



Dave Yost • Auditor of State

**CITY OF MARION
MARION COUNTY**

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FEDERAL GRANTOR	Pass Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
<i>Pass Through Grantor</i> Program Title			
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through the Ohio Development Services Agency</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	A-C-13-2CI-1	14.228	\$ 116,716
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	A-F-14-2CI-1	14.228	<u>96,872</u>
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			213,588
Home Investment Partnerships Program	A-C-13-2CI-2	14.239	<u>155,221</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>368,809</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Edward Byrne Memorial Justice Assistance Grant Program (Direct)	N/A	16.738	10,925
<i>Passed Through the Ohio Department of Public Safety / Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2014-JG-A02-6025	16.738	13,151
Edward Byrne Memorial Justice Assistance Grant Program	2014-JG-B01-6412	16.738	<u>26,667</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			39,818
Bulletproof Vest Partnership Program (Direct)	N/A	16.607	<u>333</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>51,076</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Airport Improvement Program (Direct)	N/A	20.106	39,128
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Rural Areas	110-RPTF-15-0100	20.509	363,103
Formula Grants for Rural Areas	110-RPTF-15-0101	20.509	90,342
Formula Grants for Rural Areas	110-INTC-15-0200	20.509	<u>4,307</u>
Total Formula Grants for Rural Areas			457,752
Bus and Bus Facilities Formula Program (Bus Program)	110-BABF-15-0300	20.526	<u>114,472</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>611,352</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio District 5 Area Agency on Aging</i>			
Special Programs for the Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	31-6400233	93.044	38,093
National Family Caregiver Support, Title III, Part E	31-6400233	93.052	<u>3,303</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>41,396</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Staffing for Adequate Fire and Emergency Response (Direct)	N/A	97.083	466,950
Assistance to Firefighters Grant (Direct)	N/A	97.044	<u>18,412</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>485,362</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,557,995</u>

The accompanying notes are an integral part of this schedule.

**CITY OF MARION
MARION COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Marion (the City) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, except expenditures passed through the Ohio Department of Transportation which are presented on an accrual basis. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The City of Marion has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Development Services Agency. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Marion
Marion County
233 W. Center Street
Marion, Ohio 43302

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, Marion County, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 2016, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

Entity's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not audit the City's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

June 21, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Marion
Marion County
233 W. Center Street
Marion, Ohio 43302

To the City Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Marion's (the City's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City of Marion's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Marion complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.

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Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to our noncompliance finding is described in the accompanying corrective action plan. We did not audit the City's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2015-002.

The City's response to our internal control over compliance finding is described in the accompanying corrective action plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited 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 (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 21, 2016, wherein we noted the City adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

August 29, 2016, except for the Schedule of Expenditures of Federal Awards dated June 21, 2016

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #20.509 – Formula Grants for Rural Areas CFDA #97.083 – Staffing for Adequate Fire and Emergency Response
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2015-001

Noncompliance

Utility Department – Finding for Recovery

During the period January 2011 through August 2014, Brenda Nwosu was employed by the City of Marion as Utility Supervisor responsible for overseeing collection of utility payments and posting payments to customer accounts.

Payments totaling \$17,375 were not posted to 71 customer accounts. In some instances, adjustments were made to the accounts to reduce balances when payments were not posted to conceal theft of cash. Proof of payment included copies of 69 billing receipts stamped paid, one canceled check and one check carbon.

Additionally, proceeds from 25 Sheriff sales checks issued to Marion City Utilities totaling \$16,901 were not applied to the appropriate accounts. The proceeds were posted as payments to unrelated accounts to conceal theft of cash.

In April 2015, in Marion County Court of Common Pleas case number 2014 CR0437, Ms. Nwosu entered a plea of guilty to theft in office based on the previously iterated facts. In November 2015, Ms. Nwosu was sentenced to 18 months in a correctional facility and ordered by the court to repay restitution in the amount of \$34,276 to the Marion City Utility Department. As of August 18, 2016, Ms. Nwosu has paid \$29,779 in restitution.

In accordance with the foregoing facts and pursuant to Ohio Revised Code §117.28, a finding for recovery for public monies converted or misappropriated may be hereby issued against Brenda Nwosu in the amount of \$4,497, the remaining unpaid balance, in favor of the City of Marion.

Officials' Response

See Corrective Action Plan.

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

Finding Number	2015-002		
CFDA Title and Number	Staffing for Adequate Fire and Emergency Response #97.083		
Federal Award Identification Number / Year	31-6400233 / 2014		
Federal Agency	U.S. Department of Homeland Security		
Pass-Through Entity	None (Direct award)		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	

Material Weakness / Material Noncompliance – Reporting

44 C.F.R. § 13.40(b)(1) states that grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period.

Furthermore, the FY 2013 Staffing for Adequate Fire and Emergency Response (SAFER) Funding Opportunity Announcement (FOA) Overview Information states that awardees are responsible for completing and submitting a programmatic Performance Report using the e-Grants system within 30 days of the end of each of the grant's quarters.

During 2015, the City did not file three of its quarterly *Hiring Performance Reports* by the required deadline. The City's first 2015 quarterly report due on 3/15/15 was not filed until 6/17/15; the City's second quarterly report due on 6/15/15 was not filed until 6/23/15; and the City's third quarterly report due on 9/15/15 was not filed until 11/4/15.

Failure to submit the report within the requested time schedule can result in the delay or withholding of Federal funds.

We recommend the City follow the FY 2013 Staffing for Adequate Fire and Emergency Response (SAFER) Funding Opportunity Announcement (FOA) Overview Information and submit its programmatic Performance Reports using the e-Grants system within 30 days of the end of each of the grant's quarters.

Officials' Response

See Corrective Action Plan

**CITY OF MARION
MARION COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	<p>The City has made many changes in the Utility Department to reduce the risk of future fraud. The number of adjustments have been reduced due to a new procedure for final billings. Adjustments must include detailed information added to the notes in the system. If it is still not clear as to why the adjustment is being made, additional documentation must to be provided to the Director and Auditor.</p> <p>Unannounced random audits of cash drawers and sheriff sale receipts are performed by the Internal Auditor.</p> <p>Slip receipt printers were installed in the department and every customer must be given a receipt. New forms have been created to deal with any customer complaints about their account.</p> <p>Every employee is given a form to sign that has a fraud hotline number to the Auditor of State. Anyone suspecting fraud can call this number and report their concerns anonymously.</p> <p>We have improved education of the employees.</p> <p>The department head verifies each drawer daily and randomly will pull and check the bank bag. We will continue to monitor this department and put in any additional controls necessary.</p>	2015	Randy Caryer, Service Director; Andrea Honaker, New Utility Department Supervisor; Sindy Thrapp, Internal Auditor
2015-002	<p>The Marion City Auditor's Office will monitor the dates for filing of the quarterly reports and ensure the timeliness of the filing in accordance with the schedule of reporting. In the event the report cannot be completed the Auditor's Office will complete the report as accurately as possible and amend as needed.</p>	September 1, 2016	Cathy Chaffin, Deputy Auditor

CITY OF MARION, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2015

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**INTRODUCTORY
SECTION**

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CITY OF MARION, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2015

Prepared By:

City Auditor

KELLY L. CARR

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CITY OF MARION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

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**Kelly L Carr
Auditor**

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June 21, 2016

Citizens of the City of Marion
Members of Marion City Council

As City Auditor, it is my pleasure to present the City of Marion's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. This report provides a full and complete disclosure of the financial operations of the City of Marion. It is intended to inform elected officials, employees, bondholders, investment bankers, rating agencies, and all interested persons of the financial affairs of the City. The CAFR conforms to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the thoroughness of the presentation rests with the City. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Marion's financial statements for the year ended December 31, 2015. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the City to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

PROFILE OF THE CITY

The City is located in and is the county seat of Marion County in central Ohio approximately fifty miles north of Columbus, ninety miles southeast of Toledo, and one hundred fifteen miles southwest of Cleveland. It was incorporated as a village in 1830 and became a city in 1890.

The City, with an estimated population of 36,620, is the largest municipality in Marion County and has an area of approximately 11.78 square miles. The City's land use is broken down as follows:

Real Property

Residential	76.05%
Commercial	20.20
Industrial	3.57
Agricultural	.13
Public Utility	.05

The City operates under a mayor-council form of government in accordance with general laws. Under the Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a nine-member council and a council president, each elected to two-year terms. Three members of council are elected at-large and six are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, the appropriating and borrowing of money, licensing and regulating businesses and trades, and other municipal purposes.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters and serves a term of four-years. The Mayor appoints the directors of all City departments, members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except those appointed by City Council. The Mayor may veto any legislation passed by City Council. A veto may be overridden by a two-thirds vote of all members of City Council.

All other elected officials serve four-year terms and are considered part-time positions, with the exception of the Mayor, Auditor, and Law Director.

Marion is known as the home of the 29th President of the United States, Warren G. Harding (1921-1923). The Harding Home and Museum and the Harding Memorial draw visitors from all over the country.

The City is served by diversified transportation facilities including seven state and U.S. highways. Interstate I-71 is located twenty-five miles east of the City. The City is served by the CSX and Norfolk Southern railroads. Public mass transit is provided by the Marion Area Transit System. The City owns the Marion Municipal Airport which is located east of the City and outside the corporation limit. The airport is designed for general use.

Banking and financial services are provided to the City by offices of local commercial banks and savings and loan associations, two of which have their principal offices in the City.

One daily newspaper, *The Marion Star*, serves the City. The City is within the broadcast area of four television stations and three local AM and FM radio stations. Multi-channel cable TV service including educational, governmental, and public access channels is provided by Time Warner Cable.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include the Marion Campus of The Ohio State University and Marion Technical College. There are ten other colleges and universities within a sixty minute drive.

The City and its area residents are served by the Marion General Hospital which is operated by Ohio Health. It has one hundred seventy beds and is the largest medical center within a forty mile radius of the City.

The main branch of the Marion Public Library is located in the City with three branches located in villages within the County. It has approximately 231,000 volumes and 38,000 audio-visual items.

Entertainment assets include the Palace Theater which offers performing arts, musical events, and films. Its central location in the City and its architecture were key factors in the theater's privately supported restoration program.

The City maintains nineteen parks with over 325 acres of land. Park facilities include an aquatic center which includes a lazy river, slides, and a concession stand. The City also has bike and jogging trails, tennis courts, baseball diamonds, softball fields, soccer fields, volleyball courts, picnic areas with shelters, and numerous playground facilities.

LOCAL ECONOMY

Major industries located within the City's boundaries or in close proximity include manufacturers of dryers, automobile components, design and manufacture of packaging, metal forming and processing, and steel production. The school system consists of six elementary schools, one middle school, and one high school. The school system is the second largest employer in the City. There are two private prisons and one state prison within the City limits that are also large employers.

The unemployment rate went from 5.3 percent in December 2014 to 5.2 percent as of December 2015. Even with that slight change, local businesses continue to expand in our community. Union Tank Car and Silverline Windows are currently hiring and, in 2015, Columbia Gas and Re-Conserve purchased land at the city's Airport Industrial Park creating an additional forty jobs.

The City is working on an annexation with Kroger Inc. on Marion Waldo Road. They will be building a new Kroger Market Place.

The City has faced many issues over the past several years due to national economic conditions and cuts made to local government funding by the State. With the passage of the .25 percent voted income tax in 2012, the City has been able to increase staff in the police and fire departments. This has increased our ability to improve safety issues in our community. We are in the last year of a SAFER (Staffing for Adequate Fire and Emergency Response) Grant received for our fire department. The City hired seven new firefighters and has been able to keep open all three fire department locations. The City will work to keep this staffing level after the grant ends.

The income tax has also allowed the City's dispatch center to upgrade necessary equipment and provide for additional street improvements.

With reorganization and the passage of income tax changes, the City's finances are stabilizing. The unassigned fund balance in the General Fund at year end was 15 percent of General Fund revenues for 2015. City Council has not established a formal fund balance policy but discussion has recommended an unassigned fund balance in the General Fund of at least 10 percent.

RELEVANT FINANCIAL POLICIES

It is the City's policy to ensure that current year revenues are sufficient to fund current year expenditures without the use of non-recurring revenues. Appropriations are set based upon available revenues with the City Council determining the level of funding for each department within the City.

The City Treasurer manages the investment of City funds with the oversight of the Investment Board which is made up of the Mayor, Law Director, Auditor, and Treasurer. Any financial institution that holds City funds must also adhere to the requirements of the City's Investment Policy. This policy details the objectives and rules for the safekeeping of City funds.

MAJOR INITIATIVES

Capital improvement proposals are presented to City Council for approval and appropriation. Funding for the projects comes from the Community Development Block Grant Program, Formula Grant, NSP Grants, State of Ohio Issue I funds, permissive auto license fees, and voted income tax restricted for street maintenance and repair and capital improvements.

Over the past seven years, the City has removed one hundred seventy-seven nauseous properties with the help of grants. Also with the assistance of these grants, the City has improved parks, sidewalks, and assisted low/moderate income households with home repairs.

The City continues to be focused on improvements to its infrastructure. The City instituted a storm water utility in the late 1990's to fund storm water improvements and maintenance activities. The Ohio Environmental Protection Agency issued the Phase II storm water regulations and the City has developed and implemented the six minimum control measures along with storm water post construction water quality runoff and erosion and sediment controls and regulations. In 2007, the City had a long-term control plan (LTCP) approved by the Ohio Environmental Protection Agency (EPA) as part of the City's National Pollutant Discharge Elimination System (NPDES) permit. Beginning in 2014, the City began work to modify the plan under the advisement of the Ohio EPA. As part of this modification, the City has completed a citywide model and flow analysis and is in the process of developing an adaptive management plan to outline storm and sanitary sewer projects over the next several years. The City currently pursues grants, no interest and low interest loans, and notes and bonds to complement the Sewer and Storm Water funds for these projects.

Permissive auto tax and municipal auto tax dollars along with earmarked income tax dollars are used for street maintenance and repairs. In 2015, the City completed projects on Latourette and North Greenwood streets. In 2016 and 2017, projects are planned for Belmont, George, and South Greenwood streets. In 2015, the City resurfaced Bikini, Elmwood, and Langeais drives, Center, Henry, Hill, Mark, Merchant, and Pearl Streets, Mt. Vernon avenue and Lakeview boulevard. Spot pavement repair projects occurred on North State, Prospect, and Church streets.

ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Reports that conform to the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report meets the Certificate of Achievement requirements and we are submitting it to the GFOA for consideration.

I would like to thank members of the Administration, City Council, department heads, and our City employees for all the daily work they do that enabled us to prepare the information for the 2015 Comprehensive Annual Financial Report. Their cooperation is greatly appreciated.

I sincerely want to thank the Local Government Services Section of the Auditor of State's office for their guidance and professionalism in helping us prepare our CAFR.

The continued dedication and hard work of my staff is also greatly appreciated. Without the cooperation of all involved, the preparation of this report would not have been possible.

Sincerely,



Kelly L. Carr
Marion City Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

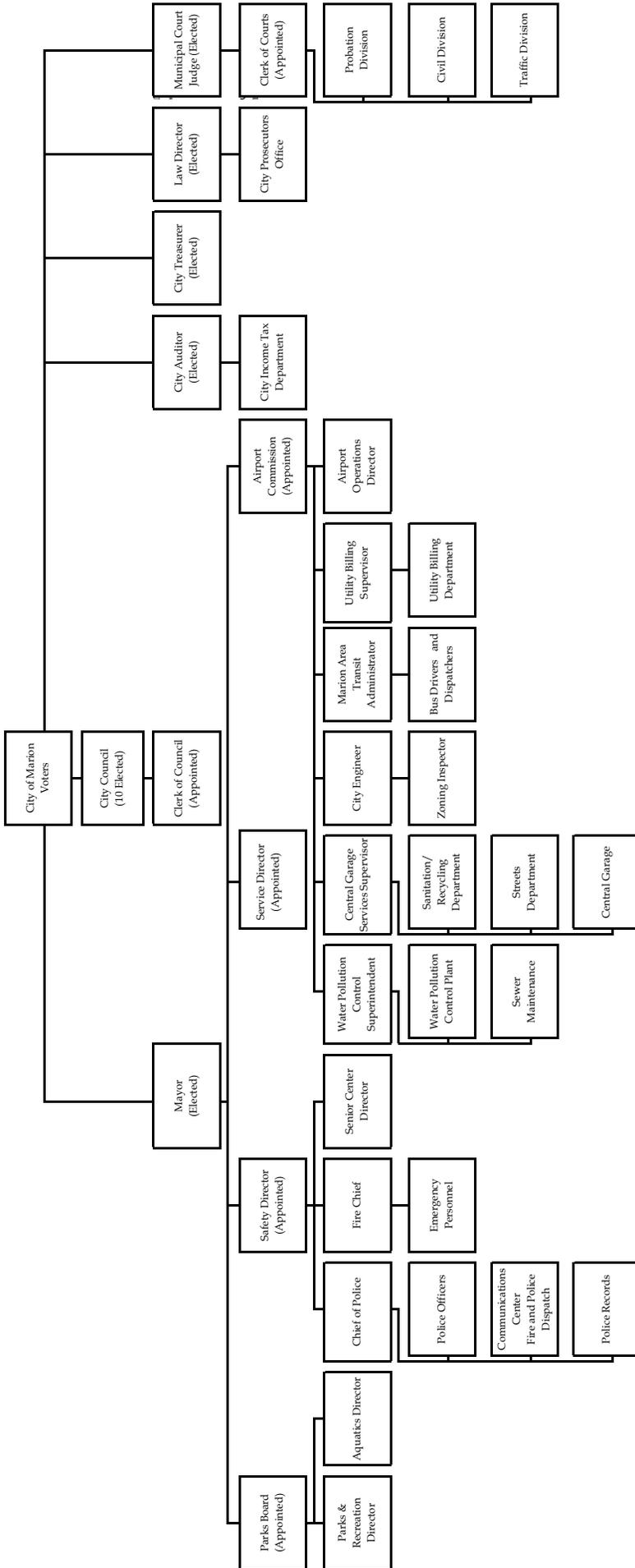
**City of Marion
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

**CITY OF MARION
ORGANIZATIONAL CHART**



CITY OF MARION

PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2015

ELECTED OFFICIALS

Mayor.....	J. Scott Schertzer
Auditor.....	Kelly L. Carr
Treasurer.....	Thomas Pannett
Law Director.....	Mark D. Russell
Municipal Court Judge.....	Teresa Ballinger
President of Council.....	David R. Edwards
Council Members.....	Ralph A. Cumston, II Ayers Ratliff, Jr. Michael Thomas Deborah Blevins John Smith Dale R. Osborn Rebecca Gustin Scott Crider Joshiah Daniels

APPOINTED OFFICIALS

Clerk of Council.....	Irene Fulton
Clerk of Courts.....	Amanda Fellows
Service Director.....	Jay Shoup
Safety Director.....	Thomas Robbins

FINANCIAL

SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Marion
Marion County
233 W. Center Street
Marion, Ohio 43302

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Marion County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Marion County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Street Construction, Maintenance and Repair Fund, and Police, Dispatch and Fire Income Tax fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 21, 2016

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CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The discussion and analysis of the City of Marion's financial performance provides an overview of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2015 are as follows:

In total, the City's net position decreased 1 percent from the prior year; a decrease of 5 percent for governmental activities and an increase of 17 percent for business-type activities.

