available MSA data within the fiscal year (May–December 2024), the unemployment rate averaged approximately 4.7%, which is broadly consistent with the prior year. County-level data for Williamson County indicate unemployment around 3.1% by April 2025, suggesting labor-market conditions remained favorable at the close of the fiscal year.

**CITY OF MARION, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**April 30, 2025**

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Residential and commercial construction activity remained strong. The City continued to issue a steady volume of permits for single-family homes, multi-family units, tenant improvements, and new commercial construction, particularly along the Illinois Route 13 corridor and in and around the STAR Bond district, reflecting ongoing confidence from developers and local businesses. There were 43 Commercial Building Permits issued totaling \$133.3M in project costs, and 94 Residential Building Permits issued totaling \$6.7M; both totals and values far exceeded the previous year.

Consumer spending also showed continued strength. For calendar year 2024, Marion generated approximately \$14.5 million in home-rule sales tax, ranking 32nd among Illinois municipalities in total sales tax revenue, an indication of the City's growing role as a regional retail and restaurant hub. In addition, beginning January 1, 2024, the Illinois Department of Revenue started distributing state and local sales-tax increment from the Marion STAR Bond District into the City's STAR Bond revenue fund, providing a new dedicated revenue stream tied to retail and entertainment activity in the redevelopment area.

Several notable commercial projects either opened or advanced during the year, including new national-brand restaurants and retailers along Route 13 such as Chick-fil-A and other corridor developments, as well as continued work associated with the Oasis redevelopment and related STAR Bond-supported projects at the former Illinois Star Centre Mall site. These investments contribute to job creation, expand the local tax base, and support the City's long-term repositioning of key commercial corridors.

The City remains optimistic about future economic activity, supported by continued interest in new commercial sites, ongoing expansion by existing businesses, and the added momentum from the STAR Bond district and related redevelopment efforts.

### **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 Roye, City Treasurer, City of Marion, 350 Tower Square, Marion, IL 62959.

## **Financial Section**

**City of Marion, Illinois**  
**Statement of Net Position**  
**April 30, 2025**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 13,085,293	\$ 1,228,794	\$ 14,314,087
Restricted cash	562,417	2,321,729	2,884,146
Investments, at fair value	26,222,493	3,642,998	29,865,491
Restricted investments, at fair value	2,313,890	-	2,313,890
Receivables, net			
Accounts receivable	535,257	584,296	1,119,553
Property taxes	5,964,253	-	5,964,253
Sales taxes	7,528,413	-	7,528,413
Other taxes	574,962	-	574,962
Accrued interest	12,029	-	12,029
Grant receivable	54,503	-	54,503
Loans receivable	558,454	-	558,454
Intergovernmental receivable	627,601	-	627,601
Due from other funds	98,369	-	98,369
Inventories	-	416,466	416,466
Capital assets, non-depreciable	61,858,123	12,917,989	74,776,112
Capital assets, net of accumulated depreciation	80,325,834	29,410,602	109,736,436
<b>Total Assets</b>	<b>200,321,891</b>	<b>50,522,874</b>	<b>250,844,765</b>
<b>Deferred Outflow of Resources</b>			
Deferred outflows, pensions	8,958,978	947,598	9,906,576
Deferred outflows, other postemployment	5,905,324	1,132,926	7,038,250
<b>Total Deferred Outflow of Resources</b>	<b>14,864,302</b>	<b>2,080,524</b>	<b>16,944,826</b>
<b>Liabilities</b>			
Accounts payable	1,636,582	770,605	2,407,187
Accrued payroll	458,124	57,943	516,067
Accrued payroll related expenses	134,733	-	134,733
Accrued vacation	651,073	90,981	742,054
Accrued interest payable	133	31,893	32,026
Due to other funds	-	98,370	98,370
Customer deposits	-	834,549	834,549
Damage deposits	107,100	-	107,100
Unearned revenue	613,552	-	613,552
Noncurrent liabilities:			
Due within one year	3,247,428	847,869	4,095,297
Due in more than one year	36,237,279	8,919,807	45,157,086
Net pension liability	18,804,997	429,597	19,234,594
Net OPEB liability	27,622,801	5,709,980	33,332,781
<b>Total Liabilities</b>	<b>89,513,802</b>	<b>17,791,594</b>	<b>107,305,396</b>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue, property taxes	5,964,253	-	5,964,253
Deferred inflows, pensions	4,272,773	554,697	4,827,470
Deferred inflows, other postemployment	13,467,355	1,131,693	14,599,048
<b>Total Deferred Inflows of Resources</b>	<b>23,704,381</b>	<b>1,686,390</b>	<b>25,390,771</b>
<b>Net Position</b>			
Net investment in capital assets	102,699,250	32,560,915	135,260,165
Restricted for:			
Donor restricted expenditures	366,802	-	366,802
Public safety expenditures	1,344,469	-	1,344,469
Capital projects	9,001,451	-	9,001,451
Debt service	2,693,848	2,321,729	5,015,577
Cemetery	19,692	-	19,692
Maintenance of roadways	1,226,567	-	1,226,567
Tourism and recreation	180,514	-	180,514
Economic development	8,773,130	-	8,773,130
Nonspendable	1,000	-	1,000
Committed	6,807,288	-	6,807,288
Assigned	50,561	-	50,561
Unrestricted (Deficit)	(31,196,562)	(1,757,230)	(32,953,792)
<b>Total Net Position</b>	<b>\$ 101,968,010</b>	<b>\$ 33,125,414</b>	<b>\$ 135,093,424</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, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 6,929,734	\$ 181,332	\$ 703,708	\$ 3,626,050	\$ (2,418,644)	\$ -	\$ (2,418,644)
Public health and safety	17,865,025	687,257	144,326	-	(17,033,442)	-	(17,033,442)
Streets, alleys, and cemeteries	4,846,173	76,020	-	114,635	(4,655,518)	-	(4,655,518)
Culture and recreation	7,481,959	2,602,226	66,300	-	(4,813,433)	-	(4,813,433)
Economic development	6,031,110	-	-	-	(6,031,110)	-	(6,031,110)
Debt service	3,244,922	2,280	-	-	(3,242,642)	-	(3,242,642)
Interest expense	324,530	-	-	-	(324,530)	-	(324,530)
<b>Total Governmental Activities</b>	<b>46,723,453</b>	<b>3,549,115</b>	<b>914,334</b>	<b>3,740,685</b>	<b>(38,519,319)</b>	<b>-</b>	<b>(38,519,319)</b>
<b>Business-Type Activities</b>							
Water	4,361,315	9,079,080	-	-	-	4,717,765	4,717,765
Sewer	3,928,411	5,830,865	-	-	-	1,902,454	1,902,454
<b>Total Business-Type Activities</b>	<b>8,289,726</b>	<b>14,909,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,620,219</b>	<b>6,620,219</b>
<b>Total Primary Government</b>	<b>\$ 55,013,179</b>	<b>\$ 18,459,060</b>	<b>\$ 914,334</b>	<b>\$ 3,740,685</b>	<b>(38,519,319)</b>	<b>6,620,219</b>	<b>(31,899,100)</b>
<b>General Revenues and Transfers</b>							
Property taxes					5,939,986	-	5,939,986
Sales taxes					27,906,149	-	27,906,149
Other taxes and franchise fees					5,864,555	-	5,864,555
Intergovernmental					7,192,349	-	7,192,349
Licenses and permits					570,403	-	570,403
Investment income					1,807,249	266,614	2,073,863
Miscellaneous					867,810	81,587	949,397
Transfers, net					1,306,380	(178,554)	1,127,826
<b>Total General Revenues and Transfers</b>					<b>51,454,881</b>	<b>169,647</b>	<b>51,624,528</b>
<b>Change in Net Position</b>					<b>12,935,562</b>	<b>6,789,866</b>	<b>19,725,428</b>
<b>Net Position - Beginning of Year</b>					<b>89,032,448</b>	<b>26,335,548</b>	<b>115,367,996</b>
<b>Net Position - End of Year</b>					<b>\$ 101,968,010</b>	<b>\$ 33,125,414</b>	<b>\$ 135,093,424</b>

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

**City of Marion, Illinois**  
**Balance Sheet**  
**Governmental Funds**  
**April 30, 2025**

	General	TIF Development	Capital Projects	Debt Service Fund	Non-Major Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 2,304,931	\$ 3,755,308	\$ 943,163	\$ 2,668,569	\$ 2,256,651	\$ 11,928,622
Restricted cash	110,614	-	-	-	451,803	562,417
Investments, at fair value	13,366,054	2,615,586	10,201,748	-	39,105	26,222,493
Restricted investments, at fair value	1,958,349	-	-	-	355,541	2,313,890
Receivables, net	-	-	-	-	-	-
Accounts receivable	-	-	1,500	-	533,757	535,257
Property taxes receivable	100	5,797,713	-	-	166,440	5,964,253
Sales taxes receivable	6,267,869	-	-	-	1,260,544	7,528,413
Other taxes receivable	395,322	-	-	-	179,640	574,962
Accrued interest receivable	12,029	-	-	-	-	12,029
Loan receivable	181,192	377,262	-	-	-	558,454
Grant receivable	3,588	-	7,457	-	43,458	54,503
Intergovernmental receivable	566,681	-	-	-	60,920	627,601
Due from other funds net	922,777	-	-	-	-	922,777
<b>Total Assets</b>	<b>26,089,506</b>	<b>12,545,869</b>	<b>11,153,868</b>	<b>2,668,569</b>	<b>5,347,859</b>	<b>57,805,671</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	418,868	62,896	826,169	-	328,649	1,636,582
Accrued payroll	395,390	-	-	-	62,734	458,124
Accrued payroll related expenses	134,733	-	-	-	-	134,733
Due to other funds	-	1,433	744,856	-	78,119	824,408
Damage deposits	107,100	-	-	-	-	107,100
Unearned revenue	-	-	581,392	-	32,160	613,552
<b>Total Liabilities</b>	<b>1,056,091</b>	<b>64,329</b>	<b>2,152,417</b>	<b>-</b>	<b>501,662</b>	<b>3,774,499</b>
<b>Deferred Inflow of Resources</b>						
Unavailable revenue, property taxes	100	5,797,713	-	-	166,440	5,964,253
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	1,000	1,000
Restricted for:						
Donor restricted expenditures	22,898	-	-	-	356,669	379,567
Public safety	486,112	-	-	-	1,255,697	1,741,809
Capital projects	-	-	9,001,451	-	-	9,001,451
Debt service	-	-	-	2,668,569	-	2,668,569
Cemetery	-	-	-	-	1,238	1,238
Culture and recreation	294,563	-	-	-	206,852	501,415
Maintenance of roadways	-	-	-	-	1,231,520	1,231,520
Economic development	2,430,032	6,683,827	-	-	-	9,113,859
Committed	6,807,288	-	-	-	-	6,807,288
Assigned	50,561	-	-	-	-	50,561
Unassigned	14,941,861	-	-	-	1,626,781	16,568,642
<b>Total Fund Balances</b>	<b>25,033,315</b>	<b>6,683,827</b>	<b>9,001,451</b>	<b>2,668,569</b>	<b>4,679,757</b>	<b>48,066,919</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 26,089,506</b>	<b>\$ 12,545,869</b>	<b>\$ 11,153,868</b>	<b>\$ 2,668,569</b>	<b>\$ 5,347,859</b>	<b>\$ 57,805,671</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, 2025**

<b>Total Fund Balances of Governmental Funds</b>	\$	48,066,919
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.		142,183,957
Interest payable is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(133)
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.		1,156,671
Compensated absences are not due and payable in the current period and therefore, is not reported in the governmental funds.		(651,073)
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.		(39,484,707)
Deferred inflows and outflows of resources related to pensions and OPEB are not reported in governmental funds.		(2,875,826)
Net Pension Liability and Net OPEB obligation are not reported in the governmental funds.		<u>(46,427,798)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>101,968,010</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, 2025**

	<u>General</u>	<u>TIF Development</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Property taxes	\$ 68	\$ 5,750,446	\$ -	\$ -	\$ 189,472	\$ 5,939,986
Sales tax	26,063,099	-	-	-	1,843,050	27,906,149
Other taxes and franchise fees	4,063,623	-	-	413,357	1,387,575	5,864,555
Intergovernmental revenue	3,485,145	-	-	1,280,000	2,427,204	7,192,349
Licenses and permits	570,403	-	-	-	-	570,403
Service charges and fees	1,635,519	-	16,500	-	1,894,816	3,546,835
Grants and contributions	237,949	-	4,860,906	-	683,991	5,782,846
Investment income	834,954	288,786	481,275	63,558	97,026	1,765,599
Miscellaneous revenue	417,150	-	13,010	-	484,990	915,150
<b>Total Revenues</b>	<u>37,307,910</u>	<u>6,039,232</u>	<u>5,371,691</u>	<u>1,756,915</u>	<u>9,008,124</u>	<u>59,483,872</u>
<b>Expenditures</b>						
General government	5,403,581	-	-	-	-	5,403,581
Public health and safety	12,607,153	-	-	-	2,586,630	15,193,783
Streets, alleys and cemeteries	4,057,926	65,393	-	-	106,802	4,230,121
Culture and recreation	1,990,811	-	-	-	4,095,401	6,086,212
Economic development	252,709	4,889,422	374,626	-	514,353	6,031,110
Debt Service:						
Principal	530,274	708,182	181,765	5,505,264	-	6,925,485
Interest	46,889	-	104,383	173,514	-	324,786
Capital outlay	2,075,787	138,453	27,356,983	-	1,890,108	31,461,331
<b>Total Expenditures</b>	<u>26,965,130</u>	<u>5,801,450</u>	<u>28,017,757</u>	<u>5,678,778</u>	<u>9,193,294</u>	<u>75,656,409</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>10,342,780</u>	<u>237,782</u>	<u>(22,646,066)</u>	<u>(3,921,863)</u>	<u>(185,170)</u>	<u>(17,300,364)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers, net	(10,742,220)	(335,678)	3,968,211	5,420,469	1,317,775	(371,443)
General long-term debt issued	914,076	-	20,233,680	-	-	21,147,756
<b>Total Other Financing Sources (Uses)</b>	<u>(9,828,144)</u>	<u>(335,678)</u>	<u>24,201,891</u>	<u>5,420,469</u>	<u>1,317,775</u>	<u>20,776,313</u>
<b>Net Change in Fund Balances</b>	514,636	(97,896)	1,555,825	1,498,606	1,132,605	4,603,776
<b>Fund Balances - Beginning of Year</b>	<u>24,518,679</u>	<u>6,781,723</u>	<u>7,445,626</u>	<u>1,169,963</u>	<u>3,547,152</u>	<u>43,463,143</u>
<b>Fund Balances - End of Year</b>	<u>\$25,033,315</u>	<u>\$ 6,683,827</u>	<u>\$ 9,001,451</u>	<u>\$ 2,668,569</u>	<u>\$4,679,757</u>	<u>\$ 48,066,919</u>

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, 2025**

**Net Change in Fund Balances - Total Governmental Funds** \$ 4,603,776

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	(4,202,382)	
Capital asset purchases, capitalized	31,461,332	
Net book value of assets sold	<u>(47,340)</u>	27,211,610

Compensated absences are reported in the Statement of Activities and Changes in Net Position, but does not require the use of current financial resources.

Therefore, this accrued expense is not reported as an expenditure in governmental funds. (64,881)

Deferred inflows and outflows of resources related to pensions and OPEB are not reported in governmental funds.

These represents the change in:

Deferred outflows of resources related to pensions	(2,897,847)	
Deferred outflows of resources related to other postemployment	(1,963,146)	
Deferred inflows of resources related to pensions	1,265,997	
Deferred inflows of resources related to other postemployment	(6,725,462)	
Net pension liability	7,757,894	
OPEB liability	<u>620,631</u>	(1,941,933)

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	3,682,844	
Interest	256	
Issuance of long-term debt	<u>(21,147,756)</u>	(17,464,656)
Refunding of general obligation bonds		

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.