General revenues made up 74 percent of the total revenues for governmental activities in 2015, and of this amount, 84 percent was provided through municipal income taxes, the most critical of the City's revenue sources.

Program revenues, primarily user charges, made up 97 percent of total revenues for business-type activities.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's non-major funds in a single column. The City's major funds are the General Fund; the Street Construction, Maintenance, and Repair and the Police, Dispatch, and Fire Income Tax special revenue funds; and the Sewer, Sanitation, Landfill, Storm Water, and Aquatics Center enterprise funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2015. These statements include all assets and liabilities using the accrual basis of accounting similar to that used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, equipment, sewer and storm water lines). These factors must be considered when assessing the overall health of the City.

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, transportation, and general government. These services are primarily funded by property taxes and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's sewer, sanitation, landfill, and storm water services as well as the City's aquatics center are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General Fund; the Street Construction, Maintenance, and Repair and Police, Dispatch, and Fire Income Tax special revenue funds; and the Sewer, Sanitation, Landfill, Storm Water, and Aquatics Center enterprise funds. While the City uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Proprietary Funds - The City has two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements and use the accrual basis of accounting. The City uses enterprise funds to account for sewer, sanitation, landfill, storm water, and the aquatics center's operations. The internal service fund is an accounting device used to accumulate and allocate internal costs among other programs and activities. The City's internal service fund accounts for the City's central garage which provides vehicle maintenance to departments of the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2015 and 2014.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Assets</u>						
Current and Other Assets	\$16,154,803	\$15,716,369	\$13,757,859	\$11,348,655	\$29,912,662	\$27,065,024
Capital Assets, Net	58,903,109	62,191,100	41,852,586	41,199,726	100,755,695	103,390,826
Total Assets	<u>75,057,912</u>	<u>77,907,469</u>	<u>55,610,445</u>	<u>52,548,381</u>	<u>130,668,357</u>	<u>130,455,850</u>
<u>Deferred Outflows of Resources</u>						
Pension	2,776,602	1,744,603	402,594	261,802	3,179,196	2,006,405
<u>Liabilities</u>						
Current and Other Liabilities	1,917,317	2,162,920	7,109,136	3,042,935	9,026,453	5,205,855
Long-Term Liabilities						
Pension	19,471,305	18,461,034	2,146,266	2,097,789	21,617,571	20,558,823
Other Amounts	8,143,985	8,519,412	34,715,730	37,370,084	42,859,715	45,889,496
Total Liabilities	<u>29,532,607</u>	<u>29,143,366</u>	<u>43,971,132</u>	<u>42,510,808</u>	<u>73,503,739</u>	<u>71,654,174</u>
<u>Deferred Inflows of Resources</u>						
Pension	73,193	0	37,706	0	110,899	0
Other Amounts	1,592,268	1,574,468	0	0	1,592,268	1,574,468
Total Deferred Inflows of Resources	<u>1,665,461</u>	<u>1,574,468</u>	<u>37,706</u>	<u>0</u>	<u>1,703,167</u>	<u>1,574,468</u>
<u>Net Position</u>						
Net Investment in Capital Assets	54,707,860	57,981,379	8,611,292	9,800,721	63,319,152	67,782,100
Restricted	6,268,607	6,874,466	0	0	6,268,607	6,874,466
Unrestricted (Deficit)	(14,340,021)	(15,921,607)	3,392,909	498,654	(10,947,112)	(15,422,953)
Total Net Position	<u>\$46,636,446</u>	<u>\$48,934,238</u>	<u>\$12,004,201</u>	<u>\$10,299,375</u>	<u>\$58,640,647</u>	<u>\$59,233,613</u>

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

During 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", which significantly revises accounting for pension costs and liabilities. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the City's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred outflows/inflows.

As a result of implementing GASB Statement No. 68, the City is reporting a net pension liability and deferred outflows/inflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$77,786,031 to \$59,233,613.

For governmental activities, there were only a few changes of note for 2015. There was an increase in current and other assets due, in large part, to an increase in income tax revenue and, therefore, a larger balance of cash and cash equivalents at year end. There was no change in the tax rate but an improving economy and higher wages generated higher income tax revenue. This increase is also reflected in the increase in unrestricted net position. The decrease in net capital assets and the investment in capital assets is primarily due to annual depreciation and, ultimately, this had the largest effect on the overall decrease in total net position for the year. The decrease in current and other liabilities was generally a combination of a decrease in accrued wages (due to the timing of pay periods, less pay periods accrued in 2015) and notes payable (reduction in the amount outstanding). The decrease in other long-term liabilities was the result of scheduled principal retirement and there was no new debt issued during 2015.

For business-type activities, there was a significant increase in current and other assets (primarily cash and cash equivalents) due largely to bond anticipation note proceeds which were not spent as of year end. Also, note the increase in current and other liabilities which reflects the increase in the outstanding note obligation from the prior year. The decrease in other long-term liabilities was due to scheduled debt retirement.

Table 2 reflects the change in net position for 2015 and 2014.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$2,767,639	\$2,109,761	\$10,446,509	\$10,238,017	\$13,214,148	\$12,347,778
Operating Grants, Contributions, and Interest	3,569,668	4,002,743	0	0	3,569,668	4,002,743
Capital Grants and Contributions	285,858	2,074,956	1,174,973	71,739	1,460,831	2,146,695
Total Program Revenues	<u>6,623,165</u>	<u>8,187,460</u>	<u>11,621,482</u>	<u>10,309,756</u>	<u>18,244,647</u>	<u>18,497,216</u>

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Revenues</u> (continued)						
General Revenues						
Property Taxes Levied for General Purposes	\$1,082,897	\$1,092,263	\$0	\$0	\$1,082,897	\$1,092,263
Property Taxes Levied for Police and Fire Pension	196,921	198,845	0	0	196,921	198,845
Payment in Lieu of Taxes	399,460	363,665	0	0	399,460	363,665
Municipal Income Taxes Levied for General Purposes	8,043,383	7,516,504	0	0	8,043,383	7,516,504
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	606,726	561,668	0	0	606,726	561,668
Municipal Income Taxes Levied for Police and Fire	7,067,946	6,586,927	0	0	7,067,946	6,586,927
Municipal Income Taxes Levied for Capital Improvements	404,006	377,378	0	0	404,006	377,378
Grants and Entitlements not Restricted to Specific Programs	728,315	873,541	0	0	728,315	873,541
Franchise Taxes	278,403	287,074	0	0	278,403	287,074
Interest	115,561	137,188	0	0	115,561	137,188
Other	255,947	673,618	350,480	340,678	606,427	1,014,296
Total General Revenues	<u>19,179,565</u>	<u>18,668,671</u>	<u>350,480</u>	<u>340,678</u>	<u>19,530,045</u>	<u>19,009,349</u>
Total Revenues	<u>25,802,730</u>	<u>26,856,131</u>	<u>11,971,962</u>	<u>10,650,434</u>	<u>37,774,692</u>	<u>37,506,565</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	6,937,590	5,937,127	0	0	6,937,590	5,937,127
Fire	6,001,795	5,608,955	0	0	6,001,795	5,608,955
Other	273,558	296,116	0	0	273,558	296,116
Public Health	450,276	391,194	0	0	450,276	391,194
Leisure Time Activities	932,334	933,611	0	0	932,334	933,611
Community Environment	686,208	803,809	0	0	686,208	803,809
Transportation						
Transit	976,397	1,065,270	0	0	976,397	1,065,270
Other	7,323,163	6,257,831	0	0	7,323,163	6,257,831
General Government						
Court	1,252,947	1,260,331	0	0	1,252,947	1,260,331
Other	3,122,100	3,399,848	0	0	3,122,100	3,399,848
Interest and Fiscal Charges	144,154	149,091	0	0	144,154	149,091

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Program Expenses</u> (continued)						
Sewer	\$0	\$0	\$6,088,099	\$6,150,351	\$6,088,099	\$6,150,351
Sanitation	0	0	1,936,929	1,992,690	1,936,929	1,992,690
Landfill	0	0	(58,216)	(49,243)	(58,216)	(49,243)
Storm Water	0	0	1,852,887	1,813,918	1,852,887	1,813,918
Aquatics Center	0	0	447,437	400,506	447,437	400,506
Total Expenses	<u>28,100,522</u>	<u>26,103,183</u>	<u>10,267,136</u>	<u>10,308,222</u>	<u>38,367,658</u>	<u>36,411,405</u>
Increase (Decrease) in Net Position Before Transfers	(2,297,792)	752,948	1,704,826	342,212	(592,966)	1,095,160
Transfers	0	500	0	(500)	0	0
Increase (Decrease) in Net Position	(2,297,792)	753,448	1,704,826	341,712	(592,966)	1,095,160
Net Position Beginning of Year	<u>\$48,934,238</u>	<u>n/a</u>	<u>10,299,375</u>	<u>n/a</u>	<u>59,233,613</u>	<u>n/a</u>
Net Position End of Year	<u>\$46,636,446</u>	<u>\$48,934,238</u>	<u>\$12,004,201</u>	<u>\$10,299,375</u>	<u>\$58,640,647</u>	<u>\$59,233,613</u>

The information necessary to restate the 2014 beginning balance and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,006,405 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, 2015 statements report pension expense of \$2,179,602. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed.

Total 2015 Program Expenses under GASB Statement No. 68	\$38,367,658
Pension Expense under GASB Statement No. 68	(2,179,602)
2015 Contractually Required Contribution	2,182,746
Adjusted 2015 Program Expenses	<u>38,370,802</u>
Total 2014 Program Expenses under GASB Statement No. 27	<u>(36,411,405)</u>
Increase in Program Expenses not Related to Pension	<u>\$1,959,397</u>

The above table reflects the revenues and expenses for operating the City during 2015. For governmental activities, there was a 19 percent decrease in program revenues. The increase in charges for services is primarily related to ambulance changes. The decrease in operating grants and contributions is due to the expiration of several grants and reduced funding in others. The decrease in capital grants and contributions is due to resources received in the prior year from the Ohio Department of Transportation for street improvements. There was a modest increase in general revenues (3 percent) resulting from improved income tax revenues as mentioned previously.

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Aside from the effect of the implementation of GASB Statement No. 68, there was not a significant change in expenses for governmental activities. Salary increases for police and firefighters contributed to the increase in the security of persons and property program. The decrease in the community environment program is related to a decrease in CHIP (Community Housing Improvement Program) grant monies.

As is to be expected, 97 percent of the revenues for business-type activities are received through program revenues. The increase in capital grants and contributions represents additional grant resources for improvement projects as well as the contribution of a lift station to the sewer system.

Expenses for business-type activities changed very little from the prior year.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Security of Persons and Property				
Police	\$6,937,590	\$5,937,127	\$6,738,854	\$5,683,147
Fire	6,001,795	5,608,955	4,300,810	3,847,804
Other	273,558	296,116	273,558	296,116
Public Health	450,276	391,194	450,276	387,172
Leisure Time Activities	932,334	933,611	772,232	761,415
Community Environment	686,208	803,809	272,832	514,663
Transportation				
Transit	976,397	1,065,270	48,965	176,194
Other	7,323,163	6,257,831	5,804,515	2,925,382
General Government				
Court	1,252,947	1,260,331	(98,405)	67,494
Other	3,122,100	3,399,848	2,769,566	3,107,245
Interest and Fiscal Charges	144,154	149,091	144,154	149,091
Total Expenses	<u>\$28,100,522</u>	<u>\$26,103,183</u>	<u>\$21,477,357</u>	<u>\$17,915,723</u>

While the dependence on general revenues (primarily municipal income taxes) to pay for the various services provided by the City is significant, program revenues in several of the programs provide for a considerable portion of the costs. For example, a combination of charges for services (fire services contracts with other governments) and grants provided for 28 percent of the costs of operations for the fire department. Various grants, generally the CDBG and CHIP programs, provided for 60 percent of the costs of the community environment program. Charges for services and various grants and contributions provided for 29 percent of transportation costs. The transportation program receives permissive motor vehicle license fees as well as motor vehicle and gas taxes. In addition, the City receives grants to assist in operating the public transit system. Lastly, court related fines and charges provided program revenues covering the costs of court operations.

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GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, and the Street Construction, Maintenance, and Repair and the Police, Dispatch, and Fire Income Tax special revenue funds. The General Fund had a 37 percent increase in fund balance. Revenues and expenditures were very similar to the prior year; however, revenues exceeded expenditures.

Fund balance decreased significantly in the Street Construction, Maintenance, and Repair Fund. Revenues decreased substantially as resources were received in the prior year from the Ohio Department of Transportation for street improvements.

Fund balance increased in the Police, Dispatch, and Fire Income Tax Fund. Revenues increased approximately \$597,000 primarily from an increase in income tax revenue. Expenditures increased almost \$1.2 million, a large portion of which is related to salary increases. As a result, the expectation would be for a decrease in fund balance; however, the fund also received a substantial (\$4.9 million) transfer of resources from the General Fund.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds provide for wastewater treatment, trash collection, landfill postclosure activities, the storm water runoff system, and operations of an aquatics center.

There was a 23 percent increase in net position in the Sewer Fund. Both revenues and expenses were similar to the prior year; however, there were capital contributions of approximately \$831,000.

The Sanitation Fund had a 15 percent increase in net position. Revenues were similar to the prior year and expenses decreased slightly.

The Landfill Fund had an increase in net position for 2015; however, continues to reflect a deficit net position. The Landfill stopped accepting waste in 1995; all costs at this point are related to postclosure activities.

The change in net position for the Storm Water Fund was 1 percent and not significant.

The deficit net position for the Aquatics Center Fund increased approximately \$33,000. This fund has had a deficit net position since its inception in 2011.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is effective the first day of January.

The City's most significant budgeted fund is the General Fund. For revenues, there was little change from the original budget to the final budget and from the final budget to actual revenues. For expenditures, there were only modest changes from the original budget to the final budget. Near year end, the City revised its final budget to closely match actual expenditures.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2015, was \$58,665,589 and \$41,852,586, respectively (net of accumulated depreciation). The most significant additions for governmental activities were the purchase of several vehicles and street improvements. Disposals were primarily street replacements. The most significant additions for business-type activities were the contribution of a lift station, vehicle replacements, and both ongoing and completed sewer and storm water improvements. For further information regarding the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2015, the City had bond anticipation notes payable from governmental and business-type activities, in the amount of \$728,000 and \$6,613,500, respectively. New bond anticipation notes were issued for City Hall improvements, the purchase of an EMS vehicle, police vehicles, and two packers for the sanitation department, and for ongoing sewer and storm water improvements. The City also had a number of long-term obligations outstanding including \$25,060,000 in general obligation bonds, \$277,207 in loans for an ODOT related project, \$1,210,930 in Ohio Public Works Commission loans, and \$10,243,963 in Ohio Water Development Authority loans. Of this debt, \$32,623,171 will be paid from business-type activities. The only new long-term debt issues during 2015 were OPWC loans for sewer and storm water replacement.

In addition, the City's long-term obligations also include the net pension liability, compensated absences, and the liability associated with the future payment of landfill postclosure costs. For further information regarding the City's debt, refer to Notes 17, 18, and 19 to the basic financial statements.

CURRENT ISSUES

In 2016, the City will continue to work on the repair/replacement of the storm and sanitary sewer systems. In 2015, the City completed projects on Latourette and North Greenwood streets. Work will continue on Ballentine Avenue and the alley between Main and State streets in 2016. The cost for the 2016 projects is estimated at \$1,747,000.

The City did several resurfacing projects in 2015 at an approximate cost of \$1.3 million and anticipates additional projects in 2016 of approximately \$767,000.

The City has looked at all department capital needs and will be purchasing a SUV Command vehicle for the fire department, two SUV cruisers for the police department, a ¾ ton pick-up truck and zero-turn mower for the parks department, new seating and carpet for the courtroom, and several smaller items for other departments.

The City currently is working on negotiations with the AFSCME union. All other contracts have been settled. The next contract will be opened in 2017 for the IAFF.

On January 1, 2016, the City combined our dispatch services with the County Sheriff. The new center will be operated out of the County building located in downtown Marion across the street from City Hall.

The Administration continues to work on retention and expansion with local businesses. Union Tank Car and Silverline Windows are currently hiring; both located in the Airport Industrial Park. Two additional businesses, Columbia Gas and Re-Conserve, have purchased land at the Airport Industrial Park and are now open for operations.

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The Administration has also been working with Kroger, Inc. on Marion Waldo Road property that will be annexed into the City. They are building a new Kroger Market Place.