591,646

**Change in Net Position of Governmental Activities** **\$ 12,935,562**

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

**City of Marion, Illinois**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2025**

	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	\$ 764,196	\$ 464,598	\$ 1,228,794	\$ 1,156,671
Restricted cash	743,695	1,578,034	2,321,729	-
Investments	3,637,911	5,087	3,642,998	-
Accounts receivable, net	272,009	312,287	584,296	-
Inventory	294,284	122,182	416,466	-
<b>Total Current Assets</b>	<b>5,712,095</b>	<b>2,482,188</b>	<b>8,194,283</b>	<b>1,156,671</b>
<b>Non-Current Assets</b>				
Capital assets, non-depreciable	5,650,951	7,267,038	12,917,989	-
Capital assets, net of accumulated depreciation	14,436,261	14,974,341	29,410,602	-
<b>Total Non-Current Assets</b>	<b>20,087,212</b>	<b>22,241,379</b>	<b>42,328,591</b>	<b>-</b>
<b>Total Assets</b>	<b>25,799,307</b>	<b>24,723,567</b>	<b>50,522,874</b>	<b>1,156,671</b>
<b>Deferred Outflow of Resources</b>				
Deferred outflows, pensions	447,677	499,921	947,598	-
Deferred outflows, other postemployment	479,050	653,876	1,132,926	-
<b>Total Deferred Outflow of Resources</b>	<b>926,727</b>	<b>1,153,797</b>	<b>2,080,524</b>	<b>-</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	182,336	588,269	770,605	-
Accrued payroll	27,826	30,117	57,943	-
Compensated absences	43,815	47,166	90,981	-
Accrued interest payable	11,158	20,735	31,893	-
Due to other funds	28,613	69,757	98,370	-
Customer deposits	834,549	-	834,549	-
Bonds payable	245,616	-	245,616	-
Notes payable	198,453	403,800	602,253	-
<b>Total Current Liabilities</b>	<b>1,572,366</b>	<b>1,159,844</b>	<b>2,732,210</b>	<b>-</b>
<b>Non-Current Liabilities</b>				
Bonds payable	1,569,848	652,000	2,221,848	-
Notes payable	1,523,488	5,173,565	6,697,053	-
Finance lease payable	906	-	906	-
Net pension liability	190,540	239,057	429,597	-
Net OPEB liability	2,305,876	3,404,104	5,709,980	-
<b>Total Non-Current Liabilities</b>	<b>5,590,658</b>	<b>9,468,726</b>	<b>15,059,384</b>	<b>-</b>
<b>Total Liabilities</b>	<b>7,163,024</b>	<b>10,628,570</b>	<b>17,791,594</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows, pensions	249,426	305,271	554,697	-
Deferred inflows, other post employment	423,073	708,620	1,131,693	-
<b>Total Deferred Inflow of Resources</b>	<b>672,499</b>	<b>1,013,891</b>	<b>1,686,390</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	16,548,901	16,012,014	32,560,915	-
Restricted for:				
Debt service	743,695	1,578,034	2,321,729	-
Unrestricted	1,597,915	(3,355,145)	(1,757,230)	1,156,671
<b>Total Net Position</b>	<b>\$ 18,890,511</b>	<b>\$ 14,234,903</b>	<b>\$ 33,125,414</b>	<b>\$ 1,156,671</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, 2025**

	<u>Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Business- Type Activities</u>	<u>Internal Service Health Reimbursement Fund</u>
<b>Operating Revenues</b>				
Service charges and fees	\$ 9,079,080	\$ 5,830,865	\$ 14,909,945	\$ -
Miscellaneous	30,513	31,074	61,587	-
<b>Total Operating Revenues</b>	<u>9,109,593</u>	<u>5,861,939</u>	<u>14,971,532</u>	<u>-</u>
<b>Operating Expenses</b>				
Personnel services	1,134,030	1,200,790	2,334,820	-
Contractual services	62,037	63,444	125,481	-
Utilities	130,821	512,626	643,447	-
Repairs and maintenance	192,689	387,309	579,998	-
Other supplies and expenses	213,984	383,273	597,257	-
Insurance claims and expenses	302,910	571,714	874,624	-
Water purchases	1,684,429	-	1,684,429	-
Depreciation	510,784	743,654	1,254,438	-
<b>Total Operating Expenses</b>	<u>4,231,684</u>	<u>3,862,810</u>	<u>8,094,494</u>	<u>-</u>
<b>Operating Income</b>	<u>4,877,909</u>	<u>1,999,129</u>	<u>6,877,038</u>	<u>-</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	213,655	52,959	266,614	41,650
Rental Income	-	20,000	20,000	-
Bond premium amortization	5,499	-	5,499	-
Interest expense	(98,809)	(65,601)	(164,410)	-
Loss on disposal of assets	(18,161)	(18,160)	(36,321)	-
<b>Total Non-Operating Revenues</b>	<u>102,184</u>	<u>(10,802)</u>	<u>91,382</u>	<u>41,650</u>
<b>Income Before Transfers</b>	4,980,093	1,988,327	6,968,420	41,650
Transfers, net	(89,277)	(89,277)	(178,554)	549,996
<b>Change in Net Position</b>	4,890,816	1,899,050	6,789,866	591,646
<b>Net Position - Beginning of Year</b>	<u>13,999,695</u>	<u>12,335,853</u>	<u>26,335,548</u>	<u>565,025</u>
<b>Net Position - End of Year</b>	<u>\$ 18,890,511</u>	<u>\$ 14,234,903</u>	<u>\$ 33,125,414</u>	<u>\$ 1,156,671</u>

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, 2025**

	<u>Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Business- Type Activities</u>	<u>Internal Service Health Reimbursement Fund</u>
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 9,172,500	\$ 5,864,019	\$ 15,036,519	\$ -
Payments to employees	(928,670)	(1,004,419)	(1,933,089)	-
Payments to suppliers of goods and services	(2,827,404)	(2,365,690)	(5,193,094)	-
<b>Net Cash Provided by Operating Activities</b>	<u>5,416,426</u>	<u>2,493,910</u>	<u>7,910,336</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Net operating transfers	(44,019)	(74,789)	(118,808)	549,996
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(44,019)</u>	<u>(74,789)</u>	<u>(118,808)</u>	<u>549,996</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Interest paid on capital debt	(99,953)	(67,453)	(167,406)	-
Principal paid on capital debt	(434,847)	(309,750)	(744,597)	-
Bond premium amortization	5,499	-	5,499	-
Proceeds from long-term debt	-	3,432,350	3,432,350	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(529,301)</u>	<u>3,055,147</u>	<u>2,525,846</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Purchases of property and equipment	(4,914,235)	(5,516,114)	(10,430,349)	-
Interest on investments	213,655	52,959	266,614	41,650
Change in investment	(892,965)	373,755	(519,210)	-
Rental income	-	20,000	20,000	-
<b>Net Cash Provided (Used) in Investing Activities</b>	<u>(5,593,545)</u>	<u>(5,069,400)</u>	<u>(10,662,945)</u>	<u>41,650</u>
<b>Net Change in Cash and Cash Equivalents</b>	(750,439)	404,868	(345,571)	591,646
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>2,258,330</u>	<u>1,637,764</u>	<u>3,896,094</u>	<u>565,025</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,507,891</u>	<u>\$ 2,042,632</u>	<u>\$ 3,550,523</u>	<u>\$ 1,156,671</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 4,877,909	\$ 1,999,129	\$ 6,877,038	\$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	510,784	743,654	1,254,438	-
Decrease in accounts receivable	24,287	2,080	26,367	-
(Increase) decrease in inventories	7,850	(14,727)	(6,877)	-
Decrease in prepaid items	52,434	64,167	116,601	-
Decrease in deferred outflows related to pensions	101,843	99,387	201,230	-
Decrease in accounts payable	(161,374)	(358,137)	(519,511)	-
Increase in accrued payroll	8,734	1,941	10,675	-
Increase in customer deposits	38,620	-	38,620	-
Increase in net pension liability	15,745	15,401	31,146	-
Increase in net OPEB liability	-	100	100	-
Decrease in deferred inflows	(60,406)	(59,085)	(119,491)	-
Total Adjustments	<u>538,517</u>	<u>494,781</u>	<u>1,033,298</u>	<u>-</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 5,416,426</u>	<u>\$ 2,493,910</u>	<u>\$ 7,910,336</u>	<u>\$ -</u>

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

**City of Marion, Illinois**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**April 30, 2025**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 432,133
Investments -	
Consolidated Pooled Investments	39,148,862
<b>Total Assets</b>	39,580,995
 <b>Net Position</b>	
Held in trust for pension benefits	\$ 39,580,995

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, 2025**

	<u><b>Pension Trust Funds</b></u>
<b>Additions</b>	
Contributions	
Employer	\$ 2,416,200
Plan members	101,604
	<hr/>
Total Contributions	2,517,804
	<hr/>
Investment Income	
Net appreciation in fair value of investments	3,129,090
Interest and dividends	472,420
Investment expense	(19,136)
	<hr/>
Net Investment Income	3,582,374
	<hr/>
<b>Total Additions</b>	<b>6,100,178</b>
	<hr/>
<b>Deductions</b>	
Benefits paid	2,476,311
Administrative expense	91,771
	<hr/>
<b>Total Deductions</b>	<b>2,568,082</b>
	<hr/>
<b>Change in Net Position</b>	<b>3,532,096</b>
	<hr/>
<b>Net Position, Beginning</b>	<b>36,048,899</b>
	<hr/>
<b>Net Position, Ending</b>	<b>\$ 39,580,995</b>
	<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, 2025**

**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, 2025**

**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 an obligation. 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, 2025**

**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, Boyton Street Community Center, Revitalization, Housing Rehabilitation, and Economic Incentive) are the general operating funds of the City. They are used to account for all financial resources devoted to financing the general services that the City performs for its citizens, except those required to be accounted for in another fund.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. The City's special revenue funds are the Tax Increment Financing Redevelopment Fund, the Road and Bridge Fund, the Motor Fuel Tax Fund, the Gas Tax Fund, Foreign Fire Insurance Fund, the Pavilion Fund, the HUB Recreation Center Fund, the Special Revenues - Police Fund, Carnegie Library Fund, Property Tax Fund, the Federal Assistance Fund, and Goddard Chapel Restoration Fund.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**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. The City does not currently have any internal service funds.

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, 2025**

**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, 2025**

**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.
Non-Major Proprietary:	
Internal Service Fund	Accounts for reimbursements to City employees and certain retirees to cover medical claims and deductibles over \$500.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**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, 2025**

**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 \$3,550,523 at April 30, 2025

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 an 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, 2025**

**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, 2025**

**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, 2025. 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, 2025, the liability for sick leave is \$2,644,482

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for that leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The standard was implemented May 1, 2024. The standard did not have an impact on the City's financial statements for the year ended April 30, 2025.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

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

**N. Net position and fund balance classifications**

Government-wide Statements

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

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

- 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.

**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, 2025**

**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 that were material to the financial statements during the year ended April 30, 2025. Therefore, GASB No. 96 does not affect the financial statement presentation and disclosure.

**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.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

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 Fiduciary Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and cash equivalents	\$13,085,293	\$1,228,794	\$14,314,087	\$432,133	\$14,746,220
Restricted cash	562,417	2,321,729	2,884,146	-	2,884,146
Investments	26,222,493	3,642,998	29,865,491	39,148,862	69,014,353
Restricted investments	2,313,890	-	2,313,890	-	2,313,890
	<b>\$42,184,093</b>	<b>\$7,193,521</b>	<b>\$49,377,614</b>	<b>\$39,580,995</b>	<b>\$88,958,609</b>

**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, 2025, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$17,630,366 (excludes \$16,062 in cash on hand held at the City). The bank balance was \$46,191,965. As of April 30, 2025 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, 2025, the depository banks used by the City had pledged \$4,561,524 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, 2025**

**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).

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

*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.

*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 April 8, 2026, and October 2, 2026, respectively.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

As of April 30, 2025, 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	\$ 125,877	\$ 125,877	\$ -	\$ -	\$ -	N/A
Municipal Bonds	1,700,000	-	-	285,000	1,415,000	AA3 – A2
Illinois Funds Money Market	28,673,454	28,673,454	-	-	-	N/A
IMET	<u>1,680,050</u>	<u>1,680,050</u>	-	-	-	N/A
Total	<u>\$32,179,381</u>	<u>\$30,479,381</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, 2025**

**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, 2025.

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	Housing Rehab	Total
Cash	\$107,381	\$ -	\$ -	\$ 3,233	\$ 3,366	\$356,254	\$ -	\$ 92,183	\$ 562,417
Investments	-	11,367	1,946,982	-	353,303	-	2,238	-	2,313,890
Total	<u>\$107,381</u>	<u>\$ 11,367</u>	<u>\$1,946,982</u>	<u>\$ 3,233</u>	<u>\$356,669</u>	<u>\$356,254</u>	<u>\$ 2,238</u>	<u>\$ 92,183</u>	<u>\$2,876,307</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, 2025**

**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>743,695</u>	\$ <u>1,578,034</u>

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

**Note 4 – Property Taxes**

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

Property taxes are due in two installments, the first installment is normally due in 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 \$370,847,808 and in the Tax Increment Funds were \$107,547,968. 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, 2025**

**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%	\$ 32,556	\$ -	\$ 32,556
Economic Development Loans		<u>148,636</u>	<u>377,262</u>	<u>525,898</u>
Total		<u>\$ 181,192</u>	<u>\$ 377,262</u>	<u>\$ 558,454</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**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	\$ 28,989,340	\$ 87,769	\$ (45,000)	\$ 29,032,109
Deposits	-	1,000	-	1,000
Construction in Progress	10,132,934	27,154,228	(4,462,148)	32,825,014
Total capital assets not being depreciated	<u>39,122,274</u>	<u>27,242,997</u>	<u>(4,507,148)</u>	<u>61,858,123</u>
Capital assets being depreciated:				
Land improvements	1,848,144	90,738	-	1,938,882
Parking lot improvements	691,775	-	-	691,775
Office equipment	505,374	-	-	505,374
Fixed mechanical equipment	3,468,954	320,202	(15,145)	3,774,011
Major moveable equipment	4,034,333	693,525	(122,154)	4,605,704
Vehicles	7,493,017	932,347	(546,411)	7,878,953
Railroad improvements	610,953	-	-	610,953
Mall infrastructure	10,337,897	-	-	10,337,897
Buildings	48,653,990	391,629	-	49,045,619
Streets	42,008,204	6,264,637	-	48,272,841
Bridges	946,386	-	-	946,386
Storm sewers	3,869,951	-	-	3,869,951
Sidewalks	2,952,284	-	-	2,952,284
Flood control projects	5,050,469	-	-	5,050,469
Street lights	716,590	-	-	716,590
Traffic lights	425,797	-	-	425,797
Software	172,613	-	-	172,613
Leased Equipment	92,000	-	-	92,000
Total capital assets being depreciated	<u>133,878,731</u>	<u>8,693,078</u>	<u>(683,710)</u>	<u>141,888,099</u>
Less accumulated depreciation for:				
Land improvements	398,966	104,011	-	502,977
Parking lot improvements	323,717	39,953	-	363,670
Office equipment	429,714	16,368	-	446,082
Fixed mechanical equipment	1,353,966	212,237	(15,145)	1,551,058
Major moveable equipment	2,562,405	409,003	(121,515)	2,849,893
Vehicles	4,572,005	651,821	(531,476)	4,692,350
Railroad improvements	520,583	15,274	-	535,857
Mall infrastructure	10,337,897	-	-	10,337,897
Buildings	14,635,462	1,236,432	-	15,871,894
Streets	17,107,038	1,091,379	-	18,198,417
Bridges	619,194	23,659	-	642,853
Storm sewers	1,393,491	98,470	-	1,491,961
Sidewalks	808,615	98,359	-	906,974
Flood control projects	2,417,342	101,009	-	2,518,351
Street lights	313,243	35,830	-	349,073
Traffic lights	57,945	21,290	-	79,235
Software	108,356	23,367	-	131,723
Leased Equipment	68,914	23,086	-	92,000
Total accumulated depreciation	<u>58,028,853</u>	<u>4,201,548</u>	<u>(668,136)</u>	<u>61,562,265</u>
Total capital assets being depreciated, net	<u>75,849,878</u>	<u>4,491,530</u>	<u>(15,574)</u>	<u>80,325,834</u>
Governmental activities capital assets, net	<u>\$ 114,972,152</u>	<u>\$ 31,734,527</u>	<u>\$ (4,522,722)</u>	<u>\$ 142,183,957</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

Depreciation expense was charged to functions as follows:

**Depreciation Expense was charged to functions as follows:**

**Governmental Activities:**

General Government	\$ 1,800,438
Public health and safety	895,359
Streets, Alleys and cemeteries	338,860
Cultural and recreation	1,133,009
Unallocated	<u>33,882</u>
<b>Total Governmental activities depreciation expense</b>	<b><u><u>\$ 4,201,548</u></u></b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