We continue to work on projects at the airport. These improvements will put us in line for a grant from the FAA to build a new terminal in 2017. The current terminal was built in the 1950's.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Kelly L. Carr, City Auditor, City of Marion, 233 West Center Street, Marion, Ohio 43302.

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City of Marion
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$7,637,330	\$7,146,609	\$14,783,939
Accounts Receivable	1,023,168	6,327,930	7,351,098
Accrued Interest Receivable	34,007	0	34,007
Due from Other Governments	1,192,311	31,077	1,223,388
Municipal Income Taxes Receivable	3,548,690	0	3,548,690
Internal Balances	(131,144)	131,144	0
Prepaid Items	40,508	21,346	61,854
Materials and Supplies Inventory	233,499	99,753	333,252
Property Taxes Receivable	1,547,538	0	1,547,538
Payment in Lieu of Taxes Receivable	410,285	0	410,285
Notes Receivable	618,611	0	618,611
Nondepreciable Capital Assets	8,327,406	663,742	8,991,148
Depreciable Capital Assets, Net	50,575,703	41,188,844	91,764,547
Total Assets	75,057,912	55,610,445	130,668,357
<u>Deferred Outflows of Resources</u>			
Pension	2,776,602	402,594	3,179,196
<u>Liabilities</u>			
Accrued Wages Payable	162,125	37,171	199,296
Accounts Payable	305,722	134,717	440,439
Contracts Payable	276,298	111,219	387,517
Due to Other Governments	426,090	106,141	532,231
Matured Compensated Absences Payable	493	0	493
Due to External Parties	1,802	0	1,802
Accrued Interest Payable	16,787	106,388	123,175
Notes Payable	728,000	6,613,500	7,341,500
Long-Term Liabilities			
Due Within One Year	829,661	2,733,270	3,562,931
Due in More Than One Year			
Net Pension Liability	19,471,305	2,146,266	21,617,571
Other Amounts Due in More Than One Year	7,314,324	31,982,460	39,296,784
Total Liabilities	29,532,607	43,971,132	73,503,739
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,181,983	0	1,181,983
Payment in Lieu of Taxes	410,285	0	410,285
Pension	73,193	37,706	110,899
Total Deferred Inflows of Resources	1,665,461	37,706	1,703,167
<u>Net Position</u>			
Net Investment in Capital Assets	54,707,860	8,611,292	63,319,152
Restricted for			
Capital Projects	2,136,499	0	2,136,499
Street Construction, Maintenance, and Repair	1,749,402	0	1,749,402
Court Operations	840,446	0	840,446
Economic Development	517,822	0	517,822
Senior Citizens	297,267	0	297,267
Other Purposes	727,171	0	727,171
Unrestricted (Deficit)	(14,340,021)	3,392,909	(10,947,112)
Total Net Position	\$46,636,446	\$12,004,201	\$58,640,647

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$6,937,590	\$55,261	\$119,226	\$24,249
Fire	6,001,795	1,216,658	483,327	1,000
Other	273,558	0	0	0
Public Health	450,276	0	0	0
Leisure Time Activities	932,334	18,340	141,762	0
Community Environment	686,208	0	316,376	97,000
Transportation				
Transit	976,397	103,810	823,622	0
Other	7,323,163	15,500	1,365,649	137,499
General Government				
Court	1,252,947	1,044,646	306,706	0
Other	3,122,100	313,424	13,000	26,110
Interest and Fiscal Charges	144,154	0	0	0
Total Governmental Activities	28,100,522	2,767,639	3,569,668	285,858
<u>Business-Type Activities</u>				
Sewer	6,088,099	6,135,568	0	830,989
Sanitation	1,936,929	2,463,223	0	0
Landfill	(58,216)	273,968	0	0
Storm Water	1,852,887	1,404,306	0	343,984
Aquatics Center	447,437	169,444	0	0
Total Business-Type Activities	10,267,136	10,446,509	0	1,174,973
Total	\$38,367,658	\$13,214,148	\$3,569,668	\$1,460,831

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for Police and Fire Pension
Payment in Lieu of Taxes
Municipal Income Taxes Levied for General Purposes
Municipal Income Taxes Levied for Street Construction,
Maintenance, and Repair
Municipal Income Taxes Levied for Police and Fire
Municipal Income Taxes Levied for Capital Improvements
Grants and Entitlements not Restricted to Specific Programs
Franchise Taxes
Interest
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year (Restated - Note 3)

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$6,738,854)	\$0	(\$6,738,854)
(4,300,810)	0	(4,300,810)
(273,558)	0	(273,558)
(450,276)	0	(450,276)
(772,232)	0	(772,232)
(272,832)	0	(272,832)
(48,965)	0	(48,965)
(5,804,515)	0	(5,804,515)
98,405	0	98,405
(2,769,566)	0	(2,769,566)
(144,154)	0	(144,154)
<u>(21,477,357)</u>	<u>0</u>	<u>(21,477,357)</u>
0	878,458	878,458
0	526,294	526,294
0	332,184	332,184
0	(104,597)	(104,597)
0	(277,993)	(277,993)
<u>0</u>	<u>1,354,346</u>	<u>1,354,346</u>
<u>(21,477,357)</u>	<u>1,354,346</u>	<u>(20,123,011)</u>
1,082,897	0	1,082,897
196,921	0	196,921
399,460	0	399,460
8,043,383	0	8,043,383
606,726	0	606,726
7,067,946	0	7,067,946
404,006	0	404,006
728,315	0	728,315
278,403	0	278,403
115,561	0	115,561
255,947	350,480	606,427
<u>19,179,565</u>	<u>350,480</u>	<u>19,530,045</u>
(2,297,792)	1,704,826	(592,966)
<u>48,934,238</u>	<u>10,299,375</u>	<u>59,233,613</u>
<u>\$46,636,446</u>	<u>\$12,004,201</u>	<u>\$58,640,647</u>

City of Marion
Balance Sheet
Governmental Funds
December 31, 2015

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental	Total Governmental Funds
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$3,090,540	\$371,289	\$352,395	\$3,714,896	\$7,529,120
Accounts Receivable	1,022,995	0	157	16	1,023,168
Accrued Interest Receivable	34,007	0	0	0	34,007
Due from Other Governments	408,043	583,728	4,890	194,945	1,191,606
Municipal Income Taxes Receivable	1,774,344	141,947	1,561,424	70,975	3,548,690
Interfund Receivable	220,837	1,025,066	0	221,072	1,466,975
Prepaid Items	16,549	4,541	16,649	1,860	39,599
Materials and Supplies Inventory	19,504	88,820	5,819	1,015	115,158
Property Taxes Receivable	1,309,706	0	0	237,832	1,547,538
Payment in Lieu of Taxes Receivable	0	0	0	410,285	410,285
Notes Receivable	0	0	0	618,611	618,611
Total Assets	\$7,896,525	\$2,215,391	\$1,941,334	\$5,471,507	\$17,524,757
<u>Liabilities</u>					
Accrued Wages Payable	\$25,395	\$11,992	\$107,821	\$13,722	\$158,930
Accounts Payable	78,595	34,566	138,876	16,930	268,967
Contracts Payable	0	237,520	0	38,778	276,298
Due to Other Governments	190,573	19,299	185,791	26,355	422,018
Matured Compensated Absences Payable	0	0	493	0	493
Interfund Payable	1,247,046	8,050	16,084	229,946	1,501,126
Due to External Parties	1,352	0	0	450	1,802
Accrued Interest Payable	0	0	0	4,468	4,468
Notes Payable	0	0	0	728,000	728,000
Total Liabilities	1,542,961	311,427	449,065	1,058,649	3,362,102
<u>Deferred Inflows of Resources</u>					
Property Taxes	1,000,446	0	0	181,537	1,181,983
Payment in Lieu of Taxes	0	0	0	410,285	410,285
Unavailable Revenue	2,614,361	567,199	882,454	212,831	4,276,845
Total Deferred Inflows of Resources	3,614,807	567,199	882,454	804,653	5,869,113
<u>Fund Balance</u>					
Nonspendable	175,653	93,361	22,468	2,875	294,357
Restricted	0	1,243,404	587,347	3,959,672	5,790,423
Committed	1,762	0	0	7,079	8,841
Assigned	735,720	0	0	0	735,720
Unassigned (Deficit)	1,825,622	0	0	(361,421)	1,464,201
Total Fund Balance	2,738,757	1,336,765	609,815	3,608,205	8,293,542
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$7,896,525	\$2,215,391	\$1,941,334	\$5,471,507	\$17,524,757

See Accompanying Notes to the Basic Financial Statements

City of Marion
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2015

Total Governmental Fund Balance \$8,293,542

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental Activities	58,903,109	
Internal Service Fund	(1,486,459)	
		57,416,650

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	931,481	
Accrued Interest Receivable	24,516	
Due from Other Governments	953,235	
Municipal Income Taxes Receivable	2,002,058	
Delinquent Property Taxes Receivable	365,555	
		4,276,845

An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.

(142,746)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(9,193)	
General Obligation Bonds Payable	(3,846,850)	
General Obligation Bonds Payable - Internal Service Fund	1,030,000	
ODOT DRIP TIF Payable	(277,207)	
OPWC Loan Payable	(44,872)	
Compensated Absences Payable	(3,975,056)	
Compensated Absences Payable - Internal Service Fund	50,230	
		(7,072,948)

The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.

Deferred Outflows - Pension	2,776,602	
Deferred Outflows - Pension - Internal Service Fund	(35,524)	
Deferred Inflows - Pension	(73,193)	
Deferred Inflows - Pension - Internal Service Fund	3,327	
Net Pension Liability	(19,471,305)	
Net Pension Liability - Internal Service Fund	189,377	
		(16,610,716)

An internal service fund is used by management to charge the cost of motor pool/vehicle maintenance to individual funds. The asset and liabilities of the internal service fund are included in governmental activities on the statement of net position.

475,819

Net Position of Governmental Activities

\$46,636,446

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2015

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$1,069,347	\$0	\$0	\$194,538	\$1,263,885
Payment in Lieu of Taxes	0	0	0	399,460	399,460
Municipal Income Taxes	8,018,647	604,748	7,046,177	403,015	16,072,587
Charges for Services	1,083,638	2,900	0	103,810	1,190,348
Fees, Licenses, and Permits	329,633	12,600	0	0	342,233
Fines and Forfeitures	767,784	0	0	389,713	1,157,497
Intergovernmental	752,435	1,277,916	26,817	2,606,535	4,663,703
Interest	84,415	390	0	12,185	96,990
Other	163,449	22,054	50,775	118,375	354,653
Total Revenues	12,269,348	1,920,608	7,123,769	4,227,631	25,541,356
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	6,460,670	212,872	6,673,542
Fire	0	0	5,103,285	823,974	5,927,259
Other	273,558	0	0	0	273,558
Public Health	447,537	0	0	0	447,537
Leisure Time Activities	778,689	0	0	101,900	880,589
Community Environment	258,818	0	0	427,390	686,208
Transportation					
Transit	0	0	0	1,134,617	1,134,617
Other	289,648	3,783,456	0	117,944	4,191,048
General Government					
Court	877,765	0	0	370,048	1,247,813
Other	2,598,831	0	0	504,167	3,102,998
Debt Service:					
Principal Retirement	0	0	0	336,462	336,462
Interest and Fiscal Charges	0	2,080	0	142,764	144,844
Total Expenditures	5,524,846	3,785,536	11,563,955	4,172,138	25,046,475
Excess of Revenues Over (Under) Expenditures	6,744,502	(1,864,928)	(4,440,186)	55,493	494,881
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	20,000	0	0	95,040	115,040
Transfers In	0	796,976	4,929,700	564,098	6,290,774
Transfers Out	(6,026,938)	0	0	(263,836)	(6,290,774)
Total Other Financing Sources (Uses)	(6,006,938)	796,976	4,929,700	395,302	115,040
Changes in Fund Balance	737,564	(1,067,952)	489,514	450,795	609,921
Fund Balance Beginning of Year	2,001,193	2,404,717	120,301	3,157,410	7,683,621
Fund Balance End of Year	<u>\$2,738,757</u>	<u>\$1,336,765</u>	<u>\$609,815</u>	<u>\$3,608,205</u>	<u>\$8,293,542</u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
 Reconciliation of Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2015

Changes in Fund Balance - Total Governmental Funds \$609,921

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.

Capital Outlay - Depreciable Capital Assets	1,852,808	
Capital Contributions	130,449	
Depreciation	(4,765,290)	
Depreciation - Internal Service Fund	<u>44,711</u>	(2,737,322)

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(115,040)	
Loss on Disposal of Capital Assets	<u>(390,918)</u>	(505,958)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	15,933	
Municipal Income Taxes	49,474	
Charges for Services	357,725	
Fees, Licenses, and Permits	(1,761)	
Intergovernmental	(310,135)	
Interest	<u>19,689</u>	130,925

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

General Obligation Bonds Payable	294,700	
General Obligation Bonds Payable - Internal Service Fund	(51,250)	
ODOT DRIP TIF Payable	86,602	
OPWC Loan Payable	<u>6,410</u>	336,462

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 690

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences Payable	(12,285)	
Compensated Absences Payable - Internal Service Fund	<u>(11,763)</u>	(24,048)

(continued)

City of Marion
 Reconciliation of Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2015
 (continued)

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense on the statement of activities.

Pension Expense	(\$1,946,135)	
Pension Expense - Internal Service Fund	<u>20,600</u>	(1,925,535)

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows and deferred inflows.

Contractually Required Contributions	1,894,670	
Contractually Required Contributions - Internal Service Fund	<u>(25,419)</u>	1,869,251

The internal service fund used by management to charge the cost of motor pool/vehicle maintenance to individual funds is not reported on the statement of activities.

Governmental expenditures and related internal service fund revenues are eliminated.

The change for governmental funds is reported for the year. (52,178)

Change in Net Position of Governmental Activities (\$2,297,792)

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$1,036,415	\$1,069,347	\$1,069,347	\$0
Municipal Income Taxes	7,102,457	7,159,148	7,067,645	(91,503)
Charges for Services	1,059,461	1,073,899	1,063,065	(10,834)
Fees, Licenses, and Permits	347,524	335,605	329,343	(6,262)
Fines and Forfeitures	688,000	764,014	763,314	(700)
Intergovernmental	902,776	824,786	759,125	(65,661)
Interest	70,000	81,077	85,002	3,925
Other	85,393	183,773	167,965	(15,808)
Total Revenues	11,292,026	11,491,649	11,304,806	(186,843)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other	280,000	287,044	287,044	0
Public Health	0	449,537	447,537	2,000
Leisure Time Activities	825,329	822,511	798,798	23,713
Community Environment	350,407	255,385	255,385	0
Transportation				
Other	337,068	300,961	293,501	7,460
General Government				
Court	887,448	918,188	904,479	13,709
Other	2,936,687	2,794,845	2,733,747	61,098
Total Expenditures	5,616,939	5,828,471	5,720,491	107,980
Excess of Revenues Over Expenditures	5,675,087	5,663,178	5,584,315	(78,863)
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	899	939	40
Sale of Capital Assets	0	20,000	20,000	0
Advances In	0	73,070	73,070	0
Transfers In	0	16,700	0	(16,700)
Transfers Out	(6,007,958)	(5,749,006)	(5,142,469)	606,537
Total Other Financing Sources (Uses)	(6,007,958)	(5,638,337)	(5,048,460)	589,877
Changes in Fund Balance	(332,871)	24,841	535,855	511,014
Fund Balance Beginning of Year	2,598,997	2,598,997	2,598,997	0
Fund Balance End of Year	\$2,266,126	\$2,623,838	\$3,134,852	\$511,014

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,364,843	\$1,396,402	\$31,559
Charges for Services	2,800	2,900	2,900	0
Fees, Licenses, and Permits	19,000	19,000	12,600	(6,400)
Intergovernmental	1,326,523	1,217,485	1,282,651	65,166
Interest	200	341	390	49
Other	12,949	24,054	22,054	(2,000)
Total Revenues	2,736,050	2,628,623	2,716,997	88,374
<u>Expenditures</u>				
Current:				
Transportation				
Other	3,292,336	3,508,856	3,463,691	45,165
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	9,745	2,992	2,992	0
Total Expenditures	3,502,081	3,711,848	3,666,683	45,165
Excess of Revenues Under Expenditures	(766,031)	(1,083,225)	(949,686)	133,539
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	200,000	0	(200,000)
Changes in Fund Balance	(566,031)	(883,225)	(949,686)	(66,461)
Fund Balance Beginning of Year	1,295,164	1,295,164	1,295,164	0
Fund Balance End of Year	<u>\$729,133</u>	<u>\$411,939</u>	<u>\$345,478</u>	<u>(\$66,461)</u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Police, Dispatch, and Fire Income Tax Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Municipal Income Taxes	\$6,226,592	\$6,854,041	\$6,987,629	\$133,588
Intergovernmental	0	25,318	25,318	0
Other	0	50,201	50,201	0
Total Revenues	<u>6,226,592</u>	<u>6,929,560</u>	<u>7,063,148</u>	<u>133,588</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	6,340,909	6,668,459	6,565,766	102,693
Fire	5,691,799	5,561,842	5,302,017	259,825
Total Expenditures	<u>12,032,708</u>	<u>12,230,301</u>	<u>11,867,783</u>	<u>362,518</u>
Excess of Revenues Under Expenditures	(5,806,116)	(5,300,741)	(4,804,635)	496,106
<u>Other Financing Sources</u>				
Transfers In	5,258,833	5,397,891	4,929,700	(468,191)
Changes in Fund Balance	(547,283)	97,150	125,065	27,915
Fund Balance Beginning of Year	<u>108,223</u>	<u>108,223</u>	<u>108,223</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$439,060)</u>	<u>\$205,373</u>	<u>\$233,288</u>	<u>\$27,915</u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,871,932	\$376,404	\$0	\$686,208
Accounts Receivable	1,834,561	3,925,802	0	567,567
Due from Other Governments	15,573	0	0	15,504
Interfund Receivable	5,266	0	0	0
Prepaid Items	11,561	3,115	245	5,537
Materials and Supplies Inventory	98,073	615	0	633
Total Current Assets	7,836,966	4,305,936	245	1,275,449
<u>Non-Current Assets</u>				
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	0	0	40	0
Nondepreciable Capital Assets	460,657	0	162,571	40,514
Depreciable Capital Assets, Net	19,792,521	894,790	0	17,293,999
Total Non-Current Assets	20,253,178	894,790	162,611	17,334,513
Total Assets	28,090,144	5,200,726	162,856	18,609,962
<u>Deferred Outflows of Resources</u>				
Pension	201,297	130,251	0	59,205
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	18,831	12,277	0	5,893
Accounts Payable	125,888	1,684	149	5,295
Contracts Payable	107,803	0	2,630	786
Due to Other Governments	28,608	68,381	127	8,885
Compensated Absences Payable	70,113	33,150	0	17,384
Interfund Payable	6,171	9,123	1,476	98
Accrued Interest Payable	40,352	2,093	529	51,442
Notes Payable	2,613,030	141,000	0	3,859,470
General Obligation Bonds Payable	355,796	0	0	552,004
OWDA Loans Payable	1,474,122	0	0	0
OPWC Loans Payable	71,203	0	0	24,600
Postclosure Costs Payable	0	0	134,702	0
Total Current Liabilities	4,911,917	267,708	139,613	4,525,857