<b>Business-type activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 237,481	\$ -	\$ (1,000)	\$ 236,481
Construction in progress	3,171,890	9,733,683	(224,065)	12,681,508
Total capital assets not being depreciated	<u>3,409,371</u>	<u>9,733,683</u>	<u>(225,065)</u>	<u>12,917,989</u>
Capital assets being depreciated:				
Land improvements	65,505	-	-	65,505
Structures	7,404,829	-	-	7,404,829
Buildings	18,764,039	-	(40,582)	18,723,457
Fixed equipment	3,041,027	173,529	-	3,214,556
Equipment and machinery	1,277,630	101,924	(76,863)	1,302,691
Trucks and tractors	1,546,257	537,545	(15,110)	2,068,692
Transmission and distribution systems	16,578,280	175,324	-	16,754,604
Lift station	1,493,931	-	-	1,493,931
Leased equipment	10,161	-	-	10,161
Total capital assets being depreciated	<u>50,181,659</u>	<u>989,322</u>	<u>(132,555)</u>	<u>51,037,725</u>
Less accumulated depreciation for:				
Land improvements	44,124	3,112	-	47,236
Structures	1,058,827	152,379	-	1,211,206
Buildings	10,488,459	448,522	(4,267)	10,932,714
Fixed equipment	1,145,292	104,908	-	1,250,200
Equipment and machinery	945,667	59,205	(10,269)	994,303
Trucks and tractors	1,348,459	83,240	(15,107)	1,416,592
Transmission and distribution systems	4,409,141	336,647	-	4,745,788
Lift station	954,448	64,175	-	1,018,624
Leased equipment	7,612	2,549	-	10,161
Total accumulated depreciation	<u>20,402,029</u>	<u>1,254,438</u>	<u>(29,643)</u>	<u>21,626,824</u>
Total capital assets being depreciated, net	<u>29,779,630</u>	<u>(265,116)</u>	<u>(101,912)</u>	<u>29,410,602</u>
Business-type activities capital assets, net	<u>\$ 33,189,001</u>	<u>\$ 9,468,567</u>	<u>\$ (327,977)</u>	<u>\$ 42,328,591</u>

**Business Type Activities**

Water	\$510,784
Sewer	<u>743,654</u>
<b>Total</b>	<b><u>\$1,254,438</u></b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**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. At April 30, 2025, 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>(92,000)</u>
Right-to-Use Assets, net	\$ <u>-</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>(10,161)</u>
Right-to-Use Assets, net	\$ <u>-</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, 2025**

**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, 2025:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
<b>General Obligation Bonds-</b>					
GO Bonds, series 2014	\$ 2,000,000	\$ -	\$ 335,000	\$ 1,665,000	\$ 815,000
GO Bonds, series 2019	226,293	-	111,539	114,754	114,754
GO Bonds, series 2020	7,155,000	-	1,535,000	5,620,000	670,000
Subtotal	9,381,293	-	1,981,539	7,399,754	1,599,754
Add - Premium on bonds	343,632	-	54,990	288,642	54,990
Total Bonds Payable	<u>9,724,925</u>	<u>-</u>	<u>2,036,529</u>	<u>7,688,396</u>	<u>1,654,744</u>
<b>Other Liabilities -</b>					
Capital Lease Payable	24,824	-	24,824	-	-
Notes Payable	12,270,043	21,147,756	1,621,488	31,796,311	1,592,684
Compensated absences	586,193	64,880	-	651,073	-
Net Pension Liability	19,525,628	-	720,631	18,804,997	-
OPEB Liability	35,380,695	-	7,757,894	27,622,801	-
Total Other Liabilities	<u>67,787,383</u>	<u>21,212,636</u>	<u>10,124,837</u>	<u>78,875,182</u>	<u>1,592,684</u>
Total Long-Term Debt	<u>\$ 77,512,308</u>	<u>\$ 21,212,636</u>	<u>\$ 12,161,366</u>	<u>\$ 86,583,578</u>	<u>\$ 3,274,428</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 \$114,754 and \$39,081,311 respectively. There are no special provisions to these issues. In regards to the notes payable, \$6,689,954 of the debt has specific collateral attached to it.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

General Obligation Bonds payable at April 30, 2025 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%	\$ 1,665,000
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%	114,754
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>5,620,000</u>
General Obligation Bonds Payable	7,399,754
Add: Premium on bonds	<u>288,642</u>
Total	<u>\$ 7,688,396</u>

As of April 30, 2025, \$2,668,569 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
2026	\$ 1,599,754	\$ 135,367	\$ 1,735,121
2027	1,525,000	93,713	1,618,713
2028	685,000	69,056	754,056
2029	695,000	59,563	754,563
2030	705,000	48,181	753,181
2031 - 2033	2,190,000	65,406	2,225,406
Total	<u>\$ 7,399,754</u>	<u>\$ 471,286</u>	<u>\$ 7,871,040</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

Notes payable at April 30, 2025 are comprised of the following individual notes:

**Notes Payable –**

a)	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.	\$1,236,364
b)	2.4% Banterra Bank for Toyota Corolla & Honda HR-V, in monthly installment of \$1,413.25 beginning Aug. 21, 2022, through July 21, 2025.	4,194
c)	2.44% First Southern Trust Bank for five cars for Police Dept. in monthly installment of \$6,319.65 beginning Aug. 19, 2023, through July 19, 2025.	18,783
d)	2.5% Banterra Bank for Gas Tax Street 2022 Caterpillar. In monthly payment of \$2,727.13 beginning July 27, 2022, through June 27, 2027.	69,193
e)	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.	25,970
f)	2.50% note payable to First Southern Bank for construction loan beginning January 12, 2021, through January 15, 2032.	4,118,737
g)	3.23% First Southern Bank for Ford F150 for Fire Department, in monthly installment of \$792.64 beginning Dec. 18, 2023, through Dec. 18, 2027.	26,786
h)	2.366% note payable to Government leasing for two fire trucks in monthly installments of \$5,821 beginning May 18, 2016, through May 18, 2026.	74,640
i)	5.50 – 7.5% note payable to First Southern Bank for an interest only construction loan for a sports complex. Beginning May 29, 2024, through December 5, 2050.	25,041,823
j)	3.95% note payable to Banterra Bank for seven Police vehicles in monthly installments of \$5,532 to \$6,714 beginning January 13, 2025, to November 13, 2029.	301,432
k)	4.50% note payable to Banterra Bank for two 2024 Ford trucks for Street Dept. in monthly installments of \$2,280 to \$2,866 beginning September 6, 2024, to August 6, 2029.	135,523
l)	3.95% note payable to Banterra Bank for Schwartze Tornado Sweeper in monthly installments from \$5,532 to \$6,714 beginning December 13, 2024, to November 13, 2029.	325,200
m)	3.84% note payable to First Southern Bank for two Code vehicles in monthly installments from \$694 to \$856 beginning January 2, 2025, to January 5, 2030.	44,800
n)	4.65% note payable to First Southern Bank for 2 Street Dodge Rams in monthly installments of \$1,767 beginning November 8, 2023, through November 8, 2024.	69,767
o)	4.65% note payable to First Southern Bank for Street 2024 International and snowplow in monthly installments of \$2,985 beginning December 6, 2023, through December 6, 2028.	120,437
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	182,662
Total		<u>\$ 31,796,311</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

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

Fiscal Year Ending April 30,	Principal	Interest	Total
2026	\$ 1,592,684	1,595,621	\$ 3,188,305
2027	1,591,508	1,696,139	3,287,647
2028	1,120,734	1,641,378	2,762,112
2029	1,071,000	1,589,684	2,660,684
2030	1,019,416	1,539,134	2,558,550
2031-2035	7,614,297	6,801,851	14,416,148
2036-2040	5,499,697	6,853,301	12,352,998
2041-2045	7,870,539	6,669,693	14,540,232
2046-2050	4,416,436	2,409,233	6,825,669
<b>Total</b>	<b>\$ 31,796,311</b>	<b>\$ 30,796,034</b>	<b>\$ 62,592,345</b>

**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, 2025:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decrease	Ending Balance	Amounts Due Within One Year
General Obligation Bonds-					
GO Refunding Bonds 2017	\$ 980,000	\$ -	\$ 235,000	\$ 745,000	\$ 240,000
GO Bonds, series 2022	1,700,000	-	-	1,700,000	-
Subtotal	2,680,000	-	235,000	2,445,000	240,000
Add - Premium on bonds	27,963	-	5,499	22,464	5,616
Total Bonds Payable	2,707,963	-	240,499	2,467,464	245,616
Other Liabilities -					
Finance Lease Payable	2,742	-	561	2,181	1,274
Notes Payable	4,367,943	3,432,350	502,262	7,298,031	600,979
Compensated absences	92,329	90,981	92,329	90,981	-
Net Pension Liability	398,451	31,146	-	429,597	-
Net OPEB Liability	5,709,880	100	-	5,709,980	-
Total Other Liabilities	10,751,345	3,554,577	595,152	13,530,770	602,253
Total Long-Term Debt	\$ 13,279,308	\$ 3,554,577	\$ 835,651	\$ 15,998,234	\$ 847,869

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

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.

General obligation bonds payable at April 30, 2025, 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%.	\$ 745,000
\$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%	<u>1,700,000</u>
General Obligation Bonds Payable	2,445,000
Add: Premium on bonds	<u>22,464</u>
Total	<u>\$ 2,467,464</u>

As of April 30, 2025, \$646,737 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
2026	\$ 240,000	\$ 69,150	\$ 309,150
2027	250,000	62,400	312,400
2028	255,000	54,825	309,825
2029	-	51,000	51,000
2030	-	51,000	51,000
2031 - 2035	740,000	218,100	958,100
2036 - 2039	960,000	56,850	1,016,850
Total	<u>\$ 2,445,000</u>	<u>\$ 563,325</u>	<u>\$ 3,008,325</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

**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.	\$ 157,741
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.	134,074
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.	541,514
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.	897,613
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.	307,219
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.	352,274
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.	184,538
h)	2.74% note payable to First Southern Bank for a Sewer Vactor, due in monthly installments ranging from \$7,386 to \$8540 beginning April 16, 2025, through April 16, 2030.	480,331
i)	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.	742,561
j)	0.93% note payable to State of Illinois IEPA for waste water treatment plant rehabilitation due in semi-annual installments of \$82,002 beginning January 1, 2027, through July 27, 2046.	3,025,096
k)	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.	475,070
Total		<u>\$ 7,298,031</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**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
2026	\$ 600,979	\$ 69,098	\$ 670,077
2027	722,901	106,086	828,987
2028	699,286	74,013	773,299
2029	697,544	63,215	760,759
2030	708,423	52,266	760,689
2031 – 2035	1,825,829	154,584	1,980,413
2036 – 2040	956,559	79,315	1,035,874
2041 - 2045	842,778	32,516	875,294
2046 - 2047	243,732	2,274	246,006
Total	<u>\$ 7,298,031</u>	<u>\$ 633,367</u>	<u>\$ 7,931,398</u>

**Note 9 – Defined Benefit Pension Plans**

Summary:

Net Pension Liability:

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

	Net Pension Liability
Illinois Municipal Retirement Fund	\$ 1,773,789
Fire Pension Fund	7,734,919
Police Pension Fund	9,725,886
Total Aggregate Net Pension Liability	<u>\$ 19,234,594</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	Employer Contributions	Net Differences Between Projected and Actual Earnings	Changes in Assumptions
Illinois Municipal Retirement Fund	\$ 1,127,170	\$ 184,669	\$ 792,462	\$ (55,726)
Fire Pension Fund	328,493	-	125,003	1,295,508
Police Pension Fund	630,247	-	129,028	706,921
Totals	<u>\$ 2,085,910</u>	<u>\$ 184,669</u>	<u>\$ 1,046,493</u>	<u>\$ 1,946,703</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

Pension Expense

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

	Pension Expense
Illinois Municipal Retirement Fund	\$ 1,285,601
Fire Pension Fund	1,135,124
Police Pension Fund	1,287,576
Total Pension Expense	\$ 3,708,301

**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.

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

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.

Employees Covered by Benefit Terms:

As of April 30, 2025, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	117
Inactive plan members entitled to but not yet receiving benefits	107
Active plan members	166
Total	390

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 2024 was 6.23%. For the fiscal year ended April 30, 2025, the City contributed \$533,979 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

C. Actuarial Assumptions

**Methods and Assumptions Used to Determine Total Pension Liability at December 31, 2024**

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, 2025**

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

D. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	4.35%
International Equity	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternative Investments	12.5%	4.85–6.25%
Cash Equivalents	1.0%	3.60%
Total	<u>100.0%</u>	

E. Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

F. Changes in the Net Pension Liability

	Per Actuary Report		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at December 31, 2023	\$ 35,007,840	\$ 33,390,583	\$ 1,617,257
Service Cost	708,426		708,426
Interest on Total Pension Liability	2,488,873		2,488,873
Differences Between Expected and Actual Experience of the Total Pension Liability	782,674		782,674
Change of Assumptions	-		-
Benefit Payments, Including Refunds of Employee Contributions	(2,065,542)	(2,065,542)	-
Contributions - Employer		533,979	(533,979)
Contributions - Employee		385,699	(385,699)
Net Investment Income		3,305,618	(3,305,618)
Other (Net Transfer)		(401,855)	401,855
<b>Balance at December 31, 2024</b>	<b>\$ 36,922,271</b>	<b>\$ 35,148,482</b>	<b>\$ 1,773,789</b>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 95.20%

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:

	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability	\$ 5,940,945	\$ 1,773,789	\$ (1,531,479)

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

For the year ended April 30, 2025, the City recognized pension expense of \$1,285,601. At April 30, 2025, 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, 2025**

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

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 1,138,296	\$ 11,126
Changes of assumptions	-	55,726
Net difference between projected and actual earnings on pension plan investments	<u>2,887,608</u>	<u>2,095,146</u>
 Total Deferred Amounts to be recognized in pension expense in future periods	 <u>4,025,904</u>	 <u>2,161,998</u>
 Pension Contributions made subsequent to the Measurement Date	 <u>184,669</u>	 <u>-</u>
 <b>Total Deferred Amounts Related to Pensions</b>	 <b><u>\$ 4,210,573</u></b>	 <b><u>\$ 2,161,998</u></b>

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2025	\$ 784,217
2026	1,381,600
2027	(194,027)
2028	(107,884)
Total	<u><u>\$ 1,863,906</u></u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

**Fire Pension Fund**

A. Plan Description

Fire-sworn personnel are covered by the Fire Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Fire Pension Board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2025, the Fire Pension Plan membership consisted of:

	Fire
Active members	29
Retirees and beneficiaries	19
Inactive, Non-retired members	2
Total	50

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

Covered employees are required to contribute 9.455% of their base salary to the Fire Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 2011, the City has until the year 2040 to fund the plan in an amount sufficient to bring the total assets of the fire pension fund up to 90% of the total actuarial liabilities. For the year ended April 30, 2025, the City's contribution was 52.27% of covered payroll.

**B. Net Pension Liability**

The City's net pension liability was measured as of April 30, 2025. 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 2024 with scale MP2021

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 9 – 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 5.24%, 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, 2024</b>	\$ 25,000,510	\$ 16,347,252	\$ 8,653,258
<b>Changes for the year:</b>			
Service Cost	499,271	-	499,271
Interest on the Total Pension Liability	1,649,168	-	1,649,168
Differences Between Expected and Actual Experience of the Total Pension Liability	(61,268)	-	(61,268)
Contributions-Employer	-	1,122,690	(1,122,690)
Contributions-Employee	-	197,279	(197,279)
Net Investment Income	-	1,685,541	(1,685,541)
Benefit Payments, including Refunds of Employee Contributions	(1,049,344)	(1,049,344)	-
Other (admin expense)	(15,533)	(15,533)	-
Net changes	<u>1,022,294</u>	<u>1,940,633</u>	<u>(918,339)</u>
<b>Balances at April 30, 2025</b>	<u>\$ 26,022,804</u>	<u>\$ 18,287,885</u>	<u>\$ 7,734,919</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 70.28%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 9 – 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	\$ 11,614,903	\$ 7,734,919	\$ 4,579,731

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

For the year ended April 30, 2025, the City recognized pension expense of \$1,135,124. At April 30, 2025, 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	\$ 549,458	\$ (220,965)
Changes of assumptions	1,295,508	-
Net difference between projected and actual earnings on pension plan investments	904,725	(779,722)
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 2,749,691</b>	<b>\$ (1,000,687)</b>

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

Year Ending April 30,	Net Deferred Outflows of Resources
2026	859,292
2027	410,524
2028	210,978
2029	255,187
2030	24,473
Thereafter	(11,450)
Total	<b>\$ 1,749,004</b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

**Police Pension Fund**

A. Plan Description

Police-sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and the employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Police Pension Board consists of five members. Two are elected by active plan members. One is elected by the retired members and two are appointed by the City. At April 30, 2025, the Police Pension Plan membership consisted of:

	Police
Active members	45
Retirees and beneficiaries	30
Inactive, Non-retired members	9
Total	84

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, 2025**

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

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year ended April 30, 2025, the City's contribution was 38.89% 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, 2025. 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, 2025**

**Note 9 – 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 5.24%, 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, 2024</b>	\$ 29,234,069	\$ 19,701,647	\$ 9,532,422
<b>Changes for the year:</b>			
Service Cost	851,599	-	851,599
Interest on the Total Pension Liability	1,902,782	-	1,902,782
Differences Between Expected and Actual Experience of the Total Pension Liability	565,806	-	565,806
Contributions-Employer	-	1,376,820	(1,376,820)
Contributions-Employee	-	322,583	(322,583)
Net Investment Income	-	1,877,320	(1,877,320)
Benefit Payments, including Refunds of Employee Contributions	(1,928,700)	(1,928,700)	-
Other (admin. expense)	(56,560)	(56,560)	-
Net changes	<u>1,334,927</u>	<u>1,591,463</u>	<u>(256,536)</u>
<b>Balances at April 30, 2025</b>	<u>\$ 30,568,996</u>	<u>\$ 21,293,110</u>	<u>\$ 9,275,886</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 69.66%

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 9 – 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	\$ 13,774,530	\$ 9,275,886	\$ 5,639,474

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

For the year ended April 30, 2025, the City recognized pension expense of \$1,287,576. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Deferred Amounts Related to Pensions</b>		
<b><i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i></b>		
Differences between expected and actual experience	\$ 1,563,430	\$ (933,183)
Changes of assumptions	706,921	-
Net difference between projected and actual earnings on pension plan investments	860,630	(731,602)
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 3,130,981</b>	<b>\$(1,664,785)</b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 9 – 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
2026	817,412
2027	245,183
2028	(27,895)
2029	115,515
2030	213,660
Thereafter	103,321
Total	\$ 1,466,196

**Note 10 – Deferred Compensation Plan**

Employees of the City of Marion, Illinois may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the City. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the City, are held in trust for the exclusive benefit of participants and their beneficiaries. The City holds no investment responsibility or liability for losses under the plan.