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$212,025	\$7,146,569	\$108,210
0	6,327,930	0
0	31,077	705
0	5,266	45,753
888	21,346	909
432	99,753	118,341
<u>213,345</u>	<u>13,631,941</u>	<u>273,918</u>
0	40	0
0	663,742	61,943
<u>3,207,534</u>	<u>41,188,844</u>	<u>1,424,516</u>
<u>3,207,534</u>	<u>41,852,626</u>	<u>1,486,459</u>
<u>3,420,879</u>	<u>55,484,567</u>	<u>1,760,377</u>
<u>11,841</u>	<u>402,594</u>	<u>35,524</u>
170	37,171	3,195
1,701	134,717	36,755
0	111,219	0
140	106,141	4,072
196	120,843	9,505
0	16,868	0
11,972	106,388	3,126
0	6,613,500	0
0	907,800	55,000
0	1,474,122	0
0	95,803	0
0	134,702	0
<u>14,179</u>	<u>9,859,274</u>	<u>111,653</u>

(continued)

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2015
(continued)

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Non-Current Liabilities</u>				
Compensated Absences Payable	\$264,188	\$36,557	\$0	\$80,470
General Obligation Bonds Payable	7,630,611	0	170,000	8,639,739
OWDA Loans Payable	8,769,841	0	0	0
OPWC Loans Payable	699,833	0	0	370,422
Postclosure Costs Payable	0	0	1,455,641	0
Net Pension Liability	1,073,133	694,380	0	315,627
Total Non-Current Liabilities	18,437,606	730,937	1,625,641	9,406,258
Total Liabilities	23,349,523	998,645	1,765,254	13,932,115
<u>Deferred Inflows of Resources</u>				
Pension	18,853	12,199	0	5,545
<u>Net Position</u>				
Net Investment in Capital Assets (Deficit)	1,871,469	753,790	162,571	6,028,197
Unrestricted (Deficit)	3,051,596	3,566,343	(1,764,969)	(1,296,690)
Total Net Position (Deficit)	\$4,923,065	\$4,320,133	(\$1,602,398)	\$4,731,507

Net position reported for business-type activities on the statement of net position is different because it includes a proportionate share of the net position of the internal service fund.

Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$158	\$381,373	\$40,725
3,865,000	20,305,350	975,000
0	8,769,841	0
0	1,070,255	0
0	1,455,641	0
63,126	2,146,266	189,377
<u>3,928,284</u>	<u>34,128,726</u>	<u>1,205,102</u>
<u>3,942,463</u>	<u>43,988,000</u>	<u>1,316,755</u>
<u>1,109</u>	<u>37,706</u>	<u>3,327</u>
(204,735)	8,611,292	456,459
(306,117)	3,250,163	19,360
<u>(\$510,852)</u>	11,861,455	<u>\$475,819</u>
	<u>142,746</u>	
	<u>\$12,004,201</u>	

City of Marion
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Operating Revenues</u>				
Charges for Services	\$6,135,568	\$2,463,223	\$273,968	\$1,404,306
Other	47,490	23,598	3,748	30,581
Total Operating Revenues	6,183,058	2,486,821	277,716	1,434,887
<u>Operating Expenses</u>				
Personal Services	1,827,564	1,142,503	0	547,792
Contractual Services	1,258,555	607,718	(73,890)	161,041
Materials and Supplies	457,065	95,472	2,819	110,733
Depreciation	2,009,822	40,855	0	513,386
Other	309	0	0	119
Total Operating Expenses	5,553,315	1,886,548	(71,071)	1,333,071
Operating Income (Loss)	629,743	600,273	348,787	101,816
<u>Non-Operating Expenses</u>				
Interest Expense	(531,877)	(6,945)	(12,855)	(426,283)
Loss on Disposal of Capital Assets	0	(29,348)	0	(88,166)
Total Non-Operating Expenses	(531,877)	(36,293)	(12,855)	(514,449)
Income (Loss) before Contributions	97,866	563,980	335,932	(412,633)
Capital Contributions	830,989	0	0	343,984
Changes in Net Position	928,855	563,980	335,932	(68,649)
Net Position (Deficit) Beginning of Year (Restated - Note 3)	3,994,210	3,756,153	(1,938,330)	4,800,156
Net Position (Deficit) End of Year	\$4,923,065	\$4,320,133	(\$1,602,398)	\$4,731,507

The change in net position reported for business-type activities on the statement of activities is different because it includes a proportionate share of the net loss of the internal service fund.

Change in Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$169,444	\$10,446,509	\$978,053
245,063	350,480	2,151
414,507	10,796,989	980,204
129,297	3,647,156	273,678
65,305	2,018,729	62,961
40,661	706,750	634,948
68,245	2,632,308	44,711
260	688	0
303,768	9,005,631	1,016,298
110,739	1,791,358	(36,094)
(143,669)	(1,121,629)	(38,446)
0	(117,514)	0
(143,669)	(1,239,143)	(38,446)
(32,930)	552,215	(74,540)
0	1,174,973	0
(32,930)	1,727,188	(74,540)
(477,922)		550,359
(\$510,852)		\$475,819
	(22,362)	
	\$1,704,826	

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$6,493,348	\$2,608,673	\$273,968	\$890,626
Cash Payments for Personal Services	(1,905,873)	(1,190,972)	0	(576,702)
Cash Payments for Contractual Services	(1,249,834)	(746,764)	(66,611)	(175,777)
Cash Payments to Vendors	(383,088)	(97,702)	(1,505)	(100,040)
Cash Received from Other Revenues	47,490	24,250	3,748	30,581
Cash Payments for Other Expenses	(309)	0	0	(119)
Net Cash Provided by Operating Activities	<u>3,001,734</u>	<u>597,485</u>	<u>209,600</u>	<u>68,569</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital Grants	275,361	0	0	329,060
Principal Paid on Bond Anticipation Notes	(2,613,030)	(341,000)	0	(3,859,470)
Principal Paid on General Obligation Bonds	(344,480)	0	0	(535,820)
Principal Paid on OWDA Loans	(1,535,168)	0	(198,563)	0
Principal Paid on OPWC Loans	(69,923)	0	0	(23,114)
Interest Paid on Bond Anticipation Notes	(44,205)	(4,852)	0	(64,865)
Interest Paid on General Obligation Bonds	(299,717)	0	(6,344)	(345,646)
Interest Paid on OWDA Loans	(177,526)	0	(6,511)	0
Bond Anticipation Notes Issued	4,142,150	482,000	0	6,214,350
OPWC Loans Issued	79,162	0	0	91,959
Sale of Capital Assets	0	45,000	0	0
Acquisition of Capital Assets	(1,105,198)	(607,896)	0	(1,188,815)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,692,574)</u>	<u>(426,748)</u>	<u>(211,418)</u>	<u>617,639</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,309,160	170,737	(1,818)	686,208
Cash and Cash Equivalents Beginning of Year	<u>4,562,772</u>	<u>205,667</u>	<u>1,858</u>	<u>0</u>
Cash and Cash Equivalents End of Year	<u>\$5,871,932</u>	<u>\$376,404</u>	<u>\$40</u>	<u>\$686,208</u>

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$169,444	\$10,436,059	\$995,060
(130,874)	(3,804,421)	(294,017)
(63,809)	(2,302,795)	(81,053)
(40,624)	(622,959)	(555,234)
245,063	351,132	2,151
(260)	(688)	0
178,940	4,056,328	66,907
0	604,421	0
0	(6,813,500)	0
0	(880,300)	(51,250)
0	(1,733,731)	0
0	(93,037)	0
0	(113,922)	0
(143,669)	(795,376)	(38,531)
0	(184,037)	0
0	10,838,500	0
0	171,121	0
0	45,000	0
0	(2,901,909)	0
(143,669)	(1,856,770)	(89,781)
35,271	2,199,558	(22,874)
176,754	4,947,051	131,084
\$212,025	\$7,146,609	\$108,210

(continued)

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(continued)

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Operating Income (Loss)	\$629,743	\$600,273	\$348,787	\$101,816
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Depreciation	2,009,822	40,855	0	513,386
Provision for Uncollectible Accounts	0	(140,528)	0	0
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	329,416	124,694	0	(27,120)
Increase in Due from Other Governments	(3,982)	0	0	0
(Increase) Decrease in Interfund Receivable	(4,910)	0	0	0
(Increase) Decrease in Prepaid Items	881	(390)	(158)	711
Decrease in Materials and Supplies Inventory	10,541	50	0	52
Decrease in Accrued Wages Payable	(44,644)	(27,000)	0	(10,678)
Increase (Decrease) in Accounts Payable	(36,674)	(2,853)	(8,169)	(990)
Increase (Decrease) in Contracts Payable	104,351	0	2,630	(3,082)
Increase in Due to Other Governments	17,398	14,239	3	5,950
Increase (Decrease) Interfund Payable	2,903	(1,241)	1,388	(498,415)
Increase (Decrease) in Compensated Absences Payable	14,194	7,053	0	(5,030)
Decrease in Postclosure Costs Payable	0	0	(134,881)	0
Decrease in Net Pension Liability	(19,784)	(12,801)	0	(5,819)
Decrease in Deferred Outflows - Pension	1,178	762	0	346
Decrease in Deferred Inflows - Pension	(8,699)	(5,628)	0	(2,558)
Net Cash Provided by Operating Activities	<u>\$3,001,734</u>	<u>\$597,485</u>	<u>\$209,600</u>	<u>\$68,569</u>

Non-Cash Capital Financing Activities

At December 31, 2015, the Sewer enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$11,591.

At December 31, 2015, the Sewer enterprise fund accepted a donation of depreciable capital assets from outside sources, in the amount of \$544,617.

At December 31, 2015, the Storm Water enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$15,504.

See Accompanying Notes to the Basic Financial Statements

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$110,739	1,791,358	(\$36,094)
68,245	2,632,308	44,711
0	(140,528)	0
0	426,990	0
0	(3,982)	(705)
0	(4,910)	17,712
(2)	1,042	21
37	10,680	67,290
(273)	(82,595)	(6,318)
1,498	(47,188)	(5,651)
0	103,899	0
45	37,635	2,566
0	(495,365)	(43)
257	16,474	(11,763)
0	(134,881)	0
(1,163)	(39,567)	(3,491)
69	2,355	207
(512)	(17,397)	(1,535)
\$178,940	\$4,056,328	\$66,907

City of Marion
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$181,100
Cash and Cash Equivalents in Segregated Accounts	82,887
Due from External Parties	<u>1,802</u>
Total Assets	<u><u>\$265,789</u></u>
 <u>Liabilities</u>	
Undistributed Assets	<u><u>\$265,789</u></u>

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY OF MARION AND THE REPORTING ENTITY

A. The City

The City of Marion is a statutory municipal corporation established and operated under the laws of the State of Ohio. Marion was incorporated as a city in 1890.

The City operates under a mayor-council form of government. Legislative power is vested in a nine-member council and a council president, each elected to two-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Safety Director and Service Director, are elected positions. The Safety Director and Service Director are appointed by the Mayor.

The City is divided into various departments and financial management and control systems. Services provided include police protection, fire protection, street maintenance and repair, parks and recreation, public transit system, sewer, recycling, and sanitation, as well as staff support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Marion consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Marion in 2015.

The City participates in two insurance pools, the Ohio Municipal Joint Self-Insurance Pool and the Ohio Rural Water Association Workers' Compensation Group Rating Plan, and two jointly-governed organizations, the Marion County General Health District and the Marion Port Authority. These organizations are presented in Notes 22 and 23 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Marion have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned that is required to be used to support a particular program. Revenues which 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 program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the proprietary fund financial statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are reported in three categories; governmental, proprietary, and fiduciary.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance, and Repair Fund - This fund accounts for 92.5 percent of the state gasoline tax and motor vehicle registration fees as well as .075 percent voted municipal income tax restricted for maintenance and repair of streets within the City.

Police, Dispatch, and Fire Income Tax Fund - This fund accounts for a voted .875 income tax levy restricted to subsidizing operations of the police, dispatch, and fire departments.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service:

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Sewer Fund - The Sewer Fund accounts for the provision of wastewater treatment service to residential and commercial users within the City.

Sanitation Fund - The Sanitation Fund accounts for garbage collection and recycling services provided to residential and commercial users within the City.

Landfill Fund - The Landfill Fund accounts for the ongoing postclosure activities at the landfill which closed in 1995.

Storm Water Fund - The Storm Water Fund accounts for the operation of the storm water runoff system within the City.

Aquatics Center - The Aquatics Center Fund accounts for the operation of the City Aquatics Center.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Fund - The internal service fund accounts for the City's central garage which provides for vehicle maintenance for departments of the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2015. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for employee payroll withholdings and deductions, for insurance proceeds held by the City to secure proper handling of fire damaged structures until adequately repaired or demolished, fines and fees collected by the Marion Municipal Court (excluding those due to the City of Marion), and fines collected by the City for traffic and parking violations distributed to other parties.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and explained in Note 14 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and explained in Note 14 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City prior to year end.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

F. Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents that are held separately within departments of the City are recorded as “Cash and Cash Equivalents in Segregated Accounts”.

During 2015, investments included nonnegotiable and negotiable certificates of deposit, Ohio local government securities, federal agency securities, and mutual funds. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market price or current share price.

Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2015 was \$84,415, which includes \$67,263 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Monies required to be set aside for postclosure costs at the landfill are reported as restricted.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. Capital assets used by the internal service fund are reported in both the governmental activities column on the government-wide statement of net position and in the fund.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of fifteen thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized. No interest was capitalized for 2015.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20-50 years	25 years
Buildings and Building Improvements	10-100 years	15-75 years
Equipment	5-40 years	8-50 years
Vehicles	5-30 years	5-15 years
Streets	10-40 years	N/A
Sewer and Storm Water Lines	N/A	50 years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances".

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in City policies or by union contracts. The City records a liability for accumulated unused sick leave for all employees with ten or more years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, net pension liability and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds and long-term loans are recognized as liabilities on the fund financial statements when due.

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for maintenance and repair of State highways, various economic development related grants, the transit system, and a number of law enforcement grants. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash. It also includes the long-term portion of interfund receivables.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. The committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Safety Director and the Service Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The City Council has also assigned fund balance to cover a gap between estimated resources and appropriations in the 2016 budget, amounts for airport improvements, and other miscellaneous purposes.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer, sanitation, and storm water, charges for anticipated postclosure costs at the landfill, admission charges for the Aquatics Center, and charges for vehicle maintenance in the internal service fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Capital Contributions

Capital contributions arise from contributions of capital assets from other governments.

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the pension plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For 2015, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". GASB Statement No. 68 established standards for measuring and recognizing pension liabilities, deferred outflows and deferred inflows of resources, and pension expenses/expenditures. The implementation of this statement had the following effect on net position as previously reported on December 31, 2014.

	Sewer	Sanitation	Landfill	Storm Sewer	Aquatics Center	Internal Service
Net Position (Deficit) at December 31, 2014	\$4,912,204	\$4,350,148	(\$1,938,330)	\$5,070,154	(\$423,922)	\$712,358
Net Pension Liability	(1,048,895)	(678,696)	0	(308,498)	(61,700)	(185,099)
Deferred Outflows - Payment Subsequent to Measurement Date	130,901	84,701	0	38,500	7,700	23,100
Adjusted Net Position (Deficit) at December 31, 2014	<u>\$3,994,210</u>	<u>\$3,756,153</u>	<u>(\$1,938,330)</u>	<u>\$4,800,156</u>	<u>(\$477,922)</u>	<u>\$550,359</u>

	Governmental Activities	Business-Type Activities
Net Position December 31, 2014	\$65,680,429	\$12,105,602
Net Pension Liability	(18,461,034)	(2,097,789)
Deferred Outflows - Payment Subsequent to Measurement Date	1,744,603	261,802
Internal Balances	(29,760)	29,760
Restated Net Position December 31, 2014	<u>\$48,934,238</u>	<u>\$10,299,375</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred outflows or deferred inflows of resources as the information needed to generate these restatements was not available.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2015, the following funds had a deficit fund balance/net position:

Fund Type/Fund	Deficit
Nonmajor Capital Projects Funds	
CDBG	\$1,322
Capital Improvements	360,099
Enterprise Funds	
Landfill	1,602,398
Aquatics Center	510,852

The deficit fund balance in the CDBG capital projects fund resulted from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficit fund balance in the Capital Improvements capital projects fund was caused by the requirement to report the bond anticipation note liability in the fund receiving the note proceeds. The deficit will be alleviated when the notes are paid.

The deficit net position in the Landfill enterprise fund resulted from the requirement to report future postclosure costs. The City is setting aside resources to pay these future costs as they come due. The deficit net position in the Aquatics Center enterprise fund is due to the facility not yet generating enough revenue to cover the cost of its operation. This is still a relatively new facility.

B. Compliance

For the year ended December 31, 2015, the Police, Dispatch, and Fire Income Tax special revenue fund had original appropriations in excess of estimated resources plus available balances, in the amount of \$439,060. The Auditor will review appropriations to ensure they are within amounts available.

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2015.

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
General Government - Other			
Engineer			
Contractual Services	\$12,492	\$12,507	\$15

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE (continued)

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Special Revenue Fund			
MMC Assistance			
General Government - Court			
Municipal Court			
Materials and Supplies	\$3,723	\$9,723	\$6,000
Debt Service Fund			
Bond Retirement			
Debt Service			
Interest and Fiscal Charges	97,548	107,879	10,331
Capital Projects Fund			
Capital Improvements			
Transfers Out	143,612	153,943	10,331
Enterprise Funds			
Sewer			
Sewage Improvement			
Capital Outlay	868,639	933,993	65,354
Storm Water			
Storm Water Improvement			
Capital Outlay	1,051,804	1,131,685	79,881
Debt Service			
Interest Expense	360,018	410,511	50,493
Internal Service Fund			
Central Garage			
Debt Service			
Interest Expense	19,266	38,531	19,265

The Auditor will monitor budgetary transactions to ensure expenditures are within amounts appropriated.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund and the Street Construction, Maintenance, and Repair, and Police, Dispatch, and Fire Income Tax special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

Changes in Fund Balance

	<u>General</u>	<u>Street Construction, Maintenance, and Repair</u>	<u>Police, Dispatch, and Fire Income Tax</u>
GAAP Basis	\$737,564	(\$1,067,952)	\$489,514
<u>Increases (Decreases) Due To</u>			
Revenue Accruals:			
Accrued 2014, Received in Cash 2015	864,742	157,889	623,396
Accrued 2015, Not Yet Received in Cash	(1,823,298)	638,500	(684,017)
Expenditure Accruals:			
Accrued 2014, Paid in Cash 2015	(340,118)	(83,668)	(634,410)
Accrued 2015, Not Yet Paid in Cash	229,656	326,041	441,283
Cash Adjustments:			
Unrecorded Activity 2014	(160,237)	0	0
Unrecorded Activity 2015	73,839	(16,771)	(111,325)
Prepaid Items	(3,956)	(290)	(1,230)
Materials and Supplies Inventory	194	93,541	1,854
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses into Financial Statement Fund Types	(70)	0	0
Advances In	73,070	0	0
Transfers In	0	(796,976)	0
Transfer Out	884,469	0	0
Bond Anticipation Notes Retired	0	(200,000)	0
Budget Basis	<u>\$535,855</u>	<u>(\$949,686)</u>	<u>\$125,065</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the city treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the City Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

4. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$433,738 of the City's bank balance of \$3,248,757 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2015, the City had the following investments:

	Fair Value	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Negotiable Certificates of Deposit	\$3,590,963	\$2,500,186	\$0	\$0	\$1,090,777
Ohio Local Government Bonds	4,782,510	838,566	3,943,944	0	0
Federal Farm Credit Bank Notes	1,241,533	0	0	0	1,241,533
Federal Home Loan Bank Notes	1,493,250	0	0	0	1,493,250
Federal Home Loan Mortgage Corporation Notes	745,265	0	0	0	745,265
Federal National Mortgage Association Bonds	350,501	0	0	350,501	0
Mutual Funds	376,696	376,696	0	0	0
	<u>\$12,580,718</u>	<u>\$3,715,448</u>	<u>\$3,943,944</u>	<u>\$350,501</u>	<u>\$4,570,825</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the City from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

Negotiable certificates of deposit are generally covered by FDIC insurance. The Ohio local government bonds carry a rating of Aa1 to A2 by Moody's. The federal agency securities carry a rating of Aaa by Moody's. The mutual funds carry a rating of AA by Moody's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The City places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of investments to the City's total portfolio:

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$3,590,963	28.54%
Ohio Local Government Bonds	4,782,510	38.01
Federal Farm Credit Bank	1,241,533	9.87
Federal Home Loan Bank	1,493,250	11.87
Federal Home Loan Mortgage Corporation	745,265	5.92
Federal National Mortgage Association	350,501	2.79

NOTE 7 - RECEIVABLES

Receivables at December 31, 2015, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; interfund; property taxes; payment in lieu of taxes, and notes. Receivables are considered collectible in full and within one year, except for municipal income taxes, interfund, property taxes, and notes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$578,590 will not be received within one year.

Notes receivable represent low interest loans for development projects granted to eligible City businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 2 percent to 5.473 percent and are to be repaid over periods ranging from six to twenty years. A summary of the changes in notes receivable during 2015 follows:

	Balance December 31, 2014	New Loans	Repayments	Balance December 31, 2015
Special Revenue Fund				
Revolving Loans	\$437,803	\$0	\$0	\$437,803
Debt Service Fund				
Harding Centre Loan	218,702	0	37,894	180,808
	<u>\$656,505</u>	<u>\$0</u>	<u>\$37,894</u>	<u>\$618,611</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$80,624
Local Government	326,602
Cigarette Tax	817
Total General Fund	408,043
Street Construction, Maintenance, and Repair	
Gasoline Tax	482,022
Motor Vehicle License Tax	101,706
Total Street Construction, Maintenance, and Repair	583,728
Police, Dispatch, and Fire Income Tax	
Ohio Police and Fire	417
Bulletproof Vest Grant	1,548
Overtime Grant	2,925
Total Police, Dispatch, and Fire Income Tax	4,890
Total Major Funds	996,661
Nonmajor Funds	
Senior Citizens	
Ohio District 5 Area on Aging	14,315
State Highway	
Gasoline Tax	39,134
Motor Vehicle License Tax	7,531
Total State Highway	46,665

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
School Resource Officer	
School Resource Officer	\$6,021
Community Corrections	
Community Based Corrections	106,445
Police and Fire Pension	
Homestead and Rollback	14,650
Capital Improvements	
Department of Justice Grant	6,849
Total Nonmajor Funds	194,945
Internal Service Fund	
Marion City School District	705
Total Governmental Activities	\$1,192,311
 Business-Type Activities	
Sewer	
Ohio Public Works Commission	\$11,591
Wyandot County	3,982
Total Sewer	15,573
Storm Water	
Ohio Public Works Commission	15,504
Total Business-Type Activities	\$31,077

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies an income tax of 2 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 50 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenue is credited to the General Fund; the Street Construction, Maintenance, and Repair and the Police, Dispatch, and Fire Income Tax special revenue funds; and the Capital Improvements capital projects fund, in the amount of 1 percent, .075 percent, .875 percent, and .05 percent, respectively.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2015 represent the collection of 2014 taxes. Real property taxes received in 2015 were levied after October 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2015 represent the collection of 2014 taxes. Public utility real and tangible personal property taxes received in 2015 became a lien on December 31, 2013, were levied after October 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Marion. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2015, was \$4.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$263,070,800
Commercial/Industrial	80,952,900
Public Utility Real	167,860
Public Utility Personal	29,015,140
Total	\$373,206,700

NOTE 10 - PAYMENT IN LIEU OF TAXES

According to State law, the City has entered into agreements with a number of property owners under which the City has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the City which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The property owners contractually promise to make these payments in lieu of taxes until the agreement expires.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$8,657,223	\$26,110	(\$355,927)	\$8,327,406
Construction in Progress	57,358	0	(57,358)	0
Total Nondepreciable Capital Assets	<u>8,714,581</u>	<u>26,110</u>	<u>(413,285)</u>	<u>8,327,406</u>
Depreciable Capital Assets				
Land Improvements	2,477,894	0	0	2,477,894
Buildings and Building Improvements	26,106,273	29,971	(9,886)	26,126,358
Equipment	2,809,028	23,476	0	2,832,504
Vehicles	4,806,798	699,685	(40,987)	5,465,496
Streets	139,477,099	1,261,373	(647,229)	140,091,243
Total Depreciable Capital Assets	<u>175,677,092</u>	<u>2,014,505</u>	<u>(698,102)</u>	<u>176,993,495</u>
Less Accumulated Depreciation for				
Land Improvements	(487,540)	(120,641)	0	(608,181)
Buildings and Building Improvements	(6,071,002)	(405,276)	7,326	(6,468,952)
Equipment	(1,572,631)	(186,068)	0	(1,758,699)
Vehicles	(2,613,236)	(253,570)	40,987	(2,825,819)
Streets	(111,456,164)	(3,799,735)	499,758	(114,756,141)
Total Accumulated Depreciation	<u>(122,200,573)</u>	<u>(4,765,290)</u>	<u>548,071</u>	<u>(126,417,792)</u>
Total Depreciable Capital Assets, Net	<u>53,476,519</u>	<u>(2,750,785)</u>	<u>(150,031)</u>	<u>50,575,703</u>
Governmental Activities Capital Assets, Net	<u>\$62,191,100</u>	<u>(\$2,724,675)</u>	<u>(\$563,316)</u>	<u>\$58,903,109</u>

Governmental activities accepted contributions of nondepreciable and depreciable capital assets from outside sources with a fair value of \$26,110 and \$104,339, respectively.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 11 - CAPITAL ASSETS (continued)

	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$593,000	\$0	\$0	\$593,000
Construction in Progress	192,022	2,138,933	(2,260,213)	70,742
Total Nondepreciable Capital Assets	<u>785,022</u>	<u>2,138,933</u>	<u>(2,260,213)</u>	<u>663,742</u>
Depreciable Capital Assets				
Buildings	27,489,025	544,617	0	28,033,642
Equipment	4,710,792	129,349	0	4,840,141
Vehicles	1,852,369	634,783	(236,666)	2,250,486
Sewer and Storm Water Lines	42,236,427	2,260,213	(138,995)	44,357,645
Total Depreciable Capital Assets	<u>76,288,613</u>	<u>3,568,962</u>	<u>(375,661)</u>	<u>79,481,914</u>
Less Accumulated Depreciation for				
Buildings	(14,694,642)	(1,647,400)	0	(16,342,042)
Equipment	(3,366,251)	(170,989)	0	(3,537,240)
Vehicles	(1,122,679)	(73,111)	162,318	(1,033,472)
Sewer and Storm Water Lines	(16,690,337)	(740,808)	50,829	(17,380,316)
Total Accumulated Depreciation	<u>(35,873,909)</u>	<u>(2,632,308)</u>	<u>213,147</u>	<u>(38,293,070)</u>
Total Depreciable Capital Assets, Net	<u>40,414,704</u>	<u>936,654</u>	<u>(162,514)</u>	<u>41,188,844</u>
Business-Type Activities Capital Assets, Net	<u>\$41,199,726</u>	<u>\$3,075,587</u>	<u>(\$2,422,727)</u>	<u>\$41,852,586</u>

The Sewer enterprise fund accepted contributions of depreciable capital assets from outside sources with a fair value of \$544,617.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$105,945
Security of Persons and Property - Fire	99,981
Public Health	236
Leisure Time Activities	55,634
Transportation - Transit	64,800
Transportation - Other	4,049,899
General Government - Court	9,922
General Government - Other	378,873
Total Depreciation Expense - Governmental Activities	<u>\$4,765,290</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at December 31, 2015, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Other Governmental	\$220,837
<hr/>	
Due to Street Construction, Maintenance, and Repair Fund from:	
General	\$1,025,066
<hr/>	
Due to Other Governmental Funds from:	
General	\$221,072
<hr/>	
Due to Sewer Fund from:	
General	\$540
Police, Dispatch, and Fire Income Tax	3,172
Other Governmental	78
Landfill	1,476
<hr/>	
Total Sewer Fund	\$5,266
<hr/>	
Due to Internal Service Fund from:	
General	\$368
Street Construction, Maintenance, and Repair	8,050
Police, Dispatch, and Fire Income Tax	12,912
Other Governmental	9,031
Sewer	6,171
Sanitation	9,123
Storm Water	98
<hr/>	
Total Internal Service Fund	\$45,753
<hr/>	

The balance due to the General Fund consists of loans made to provide working capital for operations or projects. Of this amount, \$139,600 will not be received within one year.

The amount due to the Street Construction, Maintenance, and Repair Fund was for misallocated income tax revenue recorded to the General Fund. None of this amount is expected to be received within one year.

The amount due to the other governmental funds was for misallocated income tax revenue recorded to the General Fund. None of this amount is expected to be received within one year.

The amount due to the Sewer Fund resulted from services provided. This amount is expected to be received within one year.

The amount due to the Internal Service Fund resulted from services provided. This amount is expected to be received within one year.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 13 - RISK MANAGEMENT

The City participates in the Ohio Municipal Joint Self-Insurance Pool, a public entity shared risk pool. The City pays an annual premium to the pool for various types of insurance coverage. Member municipalities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal. During 2015, the City had the following insurance coverage:

Type of Coverage	Coverage	Deductible
Property	\$57,441,786	\$1,000
General Liability		
Aggregate	5,000,000	5,000
Law Enforcement Liability	5,000,000	5,000
Emergency Medical Services Liability	5,000,000	5,000
Employee Benefits Liability	1,000,000	5,000
Automobile Liability	5,000,000	0
Uninsured Motorists	40,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been any significant reduction in coverage from the prior year.

For 2015, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

The City may withdraw from the plan if written notice is provided sixty days prior to the prescribed application deadline to the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation, including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) they benefit from employee services, and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information).

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for twelve months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer			
Pension	12.0 %	16.1 %	16.1 %
Postemployment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.

** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$847,285 for 2015. Of this amount, \$81,626 is reported as an intergovernmental payable.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - Full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, an OPF member may retire and receive a lifetime monthly pension. OPF offers four types of service retirement; normal, service commuted, age/service commuted, and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit.

Under normal service retirement, retired members who are at least fifty-five years old and have been receiving OPF benefits for at least one year may be eligible for a cost of living allowance adjustment. The age fifty-five provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the twelve month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least fifteen years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee		
January 1, 2015, through July 1, 2015	11.50 %	11.50 %
July 2, 2015, through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Employee		
January 1, 2015, through July 1, 2015	11.50 %	11.50 %
July 2, 2015, through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,335,461 for 2015. Of this amount, \$22,373 is reported as an intergovernmental payable.

Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	OPERS	OPF	Total
Proportionate Share of the Net Pension Liability	\$6,312,547	\$15,305,024	\$21,617,571
Proportion of the Net Pension Liability	0.05233800%	0.29544000%	
Pension Expense	\$686,668	\$1,492,934	\$2,179,602

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	OPERS	OPF	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$336,818	\$659,632	\$996,450
City contributions subsequent to the measurement date	847,285	1,335,461	2,182,746
Total Deferred Outflows of Resources	\$1,184,103	\$1,995,093	\$3,179,196
Deferred Inflows of Resources			
Difference between expected and actual experience	\$110,899	\$0	\$110,899

\$2,182,746 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS	OPF	Total
Year Ending December 31,			
2016	\$33,036	\$164,908	\$197,944
2017	33,036	164,908	197,944
2018	75,644	164,908	240,552
2019	84,203	164,908	249,111
Total	\$225,919	\$659,632	\$885,551

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent, including wage inflation
COLA or Ad Hoc COLA	3 percent simple
Investment Rate of Return	8 percent
Actuarial Cost Method	individual entry age

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Mortality rates were based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 Mortality Table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefits portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the combined plan, the annuitized accounts of the member-directed plan, and the VEBA Trust. Within the Defined Benefits portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expenses, for the Defined Benefits portfolio was 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefits portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plan. The table below displays the board approved asset allocation policy for 2014 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	100.00 %	5.28 %

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$11,613,279	\$6,312,547	\$1,848,055

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2014, is based on the results of an actuarial valuation date of January 1, 2014, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of January 1, 2014, are presented below.

Valuation Date	January 1, 2014
Actuarial Cost Method	entry age normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.6 percent and 3 percent

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Mortality rates are based on the RP-2000 Combined Table, age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equities	16.00	4.47
Non-U.S. Equities	16.00	4.47
Core Fixed Income*	20.00	1.62
Global Inflation Protected*	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.25 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's Proportionate Share of the Net Pension Liability	\$21,169,163	\$15,305,024	\$10,339,881

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit postemployment health care trusts which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement, and Medicare Part B premium reimbursements to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits including OPERS sponsored health care coverage.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees and the traditional pension and combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a retiree medical account for member-directed plan members.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. The portion of the employer contribution allocated to health care for members in both the traditional pension and combined plans was 2 percent for 2015. As recommended by the OPERS actuary, the portion of the employer contribution allocated to health care beginning January 1, 2016, remained at 2 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the VEBA for participants in the member-directed plan was 4.5 percent for 2015.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$141,214, \$128,335, and \$62,892, respectively. For 2015, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the OPF website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as a percentage of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

The City's contribution to OPF for the years ended December 31, 2015, 2014, and 2013, was \$1,366,897, \$1,265,469, and \$1,241,264, respectively, of which \$31,436, \$29,072, and \$209,377 was allocated to the health care plan. For 2015, 98 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

NOTE 16 - OTHER EMPLOYEE BENEFITS

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

City employees earn and accumulate vacation at varying rates depending upon length of service and standard work week. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Upon retirement, employees are entitled to the value of their accumulated unused sick leave at varying percentages to a maximum of ninety to one hundred twelve and one-half days based on City policy and union contracts.