**Note 11 - Other Postemployment Benefits**

A. Plan Description

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

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 11 - 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, 2025, membership consisted of:

Retirees and beneficiaries currently receiving benefits	91
Active employees	<u>161</u>
<b>Total</b>	<u>252</u>
<b>Participating employers</b>	<u>1</u>

B. Total OPEB Liability

The City's OPEB liability of \$33,332,781 was measured as of April 30, 2025, and was determined by an actuarial valuation as of April 30, 2025.

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	5.24%
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, 2025**

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

D. Changes in Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at April 30, 2024</b>	\$ 41,090,674
Changes for the year:	
Service Cost	1,027,960
Interest	1,664,492
Difference between Expected and actual experience	(278,321)
Assumption Changes	(8,791,238)
Benefit Payments	(1,380,786)
Net Changes	(7,757,893)
<b>Balance at April 30, 2025</b>	<b>\$ 33,332,781</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 (4.24 percent) or 1-percentage-point higher (6.24 percent) than the current discount rate:

	<b>1% Decrease (4.24%)</b>	<b>Discount Rate (5.24%)</b>	<b>1% Increase (6.24%)</b>
Total OPEB liability	\$ 38,629,768	\$ 33,332,781	\$ 29,101,467

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

F. Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (5.75 percent decreasing to 3.50 percent) or 1 percentage-point higher (7.75 percent decreasing to 5.50 percent) than the current healthcare cost trend rates.

	<b>1% Decrease (5.75%) Decreasing to <u>3.50%</u></b>	<b>Discount Rate (6.75%) Decreasing to <u>4.50%</u></b>	<b>1% Increase (7.75%) Decreasing to <u>5.50%</u></b>
Total OPEB liability	\$ <u>28,800,782</u>	\$ <u>33,332,781</u>	\$ <u>39,083,738</u>

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

For the year ended April 30, 2025, the City recognized OPEB expense of \$2,311,493. At April 30, 2025, 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	\$ 1,316,725	\$ (443,645)
Changes of assumptions	<u>5,721,525</u>	<u>(14,155,403)</u>
Total Deferred Amounts Related to OPEB	<u>\$ 7,038,250</u>	<u>\$ (14,599,048)</u>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Inflows of Resources</u>
2026	\$ (380,959)
2027	(427,659)
2028	(750,428)
2029	(1,788,136)
2030	(1,416,084)
Thereafter	(2,824,532)
Total	<u>\$ (7,560,798)</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 12 – Fund Balance Reporting**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

A. Nonspendable Fund Balance -

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

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. \$366,802 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, 2025**

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

Restricted for cemetery - This was created to restrict the use of funds set aside by the council for cemetery related expenditures.

Restricted for capital projects - This was created to restrict the use of funds set aside by the council for various capital projects.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action (resolution or ordinance) it employed to previously commit those amounts.

By City ordinance, the City has committed to a cash reserve policy in the general fund that requires a minimum level equal to or greater than 25% of the general fund's current year budgeted expenditures and transfers out. Council has a right to determine if any portion of the cash reserve should be spent and is required to take all necessary actions to increase the cash reserve balance to the 25% threshold in future years.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the Finance Commissioner as allowed by Council Resolution to be used for a specific purpose, but are neither restricted nor committed. Assigned fund balance amounts are shown in the general fund.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the general fund for amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then assigned balances, next unassigned balances and finally act to reduce committed balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

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

	General Fund	Permanent Fund	Capital Projects Fund	Special Revenue Funds	Debt Service Funds	Total Government Funds
Fund Balances						
Nonspendable	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Restricted for:						
Donor expenditures	22,898	-	-	356,669	-	379,567
Public health and safety	486,112	-	-	1,255,697	-	1,741,809
Capital projects	-	-	9,001,451	-	-	9,001,451
Debt service	-	-	-	-	2,668,569	2,668,569
Cemetery	-	1,238	-	-	-	1,238
Maintenance of roadways	-	-	-	1,231,520	-	1,231,520
Tourism and recreation	294,563	-	-	206,852	-	501,415
Economic development	2,430,032	-	-	6,683,827	-	9,113,859
Committed	6,807,288	-	-	-	-	6,807,288
Assigned	50,561	-	-	-	-	50,561
Unassigned	14,941,861	-	-	1,626,781	-	16,568,642
Total Fund Balances	<u>\$ 25,033,315</u>	<u>\$ 2,238</u>	<u>\$ 9,001,451</u>	<u>\$ 11,361,346</u>	<u>\$ 2,668,569</u>	<u>\$ 48,066,919</u>

**Note 13 – Interfund Transactions**

During the course of normal operations, the City had numerous transactions between funds. Individual fund interfund receivable and payable balances at April 30, 2025 arising from these transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 961,078	\$ -
Goddard Chapel Fund	-	-
Senior Citizen Fund	-	3,590
Cultural and Civic Center Fund	-	30,793
Pavilion Fund	-	142,031
HUB Recreation Center Fund	-	12,773
Boynton Street Fund	-	3,918
Gas Tax fund	77,435	-
All 2100s	-	1,433
Foreign Fire Insurance Fund	-	750
Water Fund	-	28,613
Sewer Tax	-	69,757
Capital Projects Fund	-	744,855
Total	<u>\$ 1,038,513</u>	<u>\$ 1,038,513</u>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 13 – 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:

<b><u>General Fund Types -</u></b>	<b><u>Out</u></b>	<b><u>In</u></b>
General Fund	\$13,291,142	\$364,339
Cultural and Civic Center Fund	-	737,495
Senior Citizen Council Fund	10,000	631,640
Boyton Street Fund	-	397,407
Capital Projects Replacement	326,434	425,000
Economic Incentive Fund	670,521	999,996
<b>Total General Fund Types</b>	14,298,097	3,555,877
<b><u>Special Revenue Funds -</u></b>		
Carnegie Library Fund	-	822,430
Motor Fuel Tax fund	-	21,670
Pavillion	-	52,984
HUB Recreational Center Fund	720,120	1,658,067
TIF Redevelopment Fund	2,426,022	2,090,345
Star Bond	2,991,771	364,114
Gas Tax Fund	149,888	-
Police Fund	4,000	-
Foreign Fine Insurance Fund	10,000	-
Property Tax fund	-	2,274,289
<b>Total Special Revenue Funds</b>	6,301,801	7,283,899
<b><u>Capital Project Funds -</u></b>		
<b>Capital Project Fund</b>	894,750	4,862,961
<b><u>Health reimbursement</u></b>		
Health	-	549,996
<b><u>Debt Service Funds -</u></b>		
<b>Debt Service Fund</b>	-	5,420,469
<b><u>Enterprise Funds -</u></b>		
Water Fund	89,277	-
Sewer Fund	89,277	-
<b>Total Enterprise Funds</b>	178,554	-
<b>Total</b>	<b>\$21,673,202</b>	<b>\$21,673,202</b>

**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 13 – 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 14 – Tax Abatement**

As of April 30, 2025, 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, 2025 by TIF District.



**City of Marion, Illinois**  
**Notes to the Financial Statements**  
**April 30, 2025**

**Note 15 – Pledged Revenue**

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

Effective July 1, 2005, the City increased its home rule sales tax by one quarter of one percent. The City has entered into an agreement with the Southern Illinois Baseball Group, Inc. (Developer) to pay them one-half of the sales tax increase (one eighth of one percent). The City pays the Developer by the last day of the month its sales tax portion for the preceding month. The Developer cannot use the funds for any purpose other than to satisfy construction loan obligations. In January 2022, the ball park was sold to Marion Stadium, LLC. The above agreement was transferred to the new owners. The City's obligation will continue until the earlier of (1) thirty years after the City's first payment or (2) the date that all construction loan obligations have been paid in full. As of April 30, 2025, the Developer's portion of the home rule sales tax increase amounted to \$800,541.

**Note 16 – Contingent Liabilities**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended April 30, 2025, 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, 2025**

**Note 17 – Risks and Uncertainties**

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

**Note 18 – Commitments**

In October of 2006, the City entered into an agreement with the Rend Lake Conservancy District to supply the City with a needed supply of treated water for domestic, commercial and industrial use. The agreement is in effect until December 31, 2046. The City may discontinue purchasing treated water from the District only if (a) the District has recouped its costs of providing water to the delivery point and the cost of the water storage reservoir or (b) the City reimburses the District for any remaining cost which has not been recouped by the District. Construction of the project was completed in July 2010.

**Note 19 – Subsequent Events**

In preparing the financial statements, the City has evaluated transactions for potential disclosure through November 21, 2025, the date the financial statements were available to be issued. Management has determined that no events have occurred subsequent to April 30, 2025, that would require disclosure.

## **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, 2025**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 100	\$ 100	\$ 68	\$ (32)
Sales taxes	24,785,000	25,540,000	26,063,099	523,099
Other taxes and franchise fees	3,857,460	4,058,920	4,063,623	4,703
Licenses and permits	487,180	546,930	570,403	23,473
Intergovernmental revenue	3,624,000	3,624,000	3,485,145	(138,855)
Service charges and fees	1,470,300	1,490,600	1,635,519	144,919
Grant revenue and contributions	196,060	208,060	237,949	29,889
Investment income	578,750	583,700	682,606	98,906
Interest income	217,750	235,700	210,449	(25,251)
Miscellaneous income	160,000	249,300	344,550	95,250
<b>Total Revenues</b>	<b>35,376,600</b>	<b>36,537,310</b>	<b>37,293,411</b>	<b>756,101</b>
<b>Expenditures</b>				
General government	5,515,960	5,729,490	5,403,581	(325,909)
Public health and safety	12,435,730	12,571,510	12,607,153	35,643
Streets, alleys, and cemeteries	4,012,880	4,050,960	4,057,926	6,966
Cultural and recreation	1,915,080	2,060,490	1,990,811	(69,679)
Economic development	255,740	302,740	252,709	(50,031)
Debt service:				
Principal	510,200	555,200	530,274	(24,926)
Interest	40,150	52,150	46,889	(5,261)
Capital outlay	1,232,700	1,790,300	2,075,787	285,487
<b>Total Expenditures</b>	<b>25,918,440</b>	<b>27,112,840</b>	<b>26,965,130</b>	<b>(147,710)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>9,458,160</b>	<b>9,424,470</b>	<b>10,328,281</b>	<b>903,811</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(10,610,120)	(13,001,990)	(10,742,220)	2,259,770
General long-term debt issued	1,055,000	1,055,000	914,076	(140,924)
Net increase (decrease) in fair value	-	-	14,499	14,499
<b>Total Other Financing (Uses)</b>	<b>(9,555,120)</b>	<b>(11,946,990)</b>	<b>(9,813,645)</b>	<b>2,133,345</b>
<b>Net Change in Fund Balances</b>	<b>\$ (96,960)</b>	<b>\$ (2,522,520)</b>	<b>\$ 514,636</b>	<b>\$ 3,037,156</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, 2025**

	<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	\$ 4,456,260	\$ 8,750,810	\$ 5,750,446	\$ (3,000,364)
Miscellaneous income	-	20,000	-	(20,000)
Interest Income	132,240	126,110	107,859	(18,251)
Investment income		93,610	180,927	87,317
<b>Total Revenues</b>	<u>4,588,500</u>	<u>8,990,530</u>	<u>6,039,232</u>	<u>(2,951,298)</u>
<b>Expenditures</b>				
Streets, alleys and cemeteries	150,000	299,000	65,393	(233,607)
Economic development	4,575,650	6,808,970	4,889,422	(1,919,548)
Debt service:				
Principal	708,200	708,200	708,182	(18)
Capital outlay	-	116,000	138,453	22,453
<b>Total Expenditures</b>	<u>5,433,850</u>	<u>7,932,170</u>	<u>5,801,450</u>	<u>(2,130,720)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(845,350)</u>	<u>1,058,360</u>	<u>237,782</u>	<u>(820,578)</u>
<b>Other Financing (Uses)</b>				
Transfers out	(381,880)	(402,590)	(335,678)	66,912
<b>Total Other Financing Sources (Uses)</b>	<u>(381,880)</u>	<u>(402,590)</u>	<u>(335,678)</u>	<u>66,912</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,227,230)</u>	<u>\$ 655,770</u>	<u>\$ (97,896)</u>	<u>\$ (753,666)</u>

See notes to required supplementary information

**City of Marion, Illinois**  
**Notes to Required Supplemental Information**  
**April 30, 2025**

**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	\$ 37,293,411	\$ -	\$ 37,293,411	\$ 36,527,310	\$ 756,101
Expenditures	26,965,130	-	26,965,130	27,112,840	(147,710)
Excess (deficiency) of revenues over expenditures	10,328,281	-	10,328,281	9,424,470	903,811
Other financing sources (uses)	(9,813,645)	-	(9,813,645)	(11,946,990)	2,133,345
Net change in fund balances	514,636	\$ -	\$ 514,636	\$ (2,522,520)	\$ 3,037,156
Fund balance, beginning of year	24,518,679				
Fund balance, end of year	<u>\$ 25,033,315</u>				
<b>TIF Fund:</b>					
Revenues	\$ 6,039,232	\$ -	\$ 6,039,232	\$ 8,990,530	\$ (2,591,298)
Expenditures	5,801,450	-	5,801,450	7,932,170	(2,130,720)
Excess (deficiency) of revenues over expenditures	237,782	-	237,782	1,058,360	(820,578)
Other financing sources (uses)	(335,678)	-	(335,678)	(402,590)	66,912
Net change in fund balances	(97,896)	\$ -	\$ (97,896)	\$ 655,770	\$ (753,666)
Fund balance, beginning of year	6,781,723				
Fund balance, end of year	<u>\$ 6,683,827</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 Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 708,426	\$ 694,260	\$ 639,931
Interest on the Total Pension Liability	2,488,873	2,392,171	2,274,771
Differences Between Expected and Actual Experience	782,674	258,146	595,907
Changes in Assumptions	-	(43,933)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(2,065,542)</u>	<u>(1,882,274)</u>	<u>(1,954,643)</u>
<b>Net Change in Pension Liability</b>	1,914,431	1,418,370	1,555,966
<b>Total Pension Liability - Beginning</b>	<u>35,007,840</u>	<u>33,589,470</u>	<u>32,033,504</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 36,922,271</u>	<u>\$ 35,007,840</u>	<u>\$ 33,589,470</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Employer contributions	\$ 533,979	\$ 477,569	\$ 555,046
Employee contributions	385,699	370,239	340,287
Net Investment Income	3,305,618	3,383,756	(4,647,911)
Benefit Payments, Including Refunds of Employee Contributions	(2,065,542)	(1,882,274)	(1,954,643)
Other (Net Transfers)	<u>(401,855)</u>	<u>725,119</u>	<u>60,329</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,757,899	3,074,409	(5,646,892)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>33,390,583</u>	<u>30,316,174</u>	<u>35,963,066</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 35,148,482</u>	<u>\$ 33,390,583</u>	<u>\$ 30,316,174</u>
<b>Net Pension (Asset)/Liability - Ending (A) - (B)</b>	<u>\$ 1,773,789</u>	<u>\$ 1,617,257</u>	<u>\$ 3,273,296</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	95.20%	95.38%	90.25%
<b>Covered Valuation Payroll</b>	\$ 8,571,090	\$ 8,026,377	\$ 7,561,941
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	20.70%	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.

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

<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 Eight Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 533,979	\$ 477,569	\$ 555,046	\$ 631,554	\$ 566,612
Contribution in relation to the actuarially determined contribution	<u>533,979</u>	<u>477,569</u>	<u>555,046</u>	<u>631,554</u>	<u>567,142</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (530)</u>
Covered payroll	\$ 8,571,090	\$ 8,026,377	\$ 7,561,941	\$ 6,917,350	\$ 6,267,830
Contributions as a percentage of covered payroll	6.23%	5.95%	7.34%	9.13%	9.05%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 547,638	\$ 669,876	\$ 635,324	\$ 621,828	\$ 610,097
Contribution in relation to the actuarially determined contribution	<u>547,638</u>	<u>669,876</u>	<u>651,087</u>	<u>621,827</u>	<u>618,207</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,763)</u>	<u>\$ 1</u>	<u>\$ (8,110)</u>
Covered payroll	\$ 6,630,005	\$ 6,529,006	\$ 6,103,020	\$ 5,699,612	\$ 5,592,090
Contributions as a percentage of covered payroll	8.26%	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>2025</u>	<u>2024</u>	<u>2023</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 499,271	\$ 493,419	\$ 437,061
Interest on the Total Pension Liability	1,649,168	1,576,794	1,409,034
Changes of benefit terms	-	-	-
Differences Between Expected and Actual Experience	(61,268)	73,115	445,633
Changes in Assumptions	-	-	1,202,013
Benefit Payments, Including Refunds of Employee Contributions	(1,049,344)	(1,023,022)	(955,572)
Other (admin expense)	<u>(15,533)</u>	<u>(33,843)</u>	<u>(16,294)</u>
<b>Net Change in Pension Liability</b>	1,022,294	1,086,463	2,521,875
<b>Total Pension Liability - Beginning</b>	<u>25,000,510</u>	<u>23,914,047</u>	<u>21,392,172</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 26,022,804</u>	<u>\$ 25,000,510</u>	<u>\$ 23,914,047</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Employer contributions	\$ 1,122,690	\$ 1,059,674	\$ 1,093,897
Employee contributions	197,279	171,670	167,455
Net Investment Income	1,685,541	1,529,209	(148,906)
Benefit Payments, Including Refunds of Employee Contributions	(1,049,344)	(1,023,022)	(955,572)
Other (Net Transfers)	-	-	-
Other (admin expense)	<u>(15,533)</u>	<u>(33,843)</u>	<u>(16,294)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,940,633	1,703,688	140,580
<b>Plan Fiduciary Net Position - Beginning</b>	<u>16,347,252</u>	<u>14,643,564</u>	<u>14,502,984</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 18,287,885</u>	<u>\$ 16,347,252</u>	<u>\$ 14,643,564</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 7,734,919</u>	<u>\$ 8,653,258</u>	<u>\$ 9,270,483</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	70.28%	65.39%	61.23%
<b>Covered Valuation Payroll</b>	\$ 2,148,025	\$ 1,771,722	\$ 1,639,408
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	360.09%	488.41%	565.48%

**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.

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

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 407,884	\$ 416,887	\$ 421,285	\$ 380,816	\$ 373,215	\$ 365,360	\$ 356,987
1,277,866	1,193,796	1,121,897	1,067,048	1,038,539	994,434	943,345
-	-	5,457	-	-	-	-
130,266	432,935	(46,100)	(4,911)	(458,631)	(182,202)	(31,022)
1,046,676	11,817	272,648	-	-	-	-
(830,080)	(749,145)	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)
<u>(21,408)</u>	<u>(16,971)</u>	<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,011,204	1,289,319	1,128,853	910,741	423,592	657,935	762,966
<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>
<u>\$ 21,392,172</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>
\$ 720,967	\$ 673,801	\$ 670,792	\$ 671,961	\$ 656,121	\$ 550,277	\$ 493,200
157,741	159,422	150,991	148,466	145,684	142,499	139,192
(1,190,012)	3,626,759	(392,343)	686,637	650,050	653,365	19,892
(830,080)	(749,145)	(631,570)	(532,212)	(529,531)	(519,657)	(506,344)
-	-	-	(17,665)	(15,357)	(14,789)	(15,338)
<u>(21,408)</u>	<u>(16,971)</u>	<u>(14,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,162,792)	3,693,866	(216,894)	957,187	906,967	811,695	130,602
<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>\$ 14,502,984</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>\$ 6,889,188</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>
67.80%	80.83%	66.17%	71.86%	69.97%	66.06%	63.54%
\$ 1,687,421	\$ 1,602,842	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356
408.27%	231.79%	381.37%	298.30%	312.24%	350.83%	369.92%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,099,140	\$ 874,458	\$ 1,093,897	\$ 720,967	\$ 672,247
Contribution in relation to the actuarially determined contribution	<u>1,122,690</u>	<u>1,059,674</u>	<u>1,093,897</u>	<u>720,967</u>	<u>673,801</u>
Contribution deficiency (excess)	<u>\$ (23,550)</u>	<u>\$ (185,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,554)</u>
Covered payroll	\$ 2,148,025	\$ 1,771,722	\$ 1,639,408	\$ 1,687,421	\$ 1,602,842
Contributions as a percentage of covered payroll	52.27%	59.81%	66.73%	42.73%	42.04%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 656,860	\$ 673,801	\$ 657,794	\$ 622,389	\$ 423,633
Contribution in relation to the actuarially determined contribution	<u>670,792</u>	<u>671,961</u>	<u>656,121</u>	<u>550,277</u>	<u>493,200</u>
Contribution deficiency (excess)	<u>\$ (13,932)</u>	<u>\$ 1,840</u>	<u>\$ 1,673</u>	<u>\$ 72,112</u>	<u>\$ (69,567)</u>
Covered payroll	\$ 1,604,657	\$ 1,600,401	\$ 1,543,819	\$ 1,511,781	\$ 1,475,356
Contributions as a percentage of covered payroll	41.80%	41.99%	42.50%	36.40%	33.43%

**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>2025</u>	<u>2024</u>	<u>2023</u>
<b><u>Total Pension Liability</u></b>			
Service Cost	\$ 851,599	\$ 832,676	\$ 816,898
Interest on the Total Pension Liability	1,902,782	1,787,192	1,679,591
Changes of benefit terms	-	-	-
Differences Between Expected and Actual Experience	565,806	770,450	378,076
Changes in Assumptions	-	-	93,957
Benefit Payments, Including Refunds of Employee Contributions	(1,928,700)	(1,317,857)	(1,375,341)
Other (admin expense)	<u>(56,560)</u>	<u>(29,154)</u>	<u>(30,229)</u>
<b>Net Change in Pension Liability</b>	1,334,927	2,043,307	1,562,952
<b>Total Pension Liability - Beginning</b>	<u>29,234,069</u>	<u>27,190,762</u>	<u>25,627,810</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 30,568,996</u>	<u>\$ 29,234,069</u>	<u>\$ 27,190,762</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Employer contributions	\$ 1,376,820	\$ 1,417,820	\$ 1,751,433
Employee contributions	322,583	302,709	287,315
Net Investment Income	1,877,320	1,680,360	231,279
Benefit Payments, Including Refunds of Employee Contributions	(1,928,700)	(1,317,857)	(1,375,341)
Other (Net Transfers)	-	-	-
Other (admin expense)	<u>(56,560)</u>	<u>(29,154)</u>	<u>(30,229)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,591,463	2,053,878	864,457
<b>Plan Fiduciary Net Position - Beginning</b>	<u>19,701,647</u>	<u>17,647,769</u>	<u>16,783,312</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 21,293,110</u>	<u>\$ 19,701,647</u>	<u>\$ 17,647,769</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 9,275,886</u>	<u>\$ 9,532,422</u>	<u>\$ 9,542,993</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	69.66%	67.39%	64.90%
<b>Covered Valuation Payroll</b>	\$ 3,539,863	\$ 3,074,454	\$ 3,057,010
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	262.04%	310.05%	312.17%

**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.

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

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 780,947	\$ 767,261	\$ 618,466	\$ 559,356	\$ 541,348	\$ 515,566	\$ 489,508
1,532,776	1,464,611	1,317,308	1,380,424	1,349,045	1,306,976	1,235,401
-	-	33,502	-	-	-	-
(171,776)	(114,210)	1,291,960	(1,755,490)	(487,598)	(279,109)	238,173
1,304,104	15,008	40,371	-	-	-	-
(1,094,284)	(1,079,701)	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)
<u>(24,488)</u>	<u>(35,212)</u>	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,327,279	1,017,757	2,160,633	(762,566)	472,447	631,845	1,067,888
<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>
<u>\$ 25,627,810</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>
\$ 1,217,031	\$ 1,017,351	\$ 1,012,811	\$ 1,014,558	\$ 997,462	\$ 850,449	\$ 722,600
266,336	261,350	225,133	213,300	202,395	200,549	180,337
(1,252,137)	4,116,492	(470,338)	802,525	838,002	996,676	173,455
(1,094,284)	(1,079,701)	(1,119,621)	(946,856)	(930,348)	(911,588)	(895,194)
-	-	-	(35,303)	(25,250)	(22,663)	(11,262)
<u>(24,488)</u>	<u>(35,212)</u>	<u>(21,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(887,542)	4,280,280	(373,368)	1,048,224	1,082,261	1,113,423	169,936
<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>\$ 16,783,312</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>\$ 8,844,498</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>
65.49%	75.84%	60.09%	68.40%	60.89%	56.99%	53.18%
\$ 2,669,608	\$ 2,613,422	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868
331.30%	215.41%	365.80%	302.60%	394.65%	445.44%	496.04%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,339,320	\$ 1,326,065	\$ 1,751,433	\$ 1,217,031	\$ 1,058,015
Contribution in relation to the actuarially determined contribution	<u>1,376,820</u>	<u>1,417,820</u>	<u>1,751,433</u>	<u>1,217,031</u>	<u>1,017,351</u>
Contribution deficiency (excess)	<u>\$ (37,500)</u>	<u>\$ (91,755)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,664</u>
Covered payroll	\$ 3,539,863	\$ 3,074,454	\$ 3,057,010	\$ 2,669,608	\$ 2,613,422
Contributions as a percentage of covered payroll	38.89%	46.12%	57.29%	45.59%	38.93%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,101,703	\$ 1,117,351	\$ 1,102,293	\$ 1,033,259	\$ 722,504
Contribution in relation to the actuarially determined contribution	<u>1,012,811</u>	<u>1,014,558</u>	<u>997,462</u>	<u>850,449</u>	<u>722,600</u>
Contribution deficiency (excess)	<u>\$ 88,892</u>	<u>\$ 102,793</u>	<u>\$ 104,831</u>	<u>\$ 182,810</u>	<u>\$ (96)</u>
Covered payroll	\$ 2,430,908	\$ 2,101,205	\$ 2,069,936	\$ 1,970,828	\$ 1,866,868
Contributions as a percentage of covered payroll	41.66%	48.28%	48.19%	43.15%	38.71%

**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>2025</u>	<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>
Fire Pension Plan	6.75%	10.38%	(0.94)%	(7.55)%	30.17%	(3.18)%	6.00%	6.18%	6.75%	2.50%
Police Pension Plan	6.75%	9.32%	1.41%	(6.96)%	30.52%	(3.40)%	6.19%	7.05%	9.30%	1.88%

**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 Seven Fiscal Years**

	<u>2025</u>	<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	\$ 1,027,960	\$ 1,088,141	\$ 799,868	\$ 1,112,780	\$ 818,611	\$ 644,279	\$ 589,748
Interest on total OPEB liability	1,664,493	1,562,130	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	(278,323)	-	1,622,993	-	288,950	-	-
Changes in Assumptions	(8,791,238)	(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>(1,380,786)</u>	<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>	(7,757,894)	(989,095)	3,690,512	(8,072,431)	9,132,598	5,767,486	1,636,998
<b>Total OPEB Liability - Beginning</b>	<u>41,090,675</u>	<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>	<u>\$ 33,332,781</u>	<u>\$ 41,090,675</u>	<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>
<b>Covered Valuation Payroll</b>	\$ 10,304,009	\$ 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>	323.49%	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, 2025**

	<u>Permanent Fund (Endowment)</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 2,256,651	\$ 2,256,651
Restricted cash	-	451,803	451,803
Investments, at fair value	-	39,105	39,105
Restricted investments, at fair value	2,238	353,303	355,541
Accounts receivable	-	533,757	533,757
Property taxes receivable	-	166,440	166,440
Sales taxes receivable	-	1,260,544	1,260,544
Other taxes receivable	-	179,640	179,640
Grant receivable	-	43,458	43,458
Intergovernmental receivable	-	60,920	60,920
<b>Total Assets</b>	<u>2,238</u>	<u>5,345,621</u>	<u>5,347,859</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	328,649	328,649
Accrued payroll	-	62,734	62,734
Due to other funds	-	78,119	78,119
Unearned revenue	-	32,160	32,160
<b>Total Liabilities</b>	<u>-</u>	<u>501,662</u>	<u>501,662</u>
<b>Deferred Inflow of Resources</b>			
Unavailable revenue	-	166,440	166,440
<b>Fund Balances</b>			
Nonspendable	1,000	-	1,000
Restricted for:			
Donor restricted expenditures	-	356,669	356,669
Public safety	-	1,255,697	1,255,697
Cemetery	1,238	-	1,238
Maintenance of roadways	-	1,231,520	1,231,520
Tourism and recreation	-	206,852	206,852
Unassigned	-	1,626,781	1,626,781
<b>Total Fund Balances</b>	<u>2,238</u>	<u>4,677,519</u>	<u>4,679,757</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 2,238</u>	<u>\$ 5,345,621</u>	<u>\$ 5,347,859</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, 2025**

	<u>Permanent Fund (Endowment)</u>	<u>Special Revenue Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ 189,472	\$ 189,472
Sales tax	-	1,843,050	1,843,050
Other taxes and franchise fees	-	1,387,575	1,387,575
Intergovernmental revenue	-	2,427,204	2,427,204
Service charges and fees	-	1,894,816	1,894,816
Grant revenue	-	669,031	669,031
Investment income	107	97,026	97,133
Operating Donation	-	14,960	14,960
Miscellaneous revenue	-	484,990	484,990
<b>Total Revenues</b>	<u>107</u>	<u>9,008,124</u>	<u>9,008,231</u>
<b>Expenditures</b>			
Public health and safety	-	2,586,630	2,586,630
Streets, alleys and cemeteries	-	106,802	106,802
Culture and recreation	-	4,095,401	4,095,401
Economic development	-	514,353	514,353
Capital outlay	-	1,890,108	1,890,108
<b>Total Expenditures</b>	<u>-</u>	<u>9,193,294</u>	<u>9,193,294</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>107</u>	<u>(185,170)</u>	<u>(185,063)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers, net	-	1,317,774	1,317,774
<b>Total Other Financing Sources</b>	<u>-</u>	<u>1,317,774</u>	<u>1,317,774</u>
<b>Net Change in Fund Balances</b>	107	1,132,604	1,132,711
<b>Fund Balances - Beginning of Year</b>	<u>2,132</u>	<u>3,547,152</u>	<u>3,549,284</u>
<b>Fund Balances - End of Year</b>	<u>\$ 2,239</u>	<u>\$ 4,679,756</u>	<u>\$ 4,681,995</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, 2025**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Grant revenue	\$ 6,837,030	\$ 6,837,030	\$ 4,860,906	\$ (1,976,124)
Investment income	383,320	383,320	448,976	65,656
Interest income	-	-	32,299	(32,299)
Charges for service	18,000	18,000	16,500	(1,500)
Miscellaneous revenue	753,580	753,580	13,010	(740,570)
<b>Total Revenues</b>	<u>7,991,930</u>	<u>7,991,930</u>	<u>5,371,691</u>	<u>(2,620,239)</u>
<b>Expenditures</b>				
Economic development	7,513,370	7,513,370	374,626	(7,138,744)
Debt service:				
Principal	-	-	181,765	181,765
Interest	-	-	104,383	104,383
Capital outlay	40,142,390	40,142,390	27,356,983	(12,785,407)
<b>Total Expenditures</b>	<u>47,655,760</u>	<u>47,655,760</u>	<u>28,017,757</u>	<u>(19,638,003)</u>
<b>Deficiency of Revenues (Under) Expenditures</b>	<u>(39,663,830)</u>	<u>(39,663,830)</u>	<u>(22,646,066)</u>	<u>17,017,764</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,487,100	4,596,920	4,862,961	266,041
Transfers out	(1,298,080)	(1,298,080)	(894,750)	403,330
General long-term debt issued	35,000,000	35,000,000	20,233,680	(14,766,320)
<b>Total Other Financing Sources</b>	<u>37,189,020</u>	<u>38,298,840</u>	<u>24,201,891</u>	<u>(14,096,949)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,474,810)</u>	<u>\$ (1,364,990)</u>	<u>\$ 1,555,825</u>	<u>\$ 2,920,815</u>