NOTE 17 - NOTES PAYABLE

The changes in the City's notes payable during 2015 were as follows:

	Interest Rate	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015
<u>Governmental Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2014 Various Purpose	1.50%	\$955,100	\$0	\$955,100	\$0
2015B Various Purpose	2.00	0	728,000	0	728,000
Total Governmental Activities		<u>\$955,100</u>	<u>\$728,000</u>	<u>\$955,100</u>	<u>\$728,000</u>
 <u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2014 Various Purpose	1.50%	\$2,588,500	\$0	\$2,588,500	\$0
2015A Various Purpose	1.88	0	4,225,000	4,225,000	0
2015B Various Purpose	2.00	0	6,613,500	0	6,613,500
Total Business-Type Activities		<u>\$2,588,500</u>	<u>\$10,838,500</u>	<u>\$6,813,500</u>	<u>\$6,613,500</u>

According to Ohio law, notes may be issued in anticipation of bond proceeds or for up to 50 percent of anticipated revenue collections.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 17 - NOTES PAYABLE (continued)

On September 11, 2014, the City issued \$3,543,600 in bond anticipation notes; \$300,000 for City Hall improvements, \$200,000 for street resurfacing, \$312,000 for the purchase of an EMS vehicle, \$27,000 for the purchase of an engineering truck, \$116,100 for the purchase of police vehicles, \$1,083,910 for sewer improvements, and \$1,504,590 for storm water improvements. The notes matured on September 10, 2015.

On April 7, 2015, the City issued \$4,225,000 in bond anticipation notes; \$1,529,120 for sewer improvements, \$341,000 for the purchase of two packers for the sanitation department, and \$2,354,880 for storm water improvements. The notes matured on September 10, 2015.

On September 10, 2015, the City issued \$7,341,500 in bond anticipation notes; \$300,000 for City Hall improvements, \$312,000 for the purchase of an EMS vehicle, \$116,000 for the purchase of police vehicles, \$2,613,030 for sewer improvements, \$141,000 for the purchase of two packers for the sanitation department, and \$3,859,470 for storm water improvements. The notes mature on September 8, 2016. As of December 31, 2015, \$3,064,336 of the proceeds had not been spent.

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2015, was as follows:

	Interest Rate	Restated Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2010 Police and Fire Pension Refunding						
(Original Amount \$794,300)	2-4.3%	\$464,100	\$0	\$72,800	\$391,300	\$74,100
2010 Street Improvement						
(Original Amount \$1,598,850)	2-4.3	1,280,400	0	61,050	1,219,350	62,700
2010 Computer Equipment						
(Original Amount \$775,200)	2-4.3	620,800	0	29,600	591,200	30,400
2010 City Hall Roof						
(Original Amount \$110,000)	2-3.75	90,000	0	5,000	85,000	5,000
2010 Generator						
(Original Amount \$225,000)	2-3.75	185,000	0	10,000	175,000	10,000
2010 Fire Truck						
(Original Amount \$320,000)	2-3.75	200,000	0	30,000	170,000	30,000
2010 Police Records						
(Original Amount \$355,000)	2-3.75	220,000	0	35,000	185,000	35,000
2010 Central Garage						
(Original Amount \$1,376,250)	1.75-4	1,081,250	0	51,250	1,030,000	55,000
Total General Obligation Bonds		4,141,550	0	294,700	3,846,850	302,200

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Governmental Activities</u> (continued)						
Other Long-Term Obligations						
ODOT DRIP TIF						
(Original Amount \$2,105,884)	0.00%	\$363,809	\$0	\$86,602	\$277,207	\$89,440
OPWC Loan						
#CP10D Marion Williamsport Road Improvements						
(Original Amount \$128,202)	0.00	51,282	0	6,410	44,872	6,410
Net Pension Liability						
Ohio Public Employees Retirement System						
		4,072,179	94,102	0	4,166,281	0
Ohio Police and Fire						
		14,388,855	916,169	0	15,305,024	0
Total Net Pension Liability						
		18,461,034	1,010,271	0	19,471,305	0
Compensated Absences Payable						
		3,962,771	483,713	471,428	3,975,056	431,611
Total Other Long-Term Obligations						
		22,838,896	1,493,984	564,440	23,768,440	527,461
Total Governmental Activities						
		\$26,980,446	\$1,493,984	\$859,140	\$27,615,290	\$829,661

	Interest Rate	Restated Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose A						
(Original Amount \$7,786,650)	2-4.3%	\$5,084,700	\$0	\$581,550	\$4,503,150	\$592,800
2010 Various Purpose B						
(Original Amount \$7,183,750)	1.75-4	5,813,750	0	278,750	5,535,000	295,000
2012 Various Purpose						
(Original Amount \$11,235,000)	2-4	11,195,000	0	20,000	11,175,000	20,000
Total General Obligation Bonds						
		22,093,450	0	880,300	21,213,150	907,800
Other Long-Term Obligations						
OWDA Loans						
#2335 Solids Handling						
(Original Amount \$2,290,314)	4.56	256,451	0	169,033	87,418	87,418
#2336 Landfill Closure						
(Original Amount \$2,720,754)	4.35	198,563	0	198,563	0	0
#3397 WRRSP						
(Original Amount \$5,366,955)	1.50	2,340,841	0	277,531	2,063,310	281,710

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
OWDA Loans (continued)						
#3398 WWTP Upgrade						
(Original Amount \$20,784,201)	1.50%	\$9,181,839	\$0	\$1,088,604	\$8,093,235	\$1,104,994
Total OWDA Loans		11,977,694	0	1,733,731	10,243,963	1,474,122
OPWC Loans						
#CP06G Mary St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$29,232)	0.00	16,075	0	1,462	14,613	1,462
#CP10F Uncapher Ave/ Florence St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$268,990)	0.00	121,050	0	13,449	107,601	13,449
#CP16E Avondale Ave/ Catalina Dr Storm Water Replacement						
(Original Amount \$119,185)	0.00	44,691	0	5,960	38,731	5,960
#CP33E Water Pollution Control Upgrade						
(Original Amount \$1,070,800)	0.00	508,630	0	53,540	455,090	53,540
#CP14L Franconia Avenue Sanitary Sewer and Storm Water Replacement						
(Original Amount \$107,827)	0.00	95,248	0	3,594	91,654	3,594
#CP05K Oakgrove and Waterloo Sanitary Sewer and Storm Water Replacement						
(Original Amount \$211,153)	0.00	174,200	0	10,558	163,642	10,558
#CP04M Woodrow and Henry Sanitary Sewer and Storm Water Replacement						
(Original Amount \$60,993)	0.00	54,891	0	2,034	52,857	2,034
#CP04N Milburn Sanitary Sewer and Storm Water Replacement						
(Original Amount \$73,189)	0.00	73,189	0	2,440	70,749	2,439

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
OPWC Loans (continued)						
#CP12R Latourette Sanitary Sewer and Storm Water Replacement						
(Original Amount \$5,121)	0.00%	\$0	\$5,121	\$0	\$5,121	\$0
#CP12R North Greenwood Sanitary Sewer and Storm Water Replacement						
(Original Amount \$166,000)	0.00	0	166,000	0	166,000	2,767
Total OPWC Loans		1,087,974	171,121	93,037	1,166,058	95,803
Net Pension Liability						
Ohio Public Employees Retirement System		2,097,789	48,477	0	2,146,266	0
Compensated Absences Payable		485,742	27,111	10,637	502,216	120,843
Postclosure Costs Payable		1,725,224	0	134,881	1,590,343	134,702
Total Other Long-Term Obligations		17,374,423	246,709	1,972,286	15,648,846	1,825,470
Total Business-Type Activities		\$39,467,873	\$246,709	\$2,852,586	\$36,861,996	\$2,733,270

General Obligation Bonds

On June 9, 2010, the City issued general obligation refunding bonds, in the amount of \$6,110,000, to refund general obligation bonds previously issued in 2000 to pay the long-term liability to the Police and Fire Pension System and to construct and replace sewer and storm water lines. The bonds were issued for a ten year period, with final maturity in 2020. The bonds will be retired through the Bond Retirement debt service fund and the Sewer and Storm Water enterprise funds.

On June 9, 2010, the City issued unvoted general obligation bonds, in the amount of \$4,845,000; \$708,483 to retire notes previously issued for constructing public infrastructure improvements related to constructing a portion of Wellness Drive, \$485,655 for constructing public infrastructure improvements related to constructing and extending Lakes Boulevard, \$404,712 for improving Barks Road between Delaware Avenue and State Route 529, \$775,200 for acquiring and installing a comprehensive financial management software system, \$1,884,922 for sewer and storm water improvements on Blaine Avenue, and \$586,028 for sewer and storm water improvements on Forest Lawn Boulevard. The bonds were issued for a twenty year period with final maturity in 2030. The bonds will be paid from the Bond Retirement debt service fund and from the Sewer and Storm Water enterprise funds.

As of December 31, 2015, all of the proceeds had been spent and \$701,680 was spent on items which were not capitalized.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2021	\$225,000

The remaining principal, in the amount of \$235,000, will be paid at stated maturity on December 1, 2022.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$240,000

The remaining principal, in the amount of \$250,000, will be paid at stated maturity on December 1, 2024.

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2025	\$260,000

The remaining principal, in the amount of \$270,000, will be paid at stated maturity on December 1, 2026.

The bonds maturing on December 1, 2028, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$285,000

The remaining principal, in the amount of \$295,000, will be paid at stated maturity on December 1, 2028.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2029	\$305,000

The remaining principal, in the amount of \$320,000, will be paid at stated maturity on December 1, 2030.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on or after December 1, 2021, are subject to optional redemption prior to maturity, on December 1, 2020, either in whole or in part, in such order as the City shall determine, on any date on or after December 1, 2020, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

On September 30, 2010, the City issued unvoted general obligation bonds, in the amount of \$9,570,000; \$1,010,000 to retire notes previously issued for roof repair and to purchase various equipment and a vehicle, \$1,376,250 for constructing, equipping, and furnishing a central garage building, \$3,085,287 for sewer improvements, and \$4,098,463 for storm water improvements. The bonds were issued for a twenty year period with final maturity in 2030. The bonds will be paid from the Bond Retirement debt service fund, the Sewer and Storm Water enterprise funds, and the Internal Service fund.

The bonds maturing on or after December 1, 2021, are subject to optional redemption prior to maturity, on December 1, 2020, either in whole or in part, in such order as the City shall determine, on any date on or after December 1, 2020, at a redemption price equal 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

On July 11, 2012, the City issued unvoted general obligation bonds, in the amount of \$11,235,000; \$9,400,000 to retire notes previously issued for sewer, landfill, and storm water improvements and construction of an Aquatic Center, \$120,000 for sewer and storm water improvements on Columbia Street, \$320,000 for sewer and storm water improvements on Oak Street, Milburn Avenue, and Meadow Street, \$45,000 for storm water improvements on Robinson Avenue, \$115,000 for sewer improvements on West Center Street, \$20,000 for improving Marion Plaza and Royal Oaks Subdivision, \$20,000 for Landfill improvements, \$365,000 additional proceeds for constructing an Aquatic Center, \$280,000 for sewer and storm water improvements on Latourette Street, \$275,000 for sewer and storm water improvements on Greenwood Street, and \$275,000 for sewer and storm water improvements on Orchard Street. The bonds were issued for a twenty year period with final maturity in 2033. The bonds will be paid from the from the Sewer, Landfill, Storm Water, and Aquatic Center enterprise funds.

As of December 31, 2015, all of the proceeds had been spent and \$867,731 was spent on items which were not capitalized.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2028	\$870,000
2029	905,000

The remaining principal, in the amount of \$945,000, will be paid at stated maturity on December 1, 2030.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2031	\$970,000
2032	1,105,000

The remaining principal, in the amount of \$1,055,000, will be paid at stated maturity on December 1, 2033.

ODOT DRIP TIF - On May 11, 1998, the City entered into a loan agreement with the Ohio Department of Transportation for road improvements to a new industrial park. The loan was issued for a twenty year period with final maturity in 2018. The loan will be paid from the Tax Incremental Financing capital projects fund.

Net Pension Liability - The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability, see Note 14 to the basic financial statements.

Compensated Absences - The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund; the Street Construction, Maintenance, and Repair; Senior Citizens; Police, Dispatch, and Fire Income Tax; and Marion Area Transit special revenue funds; the Sewer, Sanitation, Storm Water, and Aquatics Center enterprise funds; and the Central Garage internal service fund.

OWDA Loans

OWDA loans consist of money owed to the Ohio Water Development Authority for the replacement of the solids handling system and solids storage building, preservation of Edison Woods, and wastewater treatment plant improvements. OWDA loans will be paid from the Sewer and Landfill enterprise funds.

OWDA monies spent on items which were not capitalized were \$2,063,310 in the Sewer enterprise fund.

OPWC Loans

OPWC loans consist of money owed to the Ohio Public Works Commission for road improvements and for construction of sewer and storm water lines and related construction. OPWC loans will be paid from the Tax Incremental Financing capital projects fund and the Sewer and Storm Water enterprise funds.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

OWDA loans are payable solely from the gross revenues of the Sewer and Landfill enterprise funds and enterprise fund OPWC loans are payable solely from the gross revenues of the Sewer and Storm Water enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues. The total principal and interest remaining to be paid on the OWDA loans are \$10,243,963 and \$581,862, respectively, and total principal to be paid on the OPWC loans (on completed projects for which amortization schedules are available) is \$1,160,937. Principal and interest paid in the Sewer enterprise fund for the current year was \$1,605,091 and \$177,526, \$198,563 and \$6,511 in the Landfill enterprise fund, and \$23,114 in the Storm Water enterprise fund. Total net revenues for the Sewer enterprise fund was \$2,639,565, \$348,787 in the Landfill enterprise fund, and \$615,202 in the Storm Water enterprise fund. The OWDA loans are payable through 2022 and the OPWC loans are payable through 2046.

The City's legal debt margin was \$34,611,854 at December 31, 2015.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2015, were as follows:

Year	Governmental Activities				
	General Obligation Bonds		ODOT DRIP TIF		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2016	\$302,200	\$139,698	\$89,440	\$7,457	\$6,410
2017	310,950	132,065	92,370	4,745	6,410
2018	318,500	123,434	95,397	1,945	6,410
2019	332,250	113,577	0	0	6,410
2020	338,550	102,691	0	0	6,410
2021-2025	1,004,150	377,840	0	0	12,822
2026-2030	1,240,250	158,197	0	0	0
	<u>\$3,846,850</u>	<u>\$1,147,502</u>	<u>\$277,207</u>	<u>\$14,147</u>	<u>\$44,872</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The OPWC loan #CP12R North Greenwood Sanitary Sewer and Storm Water Replacement has not been completed. An amortization schedule for the repayment of the loan will not be available until the project is completed and, therefore, is not included in the following schedule.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015, from the enterprise funds were as follows:

Year	Business-Type Activities				
	General Obligation Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2016	\$907,800	\$774,862	\$1,474,122	\$148,478	\$95,803
2017	919,050	751,521	1,407,582	126,289	98,570
2018	946,500	725,625	1,428,775	105,096	98,570
2019	982,750	695,793	1,450,287	83,584	98,570
2020	1,011,450	663,177	1,472,123	61,748	98,570
2021-2025	6,090,850	2,729,375	3,011,074	56,667	364,771
2026-2030	7,314,750	1,506,705	0	0	120,792
2031-2035	3,040,000	246,600	0	0	73,287
2036-2040	0	0	0	0	68,006
2041-2045	0	0	0	0	41,231
2046	0	0	0	0	2,767
	\$21,213,150	\$8,093,658	\$10,243,963	\$581,862	\$1,160,937

NOTE 19 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1995. The \$1,590,343 reported as landfill postclosure costs at December 31, 2015, represents the estimated costs of maintenance and monitoring through 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The December 31, 2015, liability decreased from the prior year by \$134,881 due to a change in the estimate of postclosure costs.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. The City has passed the financial accountability test proving the ability to self-fund these future costs.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 20 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental
Nonspendable for:				
Interfund Loans	\$139,600	\$0	\$0	\$0
Materials and Supplies Inventory	19,504	88,820	5,819	1,015
Prepaid Items	16,549	4,541	16,649	1,860
Total Nonspendable	175,653	93,361	22,468	2,875
Restricted for:				
Airport Improvements	0	0	0	165,148
Court Operations	0	0	0	953,386
Debt Retirement	0	0	0	1,555,978
Economic Development and Rehabilitation	0	0	0	527,518
Park Improvements	0	0	0	581
Police and Fire Operations	0	0	587,347	76,838
Railroad Crossing Improvements	0	0	0	63,125
Senior Citizen Activities	0	0	0	283,340
Street Maintenance and Construction	0	1,243,404	0	307,504
Transit Operations	0	0	0	20,811
Youth Activities	0	0	0	5,443
Total Restricted	0	1,243,404	587,347	3,959,672
Committed for:				
Debt Retirement	0	0	0	7,079
Termination Benefits	1,762	0	0	0
Total Committed	1,762	0	0	7,079
Assigned for:				
Airport Improvements	150,596	0	0	0
Parking Meters	2,356	0	0	0
Projected Budget Shortage	515,902	0	0	0
Recreation	1,147	0	0	0
Safety Patrol	395	0	0	0
Softball Field Improvements	21,802	0	0	0
Underground Storage Tank	11,000	0	0	0
Wellness	32,522	0	0	0
Total Assigned	735,720	0	0	0
Unassigned (Deficit)	1,825,622	0	0	(361,421)
Total Fund Balance	\$2,738,757	\$1,336,765	\$609,815	\$3,608,205

NOTE 21 - INTERFUND TRANSFERS

During 2015, the General Fund made transfers to the Street Construction, Maintenance, and Repair, and Police, Dispatch, and Fire Income Tax special revenue funds and other governmental funds, in the amount of \$796,976, \$4,929,700, and \$300,262, respectively, to subsidize operations in those funds.

Other governmental funds made transfers to other governmental funds, in the amount of \$263,836, to make debt payments as they come due.

NOTE 22 - INSURANCE POOLS

A. Ohio Municipal Joint Self-Insurance Pool

The Ohio Municipal Joint Self-Insurance Pool, a risk-sharing pool, was established in 1987 to provide property and liability insurance coverage to its member municipalities. The Pool's objectives are to formulate, develop, and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of its member municipalities. The Pool is governed by a Board of Trustees elected from its membership. Each member has one vote on all issues addressed by the Board of Trustees. Participation in the pool is limited to Ohio municipalities and is by written application subject to the terms of the pool agreement. A member may withdraw its membership in the Pool at the end of any coverage period upon sixty days written notice to the Pool. Members who terminate participation in the Pool are subject to a supplemental assessment or a refund, at the discretion of the Board of Trustees, depending on the ultimate loss experience of its members for the coverage period. Financial information for the Pool may be obtained from the Ohio Municipal Joint Self-Insurance Pool, 1340 Depot Street, Cleveland, Ohio 44118.

B. Ohio Rural Water Association Workers' Compensation Group Rating Plan

The City participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Rural Water Association Workers' Compensation Group Rating Plan is an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating members. Financial information may be obtained from the Ohio Rural Water Association Workers' Compensation Group Rating Plan, 975 Linden Avenue, Zanesville, Ohio 43701.

NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS

A. Marion County General Health District

The City participates in the Marion County General Health District, a jointly governed organization created according to the provisions of Ohio Revised Code Section 3709.07. The General Health District is governed by a Board of Health consisting of three members representing the City of Marion and appointed by the Mayor, three members representing Marion County and appointed by the District Advisory Council, and one member appointed by the Health District Licensing Council. Each participant's ability to influence the operations of the Health District is limited to its representation on the Board. During 2015, the City contributed \$150,000 toward the operations of the General Health District. Financial information can be obtained from the Marion County Auditor, 222 West Center Street, Marion, Ohio 43302.

B. Marion Port Authority

The Marion Port Authority is a jointly governed organization between Marion County and the City of Marion. The Port Authority may acquire, purchase, construct, reconstruct, enlarge, furnish, equip, maintain, repair, sell, exchange, lease or rent to or from, operate, manage, or contract for the operation of management of the port authority facilities as defined in the Ohio Revised Code. The Port Authority is governed by a five member board of directors consisting of two members appointed by the Marion County Commissioners, two members appointed by the City of Marion, and one joint appointee. Each participant's ability to influence the operations of the Port Authority is limited to its representation of the board. Financial information can be obtained from the Marion Port Authority, 205 West Center Street, Marion, Ohio 43302.

NOTE 24 - CONTINGENT LIABILITIES

A. Litigation

The City of Marion is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Federal and State Grants

For the period January 1, 2015, to December 31, 2015, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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City of Marion
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.05233800%	0.05233800%
City's Proportionate Share of the Net Pension Liability	\$6,312,547	\$6,169,968
City's Covered Employee Payroll	\$6,416,733	\$6,289,238
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	98.38%	98.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Marion
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.29544000%	0.29544000%
City's Proportionate Share of the Net Pension Liability	\$15,305,024	\$14,388,855
City's Covered Employee Payroll	\$5,814,402	\$5,699,689
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	263.23%	252.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Marion
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employees Retirement System - Traditional Plan
 Last Three Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$847,285	\$770,008	\$817,601
Contributions in Relation to the Contractually Required Contribution	<u>(847,285)</u>	<u>(770,008)</u>	<u>(817,601)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Employee Payroll	\$7,060,707	\$6,416,733	\$6,289,238
Contributions as a Percentage of Covered Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

City of Marion
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,335,461	\$1,236,397	\$1,031,887	\$828,535
Contributions in Relation to the Contractually Required Contribution	<u>(1,335,461)</u>	<u>(1,236,397)</u>	<u>(1,031,887)</u>	<u>(828,535)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Employee Payroll	\$6,287,176	\$5,814,402	\$5,699,689	\$5,496,253
Contributions as a Percentage of Covered Employee Payroll	21.24%	21.26%	18.10%	15.07%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$965,813	\$1,054,068	\$1,009,826	\$1,000,505	\$975,076	\$890,962
<u>(965,813)</u>	<u>(1,054,068)</u>	<u>(1,009,826)</u>	<u>(1,000,505)</u>	<u>(975,076)</u>	<u>(890,962)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,487,763	\$7,080,192	\$6,779,997	\$6,703,501	\$6,537,426	\$6,386,454
14.89%	14.89%	14.89%	14.93%	14.92%	13.95%

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the City's nonmajor special revenue funds:

Senior Citizens

To account for federal and state grants, membership dues, and donations restricted to providing assistance to and activities for senior citizens.

EMS Grant

To account for grants received from the Ohio Department of Public Safety restricted for EMS training and equipment.

Municipal Court Docket Specialist

To account for grants received from the Marion County Family Court restricted for the salary of a specialized docket court specialist.

State Highway

To account for seven and one-half (7.5%) of the state gasoline tax and motor vehicle registration fees restricted for maintenance of state highways within the City.

MMC Assistance

To account for fines collected by the municipal court restricted to subsidizing probation services.

Court Computerization

To account for fines collected by the municipal court restricted to subsidizing computer related costs for the court.

Police Continuing Training

To account for grants received from the Ohio Attorney General's office restricted for mandatory police training.

School Resource Officer

To account for a state grant restricted to providing a police officer in the Marion City School District.

Community Corrections

To account for a state grant and other resources restricted to funding probation services for the municipal court. Resources can be used to pay for salaries, benefits, and operational needs of the court.

Indigent Alcohol Monitoring

To account for fines restricted to paying the cost of treating, at a certified alcohol and drug addiction program, persons convicted of a related violation or municipal ordinance.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Probation Services

To account for fines collected by the clerk of courts restricted for the purchase of equipment, purchase of services, reconciliation programs for offenders and victims, and other treatment programs including alcohol and drug addiction programs.

Enforcement and Education

To account for fines and forfeitures charged for driving under the influence arrests. Resources are restricted to educating the public on laws governing the operation of a motor vehicle while under the influence of alcohol.

Indigent Alcohol Driver

To account for fines restricted to paying for DUI classes offered through the court.

Railroad Grade Crossing Improvement

To account for fines levied against railroad companies restricted to maintaining railroad crossings and lights.

Special Project Treatment Court

To account for fees charged by the municipal court restricted for special projects within the court.

Police and Fire Pension

To account for property taxes levied and restricted for the payment of the employer pension contribution.

Marion Land Bank Program

To account for sale proceeds from formerly delinquent lands restricted for rehabilitating non-productive properties.

Clean Ohio Assistance

To account for grants received from the Ohio Department of Development restricted to rehabilitating properties in the City with environmental issues.

SAFER Grant

To account for grants received from the U.S. Department of Homeland Security restricted to hiring and training firefighters.

ADAMH Grant

To account for grants received from the Crawford County Alcohol, Drug, and Mental Health Board restricted for the purchase of supplies and equipment for the probation department.

CHIP Grant

To account for grants received from the Community Housing Improvement Program that are restricted for low and moderate income housing repairs and development.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Revolving Loans

To account for revolving loan payments restricted to providing loans to qualified local businesses and for related costs.

Marion Area Transit

To account for grants and charges for services restricted for operating the City's transit system.

Youth Recreation

To account for donations restricted to pay for fees associated with youth programs.

Law Enforcement

To account for donations restricted for the benefit of the police department.

Nonmajor Debt Service Funds

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for debt principal, interest, and related costs.

Bond Retirement

To account for resources that are assigned for the payment of debt principal, interest, and debt related costs.

Harding Center Loan

To account for loan repayments committed to debt issued for the Harding Center.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds.)

CDBG

To account for grants restricted under the Community Development Block Grant Program.

Tax Incremental Financing

To account for payment in lieu of taxes restricted for public infrastructure improvements.

Capital Improvements

To account for a voted .05 percent income tax levy and other resources restricted for capital improvements.

(continued)

City of Marion
Combining Statements - Nonmajor Governmental Funds

**Nonmajor Capital Projects Funds
(continued)**

Quarry Park

To account for grants restricted to purchasing Quarry Park along Kellogg Parkway.

Busby Downtown Park

To account for grants restricted to purchasing land and completing a downtown park.

Airport Improvement

To account for federal and state grants, along with a local match restricted to rehabilitating or lengthening runways, lights, hangers, or other improvements at the airport.

City of Marion
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,821,097	\$10,412	\$1,883,387	\$3,714,896
Accounts Receivable	16	0	0	16
Due from Other Governments	188,096	0	6,849	194,945
Municipal Income Taxes Receivable	0	0	70,975	70,975
Interfund Receivable	0	0	221,072	221,072
Prepaid Items	1,860	0	0	1,860
Materials and Supplies Inventory	1,015	0	0	1,015
Property Taxes Receivable	237,832	0	0	237,832
Payment in Lieu of Taxes Receivable	0	0	410,285	410,285
Notes Receivable	437,803	180,808	0	618,611
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$2,687,719	\$191,220	\$2,592,568	\$5,471,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>				
Accrued Wages Payable	\$13,722	\$0	\$0	\$13,722
Accounts Payable	12,440	0	4,490	16,930
Contracts Payable	29,326	0	9,452	38,778
Due to Other Governments	26,355	0	0	26,355
Interfund Payable	17,109	184,141	28,696	229,946
Due to External Parties	450	0	0	450
Accrued Interest Payable	0	0	4,468	4,468
Notes Payable	0	0	728,000	728,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	99,402	184,141	775,106	1,058,649
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Deferred Inflows of Resources</u>				
Property Taxes	181,537	0	0	181,537
Payment in Lieu of Taxes	0	0	410,285	410,285
Unavailable Revenue	165,940	0	46,891	212,831
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	347,477	0	457,176	804,653
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balance</u>				
Nonspendable	2,875	0	0	2,875
Restricted	2,237,965	0	1,721,707	3,959,672
Committed	0	7,079	0	7,079
Unassigned (Deficit)	0	0	(361,421)	(361,421)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	2,240,840	7,079	1,360,286	3,608,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$2,687,719	\$191,220	\$2,592,568	\$5,471,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Senior Citizens	Municipal Court Docket Specialist	State Highway	MMC Assistance
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$295,825	\$51,816	\$327,634	\$261,332
Accounts Receivable	0	0	0	0
Due from Other Governments	14,315	0	46,665	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	0
Total Assets	\$310,140	\$51,816	\$374,299	\$261,332
<u>Liabilities</u>				
Accrued Wages Payable	\$1,241	\$623	\$0	\$0
Accounts Payable	488	0	0	1,072
Contracts Payable	0	0	27,963	0
Due to Other Governments	1,727	1,326	0	0
Interfund Payable	9,029	0	0	0
Due to External Parties	0	0	0	0
Total Liabilities	12,485	1,949	27,963	1,072
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	14,315	0	38,832	0
Total Deferred Inflows of Resources	14,315	0	38,832	0
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	283,340	49,867	307,504	260,260
Total Fund Balance	283,340	49,867	307,504	260,260
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$310,140	\$51,816	\$374,299	\$261,332

Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections	Indigent Alcohol Monitoring	Probation Services
\$168,916	\$3,226	\$10,172	\$8,067	\$60,731	\$119,568
0	0	0	0	0	0
0	0	6,021	106,445	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$168,916</u>	<u>\$3,226</u>	<u>\$16,193</u>	<u>\$114,512</u>	<u>\$60,731</u>	<u>\$119,568</u>
\$0	\$0	\$999	\$2,912	\$0	\$973
0	0	0	0	1,218	452
0	0	0	0	0	0
0	0	195	3,653	0	2,261
0	0	0	0	0	0
0	0	0	0	0	450
<u>0</u>	<u>0</u>	<u>1,194</u>	<u>6,565</u>	<u>1,218</u>	<u>4,136</u>
0	0	0	0	0	0
0	0	0	41,848	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>41,848</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
168,916	3,226	14,999	66,099	59,513	115,432
<u>168,916</u>	<u>3,226</u>	<u>14,999</u>	<u>66,099</u>	<u>59,513</u>	<u>115,432</u>
<u>\$168,916</u>	<u>\$3,226</u>	<u>\$16,193</u>	<u>\$114,512</u>	<u>\$60,731</u>	<u>\$119,568</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015
(continued)

	Enforcement and Education	Indigent Alcohol Driver	Railroad Grade Crossing Improvement	Special Project Treatment Court
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$11,789	\$187,891	\$63,125	\$31,652
Accounts Receivable	0	0	0	0
Due from Other Governments	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	0
Total Assets	\$11,789	\$187,891	\$63,125	\$31,652
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$0	\$0
Accounts Payable	0	0	0	0
Contracts Payable	0	0	0	0
Due to Other Governments	0	0	0	0
Interfund Payable	0	0	0	0
Due to External Parties	0	0	0	0
Total Liabilities	0	0	0	0
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	11,789	187,891	63,125	31,652
Total Fund Balance	11,789	187,891	63,125	31,652
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$11,789	\$187,891	\$63,125	\$31,652

Police and Fire Pension	Marion Land Bank Program	SAFER Grant	ADAMH Grant	CHIP Grant	Revolving Loans
\$14,979	\$5,537	\$15,776	\$13,756	\$4,159	\$80,894
0	0	0	0	0	0
14,650	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
237,832	0	0	0	0	0
0	0	0	0	0	437,803
<u>\$267,461</u>	<u>\$5,537</u>	<u>\$15,776</u>	<u>\$13,756</u>	<u>\$4,159</u>	<u>\$518,697</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	875
0	0	0	0	0	0
0	0	7,888	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	7,888	0	0	875
181,537	0	0	0	0	0
70,945	0	0	0	0	0
252,482	0	0	0	0	0
0	0	0	0	0	0
14,979	5,537	7,888	13,756	4,159	517,822
14,979	5,537	7,888	13,756	4,159	517,822
<u>\$267,461</u>	<u>\$5,537</u>	<u>\$15,776</u>	<u>\$13,756</u>	<u>\$4,159</u>	<u>\$518,697</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015
(continued)

	Marion Area Transit	Youth Recreation	Law Enforcement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$54,852	\$5,443	\$23,957	\$1,821,097
Accounts Receivable	16	0	0	16
Due from Other Governments	0	0	0	188,096
Prepaid Items	1,860	0	0	1,860
Materials and Supplies Inventory	1,015	0	0	1,015
Property Taxes Receivable	0	0	0	237,832
Notes Receivable	0	0	0	437,803
Total Assets	\$57,743	\$5,443	\$23,957	\$2,687,719
<u>Liabilities</u>				
Accrued Wages Payable	\$6,974	\$0	\$0	\$13,722
Accounts Payable	8,335	0	0	12,440
Contracts Payable	1,363	0	0	29,326
Due to Other Governments	9,305	0	0	26,355
Interfund Payable	8,080	0	0	17,109
Due to External Parties	0	0	0	450
Total Liabilities	34,057	0	0	99,402
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	181,537
Unavailable Revenue	0	0	0	165,940
Total Deferred Inflows of Resources	0	0	0	347,477
<u>Fund Balance</u>				
Nonspendable	2,875	0	0	2,875
Restricted	20,811	5,443	23,957	2,237,965
Total Fund Balance	23,686	5,443	23,957	2,240,840
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$57,743	\$5,443	\$23,957	\$2,687,719

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,565,430	\$122,491	\$909
Due from Other Governments	0	0	6,849	0
Municipal Income Taxes Receivable	0	0	70,975	0
Interfund Receivable	0	0	221,072	0
Payment in Lieu of Taxes Receivable	0	410,285	0	0
Total Assets	\$0	\$1,975,715	\$421,387	\$909
<u>Liabilities</u>				
Accounts Payable	\$1,322	\$0	\$2,127	\$0
Contracts Payable	0	9,452	0	0
Interfund Payable	0	0	0	782
Accrued Interest Payable	0	0	4,468	0
Notes Payable	0	0	728,000	0
Total Liabilities	1,322	9,452	734,595	782
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	410,285	0	0
Unavailable Revenue	0	0	46,891	0
Total Deferred Inflows of Resources	0	410,285	46,891	0
<u>Fund Balance</u>				
Restricted	0	1,555,978	0	127
Unassigned (Deficit)	(1,322)	0	(360,099)	0
Total Fund Balance (Deficit)	(1,322)	1,555,978	(360,099)	127
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$0	\$1,975,715	\$421,387	\$909

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015
(continued)

	Busby Downtown Park	Airport Improvement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$454	\$194,103	\$1,883,387
Due from Other Governments	0	0	6,849
Municipal Income Taxes Receivable	0	0	70,975
Interfund Receivable	0	0	221,072
Payment in Lieu of Taxes Receivable	0	0	410,285
Total Assets	\$454	\$194,103	\$2,592,568
<u>Liabilities</u>			
Accounts Payable	\$0	\$1,041	\$4,490
Contracts Payable	0	0	9,452
Interfund Payable	0	27,914	28,696
Accrued Interest Payable	0	0	4,468
Notes Payable	0	0	728,000
Total Liabilities	0	28,955	775,106
<u>Deferred Inflows of Resources</u>			
Payment in Lieu of Taxes	0	0	410,285
Unavailable Revenue	0	0	46,891
Total Deferred Inflows of Resources	0	0	457,176
<u>Fund Balance</u>			
Restricted	454	165,148	1,721,707
Unassigned (Deficit)	0	0	(361,421)
Total Fund Balance (Deficit)	454	165,148	1,360,286
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$454	\$194,103	\$2,592,568

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$194,538	\$0	\$0	\$194,538
Payment in Lieu of Taxes	0	0	399,460	399,460
Municipal Income Taxes	0	0	403,015	403,015
Charges for Services	103,810	0	0	103,810
Fines and Forfeitures	389,713	0	0	389,713
Intergovernmental	2,452,007	0	154,528	2,606,535
Interest	1,157	11,028	0	12,185
Other	115,712	0	2,663	118,375
Total Revenues	3,256,937	11,028	959,666	4,227,631
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	212,872	0	0	212,872
Fire	823,974	0	0	823,974
Leisure Time Activities	101,900	0	0	101,900
Community Environment	329,068	0	98,322	427,390
Transportation				
Transit	1,134,617	0	0	1,134,617
Other	34,827	0	83,117	117,944
General Government				
Court	370,048	0	0	370,048
Other	91,802	0	412,365	504,167
Debt Service:				
Principal Retirement	0	243,450	93,012	336,462
Interest and Fiscal Charges	0	117,958	24,806	142,764
Total Expenditures	3,099,108	361,408	711,622	4,172,138
Excess of Revenues Over (Under) Expenditures	157,829	(350,380)	248,044	55,493
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	95,040	95,040
Transfers In	196,069	351,329	16,700	564,098
Transfers Out	0	0	(263,836)	(263,836)
Total Other Financing Sources (Uses)	196,069	351,329	(152,096)	395,302
Changes in Fund Balance	353,898	949	95,948	450,795
Fund Balance Beginning of Year	1,886,942	6,130	1,264,338	3,157,410
Fund Balance End of Year	\$2,240,840	\$7,079	\$1,360,286	\$3,608,205