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Hotel Occupation Tax	\$ 823,690	\$ 823,690	\$ 413,357	\$ (410,333)
Interest Income	46,470	62,470	63,558	1,088
Intergovernmental Revenue	640,000	1,280,000	1,280,000	-
<b>Total Revenues</b>	<u>1,510,160</u>	<u>2,166,160</u>	<u>1,756,915</u>	<u>(409,245)</u>
<b>Expenditures</b>				
Administration Costs	1,360	1,960	-	(1,960)
Debt service:				
Principal	2,523,510	2,600,000	5,505,264	2,905,264
Interest	172,600	172,600	173,514	914
<b>Total Expenditures</b>	<u>2,697,470</u>	<u>2,774,560</u>	<u>5,678,778</u>	<u>2,904,218</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,187,310)</u>	<u>(608,400)</u>	<u>(3,921,863)</u>	<u>(3,313,463)</u>
<b>Other Financing Sources</b>				
Transfers in	5,304,180	5,391,290	5,420,469	29,179
<b>Total Other Financing Sources</b>	<u>5,304,180</u>	<u>5,391,290</u>	<u>5,420,469</u>	<u>29,179</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,116,870</u>	<u>\$ 4,782,890</u>	<u>\$ 1,498,606</u>	<u>\$ (3,284,284)</u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Permanent Fund**  
**Year Ended April 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ 100	\$ 100	\$ 111	\$ 11
<b>Total Revenues</b>	<u>100</u>	<u>100</u>	<u>111</u>	<u>11</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>100</u>	<u>100</u>	<u>111</u>	<u>11</u>
<b>Net Change in Fund Balances</b>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 111</u>	<u>\$ 11</u>

**City of Marion, Illinois**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**- Budget and Actual (with Variances)**  
**Special Revenue Funds**  
**Year Ended April 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 165,000	\$ 165,000	\$ 189,472	\$ 24,472
Sales tax	-	1,258,000	1,843,050	585,050
Other taxes and franchise fees	1,296,810	1,296,810	1,387,575	90,765
Operating/captial grants	530,610	530,610	104,635	(425,975)
Intergovernmental	3,700,640	3,791,800	2,427,204	(1,364,596)
Service charges and fees	1,709,190	1,844,930	1,894,816	49,886
Grant revenue	-	-	564,396	564,396
Investment income	4,500	4,500	18,372	13,872
Interest income	16,920	18,920	78,547	59,627
Operating donation	3,500	3,500	14,960	11,460
Miscellaneous revenue	1,100	1,100	484,990	483,890
<b>Total Revenues</b>	<u>7,428,270</u>	<u>8,915,170</u>	<u>9,008,017</u>	<u>92,847</u>
<b>Expenditures</b>				
Public health and safety	2,560,380	2,647,655	2,586,630	61,025
Streets, alleys and cemeteries	138,110	138,110	106,802	31,308
Cultural and recreation	3,947,050	4,140,675	4,095,401	45,274
Economic development	477,750	535,760	514,353	21,407
Capital outlay	1,976,180	1,976,180	1,890,108	86,072
<b>Total Expenditures</b>	<u>9,099,470</u>	<u>9,438,380</u>	<u>9,193,294</u>	<u>245,086</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,671,200)</u>	<u>(523,210)</u>	<u>(185,277)</u>	<u>(152,239)</u>
<b>Other Financing Sources</b>				
Transfers in	1,725,070	1,884,560	1,317,775	(566,785)
<b>Total Other Financing Sources</b>	<u>1,725,070</u>	<u>1,884,560</u>	<u>1,317,775</u>	<u>(566,785)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 53,870</u>	<u>\$ 1,361,350</u>	<u>\$ 1,132,498</u>	<u>\$ (719,024)</u>

**City of Marion, Illinois  
Combining Balance Sheet  
General Fund Types  
April 30, 2025**

	<u>General</u>	<u>Cultural and Civic Center</u>	<u>Senior Citizens Council</u>	<u>Boyton Street Community Center</u>	<u>Capital projects replacement fund</u>	<u>Economic Incentive</u>	<u>Total - General Fund Types</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 1,321,729	\$ 394,966	\$ 41,855	\$ 4,598	\$ 457,371	\$ 84,412	\$ 2,304,931
Restricted cash	107,381	-	-	3,233	-	-	110,614
Investments, at fair value	13,362,598	3,456	-	-	-	-	13,366,054
Restricted investments, at fair value	-	-	11,367	-	-	1,946,982	1,958,349
Property taxes receivable	100	-	-	-	-	-	100
Sales taxes receivable	6,017,867	-	-	-	-	250,002	6,267,869
Other taxes receivable	395,322	-	-	-	-	-	395,322
Accrued interest receivable	12,029	-	-	-	-	-	12,029
Grant receivable	3,588	-	-	-	-	-	3,588
Loans receivable	32,556	-	-	-	-	148,636	181,192
Intergovernmental receivable	566,681	-	-	-	-	-	566,681
Due from other funds	961,078	(30,793)	(3,590)	(3,918)	-	-	922,777
<b>Total Assets</b>	<u>22,780,929</u>	<u>367,629</u>	<u>49,632</u>	<u>3,913</u>	<u>457,371</u>	<u>2,430,032</u>	<u>26,089,506</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	339,955	57,013	19,211	2,689	-	-	418,868
Accrued payroll	364,263	16,053	7,523	7,551	-	-	395,390
Accrued payroll related expenses	134,733	-	-	-	-	-	134,733
Damage deposits	107,100	-	-	-	-	-	107,100
<b>Total Liabilities</b>	<u>946,051</u>	<u>73,066</u>	<u>26,734</u>	<u>10,240</u>	<u>-</u>	<u>-</u>	<u>1,056,091</u>
<b>Deferred Inflow of Resources</b>							
Unavailable revenue	100	-	-	-	-	-	100
<b>Fund Balances</b>							
Restricted for:							
Donor restricted expenditures	-	-	22,898	-	-	-	22,898
Public safety	28,741	-	-	-	457,371	-	486,112
Culture and recreation	-	294,563	-	-	-	-	294,563
Economic development	-	-	-	-	-	2,430,032	2,430,032
Assigned	50,561	-	-	-	-	-	50,561
Committed	6,807,288	-	-	-	-	-	6,807,288
Unassigned	14,948,188	-	-	(6,327)	-	-	14,941,861
<b>Total Fund Balances</b>	<u>21,834,778</u>	<u>294,563</u>	<u>22,898</u>	<u>(6,327)</u>	<u>457,371</u>	<u>2,430,032</u>	<u>25,033,315</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 22,780,929</u>	<u>\$ 367,629</u>	<u>\$ 49,632</u>	<u>\$ 3,913</u>	<u>\$ 457,371</u>	<u>\$ 2,430,032</u>	<u>\$ 26,089,506</u>

**City of Marion, Illinois**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Types**  
**For the Year Ended April 30, 2025**

	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	\$ 68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68
Sales tax	26,063,095	-	-	-	-	4	26,063,099
Other taxes and franchise fees	3,796,145	267,478	-	-	-	-	4,063,623
Licenses and permits	570,403	-	-	-	-	-	570,403
Intergovernmental revenues	3,485,145	-	-	-	-	-	3,485,145
Service charges and fees	786,063	787,381	62,075	-	-	-	1,635,519
Grant revenue	170,993	-	-	23,961	-	-	194,954
Investment income	707,427	11,450	205	-	25,876	89,996	834,954
Miscellaneous revenue	310,613	25,117	7,530	1,290	-	-	344,550
Restricted donations	31,841	-	1,590	9,564	-	-	42,995
<b>Total Revenues</b>	<b>35,921,793</b>	<b>1,091,426</b>	<b>71,400</b>	<b>34,815</b>	<b>25,876</b>	<b>90,000</b>	<b>37,235,310</b>
<b>Expenditures</b>							
General government	4,284,849	-	681,423	437,309	-	-	5,403,581
Public health and safety	12,607,153	-	-	-	-	-	12,607,153
Streets, alleys and cemeteries	4,057,926	-	-	-	-	-	4,057,926
Culture and recreation	(17,095)	2,007,906	-	-	-	-	1,990,811
Economic development	220,277	-	-	-	1	32,431	252,709
Debt Service:							
Principal	530,274	-	-	-	-	-	530,274
Interest	46,889	-	-	-	-	-	46,889
Capital outlay	1,917,962	127,035	30,790	-	-	-	2,075,787
<b>Total Expenditures</b>	<b>23,648,235</b>	<b>2,134,941</b>	<b>712,213</b>	<b>437,309</b>	<b>1</b>	<b>32,431</b>	<b>26,965,130</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>12,273,558</b>	<b>(1,043,515)</b>	<b>(640,813)</b>	<b>(402,494)</b>	<b>25,875</b>	<b>57,569</b>	<b>10,270,180</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in (out)	(12,926,803)	737,495	621,640	397,407	98,566	329,475	(10,742,220)
General long-term debt issued	914,076	-	-	-	-	-	914,076
Proceeds from sale of capital assets	72,600	-	-	-	-	-	72,600
<b>Total Other Financing Sources (Uses)</b>	<b>(11,940,127)</b>	<b>737,495</b>	<b>621,640</b>	<b>397,407</b>	<b>98,566</b>	<b>329,475</b>	<b>(9,755,544)</b>
<b>Net Change in Fund Balances</b>	<b>333,431</b>	<b>(306,020)</b>	<b>(19,173)</b>	<b>(5,087)</b>	<b>124,441</b>	<b>387,044</b>	<b>514,636</b>
<b>Fund Balances - Beginning 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>2,042,987</b>	<b>24,518,678</b>
<b>Fund Balances - End of Year</b>	<b>\$ 21,834,781</b>	<b>\$ 294,563</b>	<b>\$ 22,896</b>	<b>\$ (6,328)</b>	<b>\$ 457,371</b>	<b>\$ 2,430,031</b>	<b>\$ 25,033,314</b>

City of Marion, Illinois  
Combining Balance Sheet  
TIF Development Fund  
April 30, 2025

	TIF #5	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	TIF #22	Development Fund
<b>Assets</b>																
Cash and cash equivalents	\$365,392	\$ 206,739	\$ 12,212	\$ 13,980	\$29,008	\$ 442,538	\$205,105	\$492,116	\$ 73,596	\$ 74,228	\$48,648	\$ 72,331	\$1,456,921	\$333,722	\$(71,228)	\$ 3,755,308
Investments, at fair value	-	755,952	-	1,859,634	-	-	-	-	-	-	-	-	-	-	-	2,615,586
Property taxes receivable	222,878	176,428	860,851	557,949	7,856	734,858	134,019	300,643	78,491	262,581	35,631	34,866	1,784,954	605,708	-	5,797,713
Loans receivable	-	-	-	-	-	377,262	-	-	-	-	-	-	-	-	-	377,262
<b>Total Assets</b>	<u>588,270</u>	<u>1,139,119</u>	<u>873,063</u>	<u>2,431,563</u>	<u>36,864</u>	<u>1,554,658</u>	<u>339,124</u>	<u>792,759</u>	<u>152,087</u>	<u>336,809</u>	<u>84,279</u>	<u>107,197</u>	<u>3,241,875</u>	<u>939,430</u>	<u>(71,228)</u>	<u>12,545,869</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>																
<b>Liabilities</b>																
Accounts payable	-	-	118	-	-	61,498	-	-	-	1,280	-	-	-	-	-	62,896
Due to/from general fund	-	-	-	-	-	-	-	-	-	1,463	-	-	(30)	-	-	1,433
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>-</u>	<u>61,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,743</u>	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>-</u>	<u>64,329</u>
<b>Deferred Inflow of Resources</b>																
Unavailable revenue	222,878	176,428	860,851	557,949	7,856	734,858	134,019	300,643	78,491	262,581	35,631	34,866	1,784,954	605,708	-	5,797,713
<b>Fund Balances</b>																
Restricted for:																
Economic development	365,392	962,691	12,094	1,873,614	29,008	758,302	205,105	492,116	73,596	71,485	48,648	72,331	1,456,951	333,722	(71,228)	6,683,827
<b>Total Fund Balances</b>	<u>365,392</u>	<u>962,691</u>	<u>12,094</u>	<u>1,873,614</u>	<u>29,008</u>	<u>758,302</u>	<u>205,105</u>	<u>492,116</u>	<u>73,596</u>	<u>71,485</u>	<u>48,648</u>	<u>72,331</u>	<u>1,456,951</u>	<u>333,722</u>	<u>(71,228)</u>	<u>6,683,827</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$588,270</u>	<u>\$1,139,119</u>	<u>\$873,063</u>	<u>\$2,431,563</u>	<u>\$36,864</u>	<u>\$1,554,658</u>	<u>\$339,124</u>	<u>\$792,759</u>	<u>\$152,087</u>	<u>\$336,809</u>	<u>\$84,279</u>	<u>\$107,197</u>	<u>\$3,241,875</u>	<u>\$939,430</u>	<u>\$(71,228)</u>	<u>\$ 12,545,869</u>

City of Marion, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
TIF Development Fund  
For the Year Ended April 30, 2025

	TIF #5	TIF #8	TIF #10	TIF #11	TIF #12	TIF #13	TIF #14	TIF #15	TIF #16	TIF #17	TIF #18	TIF #19	TIF #20	TIF #21	TIF #22	Total - TIF Development Fund
<b>Revenues</b>																
Property taxes	\$ 222,878	\$ 176,428	\$ 860,851	\$ 557,498	\$ 7,856	\$ 717,973	\$ 134,019	\$ 300,643	\$ 78,491	\$ 262,581	\$ 35,631	\$ 34,876	\$ 1,763,136	\$ 597,585	\$ -	\$ 5,750,446
Investment income	5,617	40,509	7,113	149,768	885	16,000	5,117	14,030	1,965	3,859	1,403	1,951	28,173	13,579	(1,183)	288,786
<b>Total Revenues</b>	<b>228,495</b>	<b>216,937</b>	<b>867,964</b>	<b>707,266</b>	<b>8,741</b>	<b>733,973</b>	<b>139,136</b>	<b>314,673</b>	<b>80,456</b>	<b>266,440</b>	<b>37,034</b>	<b>36,827</b>	<b>1,791,309</b>	<b>611,164</b>	<b>(1,183)</b>	<b>6,039,232</b>
<b>Expenditures</b>																
Streets, alleys and cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	65,393	-	-	65,393
Economic development and Administration cost	246,800	23,276	1,079,408	337,322	5,559	812,249	36,345	187,819	56,393	939,835	25,384	16,077	567,173	627,790	66,445	5,027,875
Debt service:																
Principal	-	-	13,500	694,682	-	-	-	-	-	-	-	-	-	-	-	708,182
<b>Total Expenditures</b>	<b>246,800</b>	<b>23,276</b>	<b>1,092,908</b>	<b>1,032,004</b>	<b>5,559</b>	<b>812,249</b>	<b>36,345</b>	<b>187,819</b>	<b>56,393</b>	<b>939,835</b>	<b>25,384</b>	<b>16,077</b>	<b>632,566</b>	<b>627,790</b>	<b>66,445</b>	<b>5,801,450</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(18,305)</b>	<b>193,661</b>	<b>(224,944)</b>	<b>(324,738)</b>	<b>3,182</b>	<b>(78,276)</b>	<b>102,791</b>	<b>126,854</b>	<b>24,063</b>	<b>(673,395)</b>	<b>11,650</b>	<b>20,750</b>	<b>1,158,743</b>	<b>(16,626)</b>	<b>(67,628)</b>	<b>237,782</b>
<b>Transfers, net</b>	<b>319,500</b>	<b>(3,460)</b>	<b>382,840</b>	<b>(1,658,812)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(137)</b>	<b>670,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,130)</b>	<b>-</b>	<b>(335,678)</b>
<b>Net Change in Fund Balances</b>	<b>301,195</b>	<b>190,201</b>	<b>157,896</b>	<b>(1,983,550)</b>	<b>3,182</b>	<b>(78,276)</b>	<b>102,791</b>	<b>126,854</b>	<b>23,926</b>	<b>(2,874)</b>	<b>11,650</b>	<b>20,750</b>	<b>1,158,743</b>	<b>(62,756)</b>	<b>(67,628)</b>	<b>(97,896)</b>
<b>Fund Balances - Beginning of Year</b>	<b>64,197</b>	<b>772,490</b>	<b>(145,802)</b>	<b>3,857,164</b>	<b>25,826</b>	<b>836,578</b>	<b>102,314</b>	<b>365,262</b>	<b>49,670</b>	<b>74,359</b>	<b>36,998</b>	<b>51,581</b>	<b>298,208</b>	<b>396,478</b>	<b>(3,600)</b>	<b>6,781,723</b>
<b>Fund Balances - End of Year</b>	<b>\$ 365,392</b>	<b>\$ 962,691</b>	<b>\$ 12,094</b>	<b>\$ 1,873,614</b>	<b>\$ 29,008</b>	<b>\$ 758,302</b>	<b>\$ 205,105</b>	<b>\$ 492,116</b>	<b>\$ 73,596</b>	<b>\$ 71,485</b>	<b>\$ 48,648</b>	<b>\$ 72,331</b>	<b>\$ 1,456,951</b>	<b>\$ 333,722</b>	<b>(71,228)</b>	<b>\$ 6,683,827</b>

**City of Marion, Illinois  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
April 30, 2025**

	<b>Goddard Chapel Restoration</b>	<b>Carnegie Library</b>	<b>Pavilion Fund</b>	<b>HUB Recreation Center Fund</b>	<b>Road and Bridge</b>	<b>Motor Fuel Tax</b>	<b>Gas Tax</b>	<b>Foreign Fire Insurance</b>	<b>Special Revenue Police</b>	<b>Star Bond District</b>	<b>Housing Rehab</b>	<b>Property Tax</b>	<b>Permanent Fund</b>	<b>Total - Special Revenue Funds</b>
<b>Assets</b>														
Cash and cash equivalents	\$ 9,091	\$ 12,511	\$ 50,987	\$ 312,996	\$ 237,475	\$ 514,146	\$ 401,335	\$ 43,868	\$ 201,483	\$ 466,802	\$ -	\$ 5,957	\$ -	\$ 2,256,651
Restricted cash	-	3,366	-	-	-	-	-	-	356,254	-	92,183	-	-	451,803
Investments, at fair value	-	39,102	-	-	-	-	-	-	-	-	-	3	-	39,105
Restricted investments, at fair value	-	353,303	-	-	-	-	-	-	-	-	-	-	2,238	355,541
Accounts receivable	-	-	-	-	-	-	-	-	560	533,197	-	-	-	533,757
Property taxes receivable	-	-	-	-	166,440	-	-	-	-	-	-	-	-	166,440
Sales taxes receivable	-	-	-	-	-	-	-	-	-	614,299	-	646,245	-	1,260,544
Other taxes receivable	-	-	112,158	-	-	-	65,405	-	2,077	-	-	-	-	179,640
Grant receivable	-	-	-	-	-	43,458	-	-	-	-	-	-	-	43,458
Intergovernmental receivable	-	-	-	-	-	60,920	-	-	-	-	-	-	-	60,920
<b>Total Assets</b>	<b>9,091</b>	<b>408,282</b>	<b>163,145</b>	<b>312,996</b>	<b>403,915</b>	<b>618,524</b>	<b>466,740</b>	<b>43,868</b>	<b>560,374</b>	<b>1,614,298</b>	<b>92,183</b>	<b>652,205</b>	<b>2,238</b>	<b>5,347,859</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>														
<b>Liabilities</b>														
Accounts payable	244	7,554	22,968	59,150	168,654	-	-	-	-	23,029	47,050	-	-	328,649
Accrued payroll	-	17,540	7,767	37,427	-	-	-	-	-	-	-	-	-	62,734
Due to other funds	-	-	142,031	12,773	-	-	(77,435)	750	-	-	-	-	-	78,119
Unearned revenue	-	-	-	32,160	-	-	-	-	-	-	-	-	-	32,160
<b>Total Liabilities</b>	<b>244</b>	<b>25,094</b>	<b>172,766</b>	<b>141,510</b>	<b>168,654</b>	<b>-</b>	<b>(77,435)</b>	<b>750</b>	<b>-</b>	<b>23,029</b>	<b>47,050</b>	<b>-</b>	<b>-</b>	<b>501,662</b>
<b>Deferred Inflows of Resources</b>														
Unavailable revenue, property taxes	-	-	-	-	166,440	-	-	-	-	-	-	-	-	166,440
<b>Fund Balances</b>														
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Restricted for:														
Donor restricted expenditures	-	356,669	-	-	-	-	-	-	-	-	-	-	-	356,669
Public safety	-	-	-	-	-	-	-	43,118	560,374	-	-	652,205	-	1,255,697
Cemetery	-	-	-	-	-	-	-	-	-	-	-	-	1,238	1,238
Maintenance of roadways	-	-	-	-	68,821	618,524	544,175	-	-	-	-	-	-	1,231,520
Culture and recreation	8,847	26,519	-	171,486	-	-	-	-	-	-	-	-	-	206,852
Unassigned	-	-	(9,621)	-	-	-	-	-	-	1,591,269	45,133	-	-	1,626,781
<b>Total Fund Balances</b>	<b>8,847</b>	<b>383,188</b>	<b>(9,621)</b>	<b>171,486</b>	<b>68,821</b>	<b>618,524</b>	<b>544,175</b>	<b>43,118</b>	<b>560,374</b>	<b>1,591,269</b>	<b>45,133</b>	<b>652,205</b>	<b>2,238</b>	<b>4,679,757</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 9,091</b>	<b>\$ 408,282</b>	<b>\$ 163,145</b>	<b>\$ 312,996</b>	<b>\$ 403,915</b>	<b>\$ 618,524</b>	<b>\$ 466,740</b>	<b>\$ 43,868</b>	<b>\$ 560,374</b>	<b>\$ 1,614,298</b>	<b>\$ 92,183</b>	<b>\$ 652,205</b>	<b>\$ 2,238</b>	<b>\$ 5,347,859</b>

City of Marion, Illinois  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended April 30, 2025**

	Goddard Chapel Restoration	Carnegie Library	Pavilion Fund	HUB Recreation Center Fund	Road and Bridge	Motor Fuel Tax	Gas Tax	Foreign Fire Insurance	Special Revenue Police	Star Bond District	Housing Rehab	Property Tax	Permanent Fund	Total - Special Revenue Funds
<b>Revenues</b>														
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 189,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,472
Sales tax	-	-	-	-	-	-	-	-	-	1,581,199	-	261,851	-	1,843,050
Other taxes and franchise fees	-	-	517,383	-	717	-	771,635	97,840	-	-	-	-	-	1,387,575
Intergovernmental revenue	-	-	-	-	-	822,443	-	-	26,141	1,578,620	-	-	-	2,427,204
Service charges and fees	3,270	18,484	185,904	1,616,757	-	-	-	-	70,401	-	-	-	-	1,894,816
Grant revenue	-	62,300	-	4,000	-	104,635	-	-	20,000	-	478,096	-	-	669,031
Investment income	-	18,372	-	-	-	-	-	-	-	-	-	-	107	18,479
Operating Donation	50	9,580	-	330	-	-	-	-	5,000	-	-	-	-	14,960
Interest Income	2	92	1,776	12,141	4,514	13,240	12,616	-	15,541	18,426	-	199	-	78,547
Miscellaneous revenue	-	175	-	5,743	-	-	3,832	-	111,126	364,114	-	-	-	484,990
<b>Total Revenues</b>	<b>3,322</b>	<b>109,003</b>	<b>705,063</b>	<b>1,638,971</b>	<b>194,703</b>	<b>940,318</b>	<b>788,083</b>	<b>97,840</b>	<b>248,209</b>	<b>3,542,359</b>	<b>478,096</b>	<b>262,050</b>	<b>107</b>	<b>9,008,124</b>
<b>Expenditures</b>														
Public health and safety	-	-	-	-	-	-	-	82,026	5,094	-	-	2,499,510	-	2,586,630
Streets, alleys and cemeteries	12,929	-	-	-	570	-	93,303	-	-	-	-	-	-	106,802
Culture and recreation	-	931,051	663,705	2,500,645	-	-	-	-	-	-	-	-	-	4,095,401
Economic development	-	-	-	-	-	-	-	-	-	81,390	432,963	-	-	514,353
Capital outlay	-	-	185,189	-	168,654	905,530	621,876	8,859	-	-	-	-	-	1,890,108
<b>Total Expenditures</b>	<b>12,929</b>	<b>931,051</b>	<b>848,894</b>	<b>2,500,645</b>	<b>169,224</b>	<b>905,530</b>	<b>715,179</b>	<b>90,885</b>	<b>5,094</b>	<b>81,390</b>	<b>432,963</b>	<b>2,499,510</b>	<b>-</b>	<b>9,193,294</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(9,607)</b>	<b>(822,048)</b>	<b>(143,831)</b>	<b>(861,674)</b>	<b>25,479</b>	<b>34,788</b>	<b>72,904</b>	<b>6,955</b>	<b>243,115</b>	<b>3,460,969</b>	<b>45,133</b>	<b>(2,237,460)</b>	<b>107</b>	<b>(185,170)</b>
<b>Transfers, net</b>	<b>-</b>	<b>822,430</b>	<b>52,984</b>	<b>937,947</b>	<b>-</b>	<b>21,670</b>	<b>(149,888)</b>	<b>(10,000)</b>	<b>(4,000)</b>	<b>(2,627,657)</b>	<b>-</b>	<b>2,274,289</b>	<b>-</b>	<b>1,317,775</b>
<b>Net Change in Fund Balances</b>	<b>(9,607)</b>	<b>382</b>	<b>(90,847)</b>	<b>76,273</b>	<b>25,479</b>	<b>56,458</b>	<b>(76,984)</b>	<b>(3,045)</b>	<b>239,115</b>	<b>833,312</b>	<b>45,133</b>	<b>36,829</b>	<b>107</b>	<b>1,132,605</b>
<b>Fund Balances - Beginning of Year</b>	<b>18,454</b>	<b>382,806</b>	<b>81,226</b>	<b>95,213</b>	<b>43,342</b>	<b>562,066</b>	<b>621,159</b>	<b>46,163</b>	<b>321,259</b>	<b>757,957</b>	<b>-</b>	<b>615,376</b>	<b>2,131</b>	<b>3,547,152</b>
<b>Fund Balances - End of Year</b>	<b>\$ 8,847</b>	<b>\$ 383,188</b>	<b>\$ (9,621)</b>	<b>\$ 171,486</b>	<b>\$ 68,821</b>	<b>\$ 618,524</b>	<b>\$ 544,175</b>	<b>\$ 43,118</b>	<b>\$ 560,374</b>	<b>\$ 1,591,269</b>	<b>\$ 45,133</b>	<b>\$ 652,205</b>	<b>\$ 2,238</b>	<b>\$ 4,679,757</b>

**City of Marion, Illinois**  
**Combining Statement of Plan Net Position**  
**Pension Trust Funds**  
**April 30, 2025**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 132,972	\$ 299,161	\$ 432,133
Investments -			
Consolidated Pooled Investments	<u>21,160,138</u>	<u>17,988,724</u>	<u>39,148,862</u>
<b>Total Assets</b>	<u>21,293,110</u>	<u>18,287,885</u>	<u>39,580,995</u>
 <b>Net Position</b>			
Held in trust for pension benefits	<u>\$ 21,293,110</u>	<u>\$ 18,287,885</u>	<u>\$ 39,580,995</u>

**City of Marion, Illinois**  
**Combining Statement of Changes in Plan Net Position**  
**Pension Trust Funds**  
**April 30, 2025**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
<b>Additions</b>			
Contributions			
Employer	\$ 1,293,510	\$ 1,122,690	\$ 2,416,200
Plan members	(95,840)	197,444	101,604
Total Contributions	<u>1,197,670</u>	<u>1,320,134</u>	<u>2,517,804</u>
Investment Income			
Net appreciation in fair value of investments	1,764,797	1,364,293	3,129,090
Interest and dividends	122,741	349,679	472,420
Investment expense	(9,878)	(9,258)	(19,136)
Net Investment Income	<u>1,877,660</u>	<u>1,704,714</u>	<u>3,582,374</u>
<b>Total Additions</b>	<u>3,075,330</u>	<u>3,024,848</u>	<u>6,100,178</u>
<b>Deductions</b>			
Benefits paid	1,426,967	1,049,344	2,476,311
Administrative expense	56,900	34,871	91,771
<b>Total Deductions</b>	<u>1,483,867</u>	<u>1,084,215</u>	<u>2,568,082</u>
<b>Change in Net Position</b>	1,591,463	1,940,633	3,532,096
<b>Net Position, Beginning</b>	<u>19,701,647</u>	<u>16,347,252</u>	<u>36,048,899</u>
<b>Net Position, Ending</b>	<u>\$ 21,293,110</u>	<u>\$ 18,287,885</u>	<u>\$ 39,580,995</u>

## **Statistical Section**

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 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	\$ 102,699,250
Restricted	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	22,478,646
Nonspendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	982,492	9,093,957	6,858,849
Unrestricted	(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)	(31,196,562)
Total governmental activities net position	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	100,840,183
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 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	\$ 32,560,915
Restricted	1,057,109	608,764	538,239	647,651	767,698	288,199	353,191	934,330	1,130,914	2,321,729
Unrestricted	(506,364)	518,054	(168,842)	(4,042,028)	(3,931,078)	(3,199,137)	(2,630,849)	(3,866,757)	(1,194,963)	(1,757,229)
Total business-type activities net position	\$ 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	\$ 33,125,415
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 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	\$ 135,260,165
Restricted	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	24,800,375
Nonspendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	982,492	9,093,957	6,858,849
Unrestricted	(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)	(32,953,791)
Total primary government net position	\$ 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	\$ 133,965,598