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Senior Citizens	EMS Grant	Municipal Court Docket Specialist	State Highway
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	108,175	0	79,746	92,180
Interest	429	0	0	429
Other	32,791	0	0	0
Total Revenues	141,395	0	79,746	92,609
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	42	0	0
Leisure Time Activities	101,900	0	0	0
Community Environment	0	0	0	0
Transportation				
Transit	0	0	0	0
Other	0	0	0	34,827
General Government				
Court	0	0	63,009	0
Other	0	0	0	0
Total Expenditures	101,900	42	63,009	34,827
Excess of Revenues Over (Under) Expenditures	39,495	(42)	16,737	57,782
<u>Other Financing Sources</u>				
Transfers In	303	0	0	0
Changes in Fund Balance	39,798	(42)	16,737	57,782
Fund Balance (Deficit) Beginning of Year	243,542	42	33,130	249,722
Fund Balance End of Year	\$283,340	\$0	\$49,867	\$307,504

MMC Assistance	Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections	Indigent Alcohol Monitoring
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
161,759	94,301	0	0	0	13,390
7,756	0	0	27,083	212,889	0
0	0	0	0	0	0
110	50	0	0	1,160	0
<u>169,625</u>	<u>94,351</u>	<u>0</u>	<u>27,083</u>	<u>214,049</u>	<u>13,390</u>
0	0	0	46,461	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
38,352	30,415	0	0	214,075	10,955
0	0	0	0	0	0
<u>38,352</u>	<u>30,415</u>	<u>0</u>	<u>46,461</u>	<u>214,075</u>	<u>10,955</u>
131,273	63,936	0	(19,378)	(26)	2,435
0	0	0	0	30,766	0
131,273	63,936	0	(19,378)	30,740	2,435
128,987	104,980	3,226	34,377	35,359	57,078
<u>\$260,260</u>	<u>\$168,916</u>	<u>\$3,226</u>	<u>\$14,999</u>	<u>\$66,099</u>	<u>\$59,513</u>

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015
(continued)

	Probation Services	Enforcement and Education	Indigent Alcohol Driver	Railroad Grade Crossing Improvement
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	87,075	1,035	23,376	1,000
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	19,000	0	0	0
Total Revenues	106,075	1,035	23,376	1,000
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	3,378	0	0
Fire	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation				
Transit	0	0	0	0
Other	0	0	0	0
General Government				
Court	0	0	1,998	0
Other	91,802	0	0	0
Total Expenditures	91,802	3,378	1,998	0
Excess of Revenues Over (Under) Expenditures	14,273	(2,343)	21,378	1,000
<u>Other Financing Sources</u>				
Transfers In	0	0	0	0
Changes in Fund Balance	14,273	(2,343)	21,378	1,000
Fund Balance (Deficit) Beginning of Year	101,159	14,132	166,513	62,125
Fund Balance End of Year	\$115,432	\$11,789	\$187,891	\$63,125

Special Project Treatment Court	Police and Fire Pension	Marion Land Bank Program	Clean Ohio Assistance	SAFER Grant	ADAMH Grant
\$0	\$194,538	\$0	\$0	\$0	\$0
0	0	0	0	0	0
7,777	0	0	0	0	0
0	33,198	0	17,456	721,281	25,000
0	0	0	0	0	0
0	0	7,084	0	0	0
<u>7,777</u>	<u>227,736</u>	<u>7,084</u>	<u>17,456</u>	<u>721,281</u>	<u>25,000</u>
0	105,171	0	0	0	0
0	110,539	0	0	713,393	0
0	0	0	0	0	0
0	0	15,499	17,456	0	0
0	0	0	0	0	0
0	0	0	0	0	11,244
0	0	0	0	0	0
<u>0</u>	<u>215,710</u>	<u>15,499</u>	<u>17,456</u>	<u>713,393</u>	<u>11,244</u>
7,777	12,026	(8,415)	0	7,888	13,756
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,777	12,026	(8,415)	0	7,888	13,756
23,875	2,953	13,952	0	0	0
<u>\$31,652</u>	<u>\$14,979</u>	<u>\$5,537</u>	<u>\$0</u>	<u>\$7,888</u>	<u>\$13,756</u>

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015
(continued)

	CHIP Grant	Revolving Loans	Marion Area Transit	Youth Recreation
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	103,810	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	303,621	0	823,622	0
Interest	0	299	0	0
Other	0	0	3,267	0
Total Revenues	303,621	299	930,699	0
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	295,238	875	0	0
Transportation				
Transit	0	0	1,134,617	0
Other	0	0	0	0
General Government				
Court	0	0	0	0
Other	0	0	0	0
Total Expenditures	295,238	875	1,134,617	0
Excess of Revenues Over (Under) Expenditures	8,383	(576)	(203,918)	0
<u>Other Financing Sources</u>				
Transfers In	0	0	165,000	0
Changes in Fund Balance	8,383	(576)	(38,918)	0
Fund Balance (Deficit) Beginning of Year	(4,224)	518,398	62,604	5,443
Fund Balance End of Year	\$4,159	\$517,822	\$23,686	\$5,443

<u>Law Enforcement</u>	<u>Total</u>
\$0	\$194,538
0	103,810
0	389,713
0	2,452,007
0	1,157
<u>52,250</u>	<u>115,712</u>
<u>52,250</u>	<u>3,256,937</u>
57,862	212,872
0	823,974
0	101,900
0	329,068
0	1,134,617
0	34,827
0	370,048
<u>0</u>	<u>91,802</u>
<u>57,862</u>	<u>3,099,108</u>
(5,612)	157,829
<u>0</u>	<u>196,069</u>
(5,612)	353,898
<u>29,569</u>	<u>1,886,942</u>
<u>\$23,957</u>	<u>\$2,240,840</u>

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City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015

	<u>Bond Retirement</u>	<u>Harding Center Loan</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$0	\$11,028	\$11,028
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	243,450	0	243,450
Interest and Fiscal Charges	107,879	10,079	117,958
Total Expenditures	351,329	10,079	361,408
Excess of Revenues Over (Under) Expenditures	(351,329)	949	(350,380)
<u>Other Financing Sources</u>			
Transfers In	351,329	0	351,329
Changes in Fund Balance	0	949	949
Fund Balance Beginning of Year	0	6,130	6,130
Fund Balance End of Year	<u>\$0</u>	<u>\$7,079</u>	<u>\$7,079</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$399,460	\$0	\$0
Municipal Income Taxes	0	0	403,015	0
Intergovernmental	97,000	0	18,400	0
Other	0	0	2,663	0
Total Revenues	97,000	399,460	424,078	0
<u>Expenditures</u>				
Current:				
Community Environment	98,322	0	0	0
Transportation				
Other	0	37,603	0	0
General Government				
Other	0	0	412,365	0
Debt Service:				
Principal Retirement	0	93,012	0	0
Interest and Fiscal Charges	0	10,082	14,724	0
Total Expenditures	98,322	140,697	427,089	0
Excess of Revenues Over (Under) Expenditures	(1,322)	258,763	(3,011)	0
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	(109,893)	(153,943)	0
Total Other Financing Sources (Uses)	0	(109,893)	(153,943)	0
Changes in Fund Balance	(1,322)	148,870	(156,954)	0
Fund Balance (Deficit) Beginning of Year	0	1,407,108	(203,145)	127
Fund Balance (Deficit) End of Year	(\$1,322)	\$1,555,978	(\$360,099)	\$127

Busby Downtown Park	Airport Improvement	Total
\$0	\$0	\$399,460
0	0	403,015
0	39,128	154,528
0	0	2,663
0	39,128	959,666
0	0	98,322
0	45,514	83,117
0	0	412,365
0	0	93,012
0	0	24,806
0	45,514	711,622
0	(6,386)	248,044
0	95,040	95,040
0	16,700	16,700
0	0	(263,836)
0	111,740	(152,096)
0	105,354	95,948
454	59,794	1,264,338
<u>\$454</u>	<u>\$165,148</u>	<u>\$1,360,286</u>

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City of Marion
Combining Statements - Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Insurance Proceeds

To account for insurance proceeds for structures destroyed by fires to assure that the property is appropriately remediated. When remediated, the insurance proceeds are released to the property owner.

Rotary

To account for Greyhound Bus ticket sales. Fares are remitted to the Greyhound Bus company, less commissions.

State Patrol Fines

To account for fines collected by the City for traffic violations. Fines are remitted to the State Highway Patrol.

Municipal Court

To account for bonds and other resources deposited with the municipal court pending final disposition of the various cases and payment to third parties, excluding the City.

City of Marion
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015
<u>Insurance Proceeds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$56,327	\$86,489	\$0	\$142,816
<u>Liabilities</u>				
Undistributed Assets	\$56,327	\$86,489	\$0	\$142,816
<u>Rotary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$10,462	\$27,822	\$0	\$38,284
<u>Liabilities</u>				
Undistributed Assets	\$10,462	\$27,822	\$0	\$38,284
<u>State Patrol Fines</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,786	\$0	\$5,786	\$0
<u>Liabilities</u>				
Undistributed Assets	\$5,786	\$0	\$5,786	\$0
<u>Municipal Court</u>				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$56,756	\$82,887	\$56,756	\$82,887
Due from External Parties	1,129	1,802	1,129	1,802
Total Assets	\$57,885	\$84,689	\$57,885	\$84,689
<u>Liabilities</u>				
Undistributed Assets	\$57,885	\$84,689	\$57,885	\$84,689
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$72,575	\$114,311	\$5,786	\$181,100
Cash and Cash Equivalents in Segregated Accounts	56,756	82,887	56,756	82,887
Due from External Parties	1,129	1,802	1,129	1,802
Total Assets	\$130,460	\$199,000	\$63,671	\$265,789
<u>Liabilities</u>				
Undistributed Assets	\$130,460	\$199,000	\$63,671	\$265,789

**INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,036,415	\$1,069,347	\$1,069,347	\$0
Municipal Income Taxes	7,102,457	7,159,148	7,067,645	(91,503)
Charges for Services	1,059,461	1,073,899	1,063,065	(10,834)
Fees, Licenses, and Permits	347,524	335,605	329,343	(6,262)
Fines and Forfeitures	688,000	764,014	763,314	(700)
Intergovernmental	902,776	824,786	759,125	(65,661)
Interest	70,000	81,077	85,002	3,925
Other	85,393	183,773	167,965	(15,808)
Total Revenues	11,292,026	11,491,649	11,304,806	(186,843)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other				
Street Lighting				
Contractual Services	280,000	287,044	287,044	0
Public Health				
Health Administration				
Contractual Services	0	449,537	447,537	2,000
Leisure Time Activities				
Recreation				
Capital Outlay	5,000	1,716	1,716	0
Senior Citizens				
Personal Services				
Contractual Services	208,720	213,537	207,948	5,589
Materials and Supplies	51,100	46,204	40,251	5,953
Materials and Supplies	8,000	2,010	2,010	0
Total Senior Citizens	267,820	261,751	250,209	11,542
Parks				
Personal Services				
Contractual Services	446,129	460,318	448,147	12,171
Materials and Supplies	64,580	60,610	60,610	0
Other	31,500	27,886	27,886	0
Other	10,300	10,030	10,030	0
Capital Outlay	0	200	200	0
Total Parks	552,509	559,044	546,873	12,171
Total Leisure Time Activities	825,329	822,511	798,798	23,713
Community Environment				
Planning and Economic Development				
Contractual Services	350,407	255,385	255,385	0

(continued)

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Transportation				
Other				
Airport				
Personal Services	\$149,618	\$148,310	\$140,850	\$7,460
Travel and Transportation	300	0	0	0
Contractual Services	155,650	126,469	126,469	0
Materials and Supplies	14,500	10,791	10,791	0
Capital Outlay	17,000	15,391	15,391	0
Total Transportation	337,068	300,961	293,501	7,460
General Government				
Court				
Municipal Court				
Personal Services	821,917	859,467	845,758	13,709
Travel and Transportation	2,500	1,829	1,829	0
Contractual Services	42,031	36,151	36,151	0
Materials and Supplies	21,000	20,741	20,741	0
Total Court	887,448	918,188	904,479	13,709
Other				
Mayor				
Personal Services	129,272	133,139	131,072	2,067
Contractual Services	380	233	233	0
Materials and Supplies	1,000	667	667	0
Total Mayor	130,652	134,039	131,972	2,067
Auditor				
Personal Services	350,399	362,851	351,992	10,859
Contractual Services	54,200	52,940	52,940	0
Materials and Supplies	5,000	4,965	4,965	0
Capital Outlay	1,400	0	0	0
Total Auditor	410,999	420,756	409,897	10,859
Income Tax				
Personal Services	214,016	225,220	214,575	10,645
Contractual Services	13,850	11,205	10,997	208
Materials and Supplies	12,000	9,997	9,997	0
Total Income Tax	239,866	246,422	235,569	10,853
Treasurer				
Personal Services	8,311	8,427	8,205	222
Travel and Transportation	80	0	0	0
Contractual Services	372	518	388	130
Materials and Supplies	300	0	0	0
Total Treasurer	9,063	8,945	8,593	352

(continued)

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Law Director				
Personal Services	\$303,486	\$312,907	\$307,595	\$5,312
Contractual Services	6,300	3,360	3,360	0
Materials and Supplies	3,000	1,965	1,965	0
Total Law Director	312,786	318,232	312,920	5,312
Service Safety Director				
Personal Services	192,660	199,583	197,230	2,353
Contractual Services	57,720	53,465	53,465	0
Materials and Supplies	2,200	1,285	1,285	0
Other	1,800	0	0	0
Total Service Safety Director	254,380	254,333	251,980	2,353
Civil Service				
Personal Services	5,102	5,158	5,048	110
Contractual Services	23,000	13,472	13,472	0
Materials and Supplies	1,000	0	0	0
Total Civil Service	29,102	18,630	18,520	110
Council				
Personal Services	135,597	140,492	138,223	2,269
Contractual Services	8,900	6,493	6,493	0
Materials and Supplies	1,500	742	742	0
Other	300	0	0	0
Total Council	146,297	147,727	145,458	2,269
City Hall				
Personal Services	186,058	175,893	171,050	4,843
Contractual Services	369,953	332,539	332,539	0
Materials and Supplies	71,100	67,683	67,683	0
Total City Hall	627,111	576,115	571,272	4,843
Engineer				
Personal Services	289,135	267,905	258,234	9,671
Contractual Services	14,896	12,492	12,507	(15)
Materials and Supplies	8,600	4,302	4,302	0
Other	1,600	350	350	0
Total Engineer	314,231	285,049	275,393	9,656

(continued)

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Other General Government				
Personal Services	\$38,000	\$38,000	\$28,212	\$9,788
Contractual Services	116,200	81,992	79,370	2,622
Other	308,000	264,605	264,591	14
Total Other General Government	462,200	384,597	372,173	12,424
Total Other	2,936,687	2,794,845	2,733,747	61,098
Total General Government	3,824,135	3,713,033	3,638,226	74,807
Total Expenditures	5,616,939	5,828,471	5,720,491	107,980
Excess of Revenues Over Expenditures	5,675,087	5,663,178	5,584,315	(78,863)
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	899	939	40
Sale of Capital Assets	0	20,000	20,000	0
Advances In	0	73,070	73,070	0
Transfers In	0	16,700	0	(16,700)
Transfers Out	(6,007,958)	(5,749,006)	(5,142,469)	606,537
Total Other Financing Sources (Uses)	(6,007,958)	(5,638,337)	(5,048,460)	589,877
Changes in Fund Balance	(332,871)	24,841	535,855	511,014
Fund Balance Beginning of Year	2,598,997	2,598,997	2,598,997	0
Fund Balance End of Year	\$2,266,126	\$2,623,838	\$3,134,852	\$511,014

City of Marion
Retirement/Termination/27th Pay Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$70	\$70	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	70	70	0
Fund Balance Beginning of Year	1,692	1,692	1,692	0
Fund Balance End of Year	<u>\$1,692</u>	<u>\$1,762</u>	<u>\$1,762</u>	<u>\$0</u>

This fund is combined with the General Fund for financial reporting purposes.

City of Marion
Street Construction, Maintenance, and Repair Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,364,843	\$1,396,402	\$31,559
Charges for Services	2,800	2,900	2,900	0
Fees, Licenses, and Permits	19,000	19,000	12,600	(6,400)
Intergovernmental	1,326,523	1,217,485	1,282,651	65,166
Interest	200	341	390	49
Other	12,949	24,054	22,054	(2,000)
Total Revenues	2,736,050	2,628,623	2,716,997	88,374
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Streets				
Personal Services	1,280,328	1,387,081	1,341,916	45,165
Contractual Services	1,220,800	1,553,370	1,553,370	0
Materials and Supplies	475,000	381,315	381,315	0
Capital Outlay	295,208	171,890	171,890	0
Other	21,000	15,200	15,200	0
Total Transportation	3,292,336	3,508,856	3,463,691	45,165
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	9,745	2,992	2,992	0
Total Debt Service	209,745	202,992	202,992	0
Total Expenditures	3,502,081	3,711,848	3,666,683	45,165
Excess of Revenues				
Under Expenditures	(766,031)	(1,083,225)	(949,686)	133,539
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	200,000	0	(200,000)
Changes in Fund Balance	(566,031)