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**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>EXPENSES</b>										
Governmental Activities										
General government	\$ 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	\$ 6,929,734
Public, health and safety	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	17,865,025
Streets, alleys and cemeteries	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	4,846,173
Culture and recreation	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	7,481,959
Development	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	9,276,032
Interest	1,531,122	1,791,774	897,069	646,396	596,237	318,490	386,740	273,155	309,484	324,530
Unallocated depreciation expense	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	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	46,723,453
Business-Type Activities										
Water	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	4,635,738
Sewer	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	3,653,988
Total Business-Type Activities Expenses	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	8,289,726
<b>TOTAL GOVERNMENT EXPENSES</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>55,013,179</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for Services										
General government	259,680	403,481	343,011	365,579	359,645	\$ 611,510	\$ 709,490	\$ 741,973	\$ 844,152	\$ 183,612
Public, health and safety	206,155	202,967	305,639	361,725	352,754	285,793	489,008	592,779	604,191	687,257
Streets, alleys and cemeteries	97,407	90,637	94,046	117,232	87,015	95,515	111,537	59,705	69,225	76,020
Culture and recreation	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	2,602,226
Development	47,751	44,571	33,208	-	-	-	-	-	-	-
Operating Grants and Contributions	833,299	703,151	889,252	1,339,796	1,321,274	1,261,222	1,502,246	1,840,469	822,048	914,334
Capital Grants and Contributions	3,512,458	466,748	638,620	1,934,015	280,340	1,284,325	954,579	2,464,959	106,386	3,740,685
Total Governmental Activities Program Revenues	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	8,204,134
Business-Type Activities										
Charges for Services										
Water	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	9,079,080
Sewer	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	5,830,865
Operating Grants and Contributions	75,098	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	815,105	1,049,512	1,179,365	-	-
Total Business-Type Activities Program Revenues	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	14,909,945
<b>TOTAL GOVERNMENT PROGRAM REVENUES</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>23,114,079</b>
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	(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)	(38,519,319)
Business-Type Activities	208,303	125,229	387,694	653,737	810,266	1,410,703	2,280,370	2,037,716	1,385,261	6,620,219
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</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>	<b>(31,899,100)</b>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(Continued)										
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities										
Taxes										
Property taxes	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	5,939,986
Sales taxes	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	27,906,149
Other taxes and franchise fees	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	5,864,555
Intergovernmental	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	7,762,752
Investment Income	58,784	86,469	130,972	316,468	321,022	144,466	47,468	753,953	1,779,750	1,807,249
Miscellaneous	68,481	858	121,493	110,748	231,881	248,204	361,367	529,026	308,848	867,810
Gain (Loss) on sale of capital assets	(29,481)	-	-	(53)	-	-	26,636	-	-	-
Special Items	-	-	(1,652,165)	-	-	-	(831,430)	-	-	-
Transfers	21,288	(1,773,665)	(175,465)	(21,678)	(796,449)	1,290,292	25,554	(3,807)	166,460	178,553
<b>Total Governmental Activities</b>	<b>26,734,227</b>	<b>25,159,529</b>	<b>26,731,478</b>	<b>30,002,086</b>	<b>31,096,360</b>	<b>35,167,443</b>	<b>39,108,058</b>	<b>42,372,736</b>	<b>45,536,319</b>	<b>50,327,054</b>
Business-Type Activities										
Investment Income	1,350	4,951	26,134	33,328	28,000	6,148	5,977	112,414	243,721	266,614
Miscellaneous	6,633	11,524	12,260	9,246	35,590	52,980	157,949	12,781	15,228	81,587
Gain (Loss) on sale of capital assets	-	(2,882)	(93,461)	39,146	(62,857)	403,647	2,109	-	-	-
Loss Recovery	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	-	-	-	-	-	-	-	-
Transfers	(21,288)	1,773,665	175,465	21,678	796,449	(1,290,292)	(25,554)	3,807	(166,460)	(178,553)
<b>Total Business-Type Activities</b>	<b>(13,305)</b>	<b>1,787,258</b>	<b>120,398</b>	<b>103,398</b>	<b>797,182</b>	<b>(827,517)</b>	<b>140,481</b>	<b>129,002</b>	<b>92,489</b>	<b>169,648</b>
<b>TOTAL PRIMARY GOVERNMENT</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>50,496,702</b>
<b>CHANGES IN NET POSITION</b>										
Governmental Activities	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	11,807,735
Business-Type Activities	194,998	1,912,487	508,092	757,135	1,607,448	583,186	2,420,851	2,166,718	1,477,750	6,789,867
<b>TOTAL PRIMARY GOVERNMENT</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>18,597,602</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>(19,880,357)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET POSITION AFTER PRIOR PERIOD ADJUSTMENT</b>										
Governmental Activities	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	11,807,735
Business-Type Activities	194,998	1,912,487	508,092	(2,840,567)	1,607,448	583,186	2,420,851	2,166,718	1,477,750	6,789,867
<b>TOTAL PRIMARY GOVERNMENT</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>	<b>\$ 18,597,602</b>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 926,030	\$ 572,409	\$ 524,369	\$ -
Restricted	194,866	272,970	211,370	554,462	80,495	1,023,555	1,196,979	1,655,362	1,617,998	3,233,605
Assigned	62,132	54,532	97	102,107	50,561	50,561	-	-	37,091	50,561
Committed	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	6,807,288
Unassigned	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	14,941,861
<b>TOTAL GENERAL FUND</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>\$ 25,033,315</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Special revenue funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,665	\$ 409,083	\$ 417,262	\$ 367,262
Restricted	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	9,367,303
Unassigned	-	-	-	-	-	\$ (61,368)	(203)	-	(144,609)	1,626,781
Capital project funds										
Restricted	575	-	-	-	255,830	2,234,031	3,449,569	7,071,501	7,058,491	7,873,624
Unassigned	-	-	-	-	-	-	-	-	387,135	-
Debt service fund										
Restricted	2,007,390	2,060,270	1,652,220	1,690,076	1,721,041	1,452,888	946,076	929,117	929,117	2,668,569
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
Restricted	845	853	875	917	953	957	959	1,020	1,020	1,238
<b>TOTAL ALL OTHER GERNMENTAL FUNDS</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>	<b>\$ 21,905,777</b>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Property taxes	\$ 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	\$ 5,939,986
Sales Taxes	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	27,906,149
Grant revenue	1,897,603	620,796	915,218	2,143,674	963,836	2,545,547	2,456,825	4,305,428	4,943,780	4,655,019
Licenses and permits	135,814	196,159	177,895	205,274	193,879	412,441	504,387	479,651	480,121	570,403
Intergovernmental revenue	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	7,192,349
Other taxes and franchise fees	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	5,864,555
Service charges and fees	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	3,546,835
Investment income	58,783	96,797	120,964	301,591	272,073	113,116	47,468	753,953	1,755,721	1,765,599
Restricted Donations	1,960,345	57,096	53,363	636,305	8,468	13,902	11,850	57,406	312,848	-
Miscellaneous Revenue	125,578	219,001	379,201	208,791	408,467	215,302	349,517	529,026	40,211	915,150
<b>Total revenues</b>	<b>34,504,013</b>	<b>31,794,816</b>	<b>33,624,403</b>	<b>36,786,888</b>	<b>36,762,157</b>	<b>38,322,084</b>	<b>47,003,353</b>	<b>50,622,165</b>	<b>51,017,135</b>	<b>58,356,045</b>
<b>EXPENDITURES</b>										
General government	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	5,403,581
Public, health and safety	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	15,193,783
Streets, alleys and cemeteries	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	4,230,121
Culture and recreation	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	6,086,212
Capital outlay	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	31,461,331
Development	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	6,031,110
Debt service	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	7,250,271
<b>Total Expenditures</b>	<b>44,350,619</b>	<b>33,180,651</b>	<b>35,359,896</b>	<b>38,366,496</b>	<b>37,996,580</b>	<b>47,156,342</b>	<b>40,911,982</b>	<b>45,885,815</b>	<b>51,565,524</b>	<b>75,656,409</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(9,846,606)</b>	<b>(1,385,835)</b>	<b>(1,735,493)</b>	<b>(1,579,608)</b>	<b>(1,234,423)</b>	<b>(8,834,258)</b>	<b>6,091,371</b>	<b>4,736,350</b>	<b>(548,389)</b>	<b>(17,300,364)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from long-term debt	9,200,855	344,236	268,663	429,484	1,216,185	12,934,886	1,429,545	3,288,744	5,720,554	21,147,756
Proceeds from sale of capital assets						456,919	54,820	229,709	215,442	-
Transfers in (out)	21,288	(1,773,665)	22,559	(21,678)	(237,755)	1,523,740	25,555	(3,807)	(144,609)	(371,443)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>9,222,143</b>	<b>(1,429,429)</b>	<b>291,222</b>	<b>407,806</b>	<b>978,430</b>	<b>14,915,545</b>	<b>1,509,920</b>	<b>3,514,646</b>	<b>5,791,387</b>	<b>20,776,313</b>
<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>	<b>-</b>	<b>-</b>	<b>(2,255,210)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (624,463)</b>	<b>\$ (2,815,264)</b>	<b>\$ (3,699,481)</b>	<b>\$ (1,171,802)</b>	<b>\$ (255,993)</b>	<b>\$ 6,081,287</b>	<b>\$ 7,601,291</b>	<b>\$ 8,250,996</b>	<b>\$ 5,242,998</b>	<b>\$ 3,475,949</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>34.33%</b>	<b>19.54%</b>	<b>19.44%</b>	<b>17.28%</b>	<b>17.89%</b>	<b>38.49%</b>	<b>16.38%</b>	<b>9.07%</b>	<b>9.10%</b>	<b>16.41%</b>

**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**

Calendar Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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
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%
2025	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	
2015		0.17905	0.27672	0.00000	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	0.00000	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	0.00000	0.04335	0.56701	1.38753	0.25966	0.10453	0.6253	4.35777	0.2889	7.02369	7.59070
2019	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.40411	0.26491	0.10578	0.63145	4.42781	0.29333	7.12739	7.12741
2020	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.66586	0.00000	0.10387	0.74724	4.4378	0.29782	7.25259	7.25261
2021	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.65577	0.00000	0.1032	0.75462	4.43604	0.30129	7.25092	7.25094
2022	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.69181	0.00000	0.10469	0.72817	4.56362	0.31717	7.40546	7.40548
2023	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.67419	0.00000	0.09979	0.68596	4.74771	0.31732	7.52497	7.52499
2024	0.00002	0.00000	0.00000	0.00000	0.00000	0.00002	1.5201	0.00000	0.09519	0.64495	4.46583	0.30115	7.02722	7.02724

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
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
2024	216,893,756	8,331,799	238,863,035	740,593	4,781,255	2,090	469,612,528	9.62%	0.00002	1,408,837,584

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
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
2024	80,236,609	1,073,668	39,492,293	4,164	4,044,883	-	124,851,617	61.80%	374,554,851

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
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%
2025	2023	69	68	98.55%		68	98.55%

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
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	95.88%
2025	2023	5,749,421	5,746,232	99.94%	4,213	5,750,445	100.02%

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			
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
2025	7,688,396	-	31,998,275	24,825	2,467,464	1,928,800	-	5,369,232	49,476,992	9.96%	2,935.45

**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
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	24,096,641	433.12	1,429.64
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
2025	4,257,262	269,966	3,987,296	27,625,562	236.56	1,639.01

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
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
2025	3,431,134	517,409	2,913,725	6,370,895	218.65%	172.87

**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
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
2025	2,467,464	122,272	2,345,192	1,759,921	75.04%	139.14

**City of Marion, Illinois**  
**Direct and Overlapping Bonded Debt**  
**April 30, 2025**

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	\$6,724,726	100.00%	\$6,724,726
Williamson County	14,010,000	31.35%	\$4,392,078
Williamson Co. CUSD 2	13,180,000	57.10%	\$7,525,438
Williamson CUSD 5	31,451,628	4.95%	\$1,555,714
Williamson County Airport	3,690,000	31.35%	\$1,156,800
John A. Logan College	14,530,000	17.49%	\$2,541,849
Marion Park District	592,000	99.42%	\$588,590
Per Capita Direct and Overlapping Debt	<u>\$84,178,354</u>		<u>\$24,485,195</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 30,2025.)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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
Code Enforcement	5.17	4.88	4.78	4.00	3.94	3.00	3.00	3.12	3.38	3.00
Information Technology	3.84	3.70	3.81	3.12	2.64	3.00	3.00	3.00	2.00	2.00
	1.42	1.22	-	-	-	-	-	-	-	-
Treasurer's Office	4.92	5.30	4.82	4.84	4.87	5.00	5.00	5.00	5.00	5.00
City Clerk's Office	2.00	1.93	2.00	2.00	1.87	2.42	2.46	2.45	2.39	2.18
Human Resources	0.27	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Economic Development	1.72	1.79	2.04	1.16	0.85					
Mayor's Chief of Staff	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Community Programs	-	-	-	0.38	0.95					
Senior Citizens Center	6.85	6.71	6.82	6.64	7.33	6.94	6.92	7.17	7.10	7.01
Boyton St. Community Center	5.61	5.49	4.76	5.48	3.26	5.10	4.90	3.96	4.31	4.27
Public Health & Safety										
Police Department	63.53	65.67	64.25	60.80	58.23	54.47	50.67	48.35	47.92	45.27
Fire Department	29.14	25.69	26.49	26.00	27.09	26.00	26.00	26.00	25.39	25.16
Emergency Management	2.00	2.00	2.14	1.31	0.25	0.25	0.25	0.50	0.50	0.50
Safety Department	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Animal Control	2.21	2.44	2.47	2.37	2.44	2.65	2.82	2.50	2.45	2.49
Streets, Alleys and Cemeteries										
Street Department	27.50	27.57	26.92	26.05	26.31	22.82	23.18	22.05	22.29	20.54
Cemetery Department	6.00	6.61	6.65	6.95	6.63	6.92	6.90	6.60	6.53	6.59
Cultural and Recreation										
Cultural & Civic Center	12.17	11.60	10.96	8.27	3.39	8.56	6.95	6.76	6.81	6.11
Carnegie Library	13.93	14.07	13.74	13.59	10.80	13.50	14.08	14.23	13.55	12.32
The Pavilion	4.89	4.87	4.92	4.26	3.16	4.46	4.37	4.24	4.24	4.19
Hub Recreational Center	32.16	31.12	30.30	29.93	21.26	39.32	43.33	41.27	39.10	35.62
Public Utilities										
Water-Outside and Plant	12.30	11.52	11.09	12.51	11.00	11.00	10.83	10.00	10.00	10.91
Water Office	6.00	5.11	5.00	5.00	5.54	5.85	6.00	5.87	5.76	4.50
Sewer - Outside and Plant	13.44	11.54	11.48	12.53	11.13	11.74	12.21	12.57	12.72	12.43
	265.07	259.83	254.44	246.19	221.94	242.00	239.87	232.64	228.44	217.09

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%
2025	16855	57281	N/A	40.40	3662	3.70%

N/A - Not available

Data Sources

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

## **Single Audit Section**



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

Honorable Mayor and Commissioners  
City of Marion  
Marion, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Illinois (the City) as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 21, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

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

### **Purpose of Report**

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

ATLAS CPAs & Advisors PLLC

Marion, Illinois  
November 21, 2025

City of Marion, Illinois  
Schedule of Expenditures of Federal Awards  
For the Year Ended April 30, 2025

Federal Grantor/Pass Through Grant or Program Title	Federal AL Number	Grant Number	Revenues 5/1/2024 4/30/2025	Expenditures 5/1/2024 4/30/2025
U. S. Department of Agriculture passed through the Illinois State Board of Education				
Summer Food Service Program	10.559	ISBE 22-4225-00	\$ 4,793	\$ 4,793
Child and Adult Care Food Program	10.558	ISBE 22-4226-00	16,080	16,080
Child and Adult Care Food Program	10.558	ISBE 23-4226-00	3,088	3,088
Total U.S. Department of Agriculture			<u>23,961</u>	<u>23,961</u>
U.S. Department of Housing and Urban Development passed through the Illinois Department of Commerce and Economic Opportunity				
Community Deveolpment Block Grant	14.228	22-243008	489,763	432,963
			<u>489,763</u>	<u>432,963</u>
U.S. Department of Transportation passed through the Illinois Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		14,635	14,635
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	CRTS-023-9004	56,384	56,384
State and Community Highway Safety	20.600	HS220111	6,931	6,931
State and Community Highway Safety	20.600		5,913	5,913
			<u>83,863</u>	<u>83,863</u>
U.S. Department of Treasury				
COVID-19 Coronavirus Relief Funding	21.027*		1,127,827	1,127,827
National Foundation on the Arts and the Humanities passed through the Illinois Department of State				
Project Next Generation Grant	45.310	24-3009-PNG	23,496	23,496
Project Next Generation Grant	45.310	25-3003-PNG	13,774	13,774
			<u>37,270</u>	<u>37,270</u>
Election Assistance Commission				
Delta Area Economic Development	90.201	Project IL-54538	269,040	269,040
Delta Area Economic Development	90.201*	Project IL-54695	1,459,880	1,459,880
			<u>1,728,920</u>	<u>1,728,920</u>
U.S. Department of Homeland Security passed through the Illinois Law Enforcement Alarm System				
Homeland Security Grant Program	97.067		11,580	11,580
Total U.S. Department of Homeland Security	97.042	22EMACMARI	<u>11,580</u>	<u>11,580</u>
U.S. Environmental Protection Agency				
Clean Water State Revolving Fund	97-067		582,443	582,443
Total U.S. Environmental Protection Agency			<u>582,443</u>	<u>582,443</u>
Total Federal Awards			<u>\$ 4,085,627</u>	<u>\$ 4,028,827</u>

\* Denotes major program

**City of Marion, Illinois**  
**Notes to Schedule of Expenditures of Federal Awards**  
**April 30, 2025**

**Note 1 -Basis of Presentation**

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

**Note 2 – Indirect Costs**

The City of Marion, Illinois has elected to use the 10% de minimis cost rate

**Note 3 – Subrecipients**

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

**Note 4 – Non-cash Assistance**

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

**Note 5 – Insurance**

There is no insurance involving federal expenditures.

**Note 6 – Loans**

There are no loans outstanding involving federal funds.

**Note 7 – Subsequent Events**

In preparing the financial statements, the City has evaluated transactions for potential disclosure through November 21, 2025, the date the financial statements were available to be issued. Management has determined that no events have occurred subsequent to April 30, 2025, that would require disclosure.

**City of Marion, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2025**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported
- Noncompliance material to the financial statements noted?        YES   X   NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?        YES   X   NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
21.027	COVID-19 Coronavirus Relief Funding	\$ 1,127,827
90.201	Delta Area Economic Development	1,728,920
	<b>Total Amount Tested as Major</b>	\$ 2,856,747

**Total Federal Expenditures for 7/1/24 - 6/30/25** \$4,028,827

% tested as Major 70.91%

Dollar threshold used to distinguish between Type A and Type B programs:        \$ 750,000

Auditee qualified as low-risk auditee?   X   YES        NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**City of Marion, Illinois**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended April 30, 2025**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
	None	

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When possible, all prior findings should be on the same page

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported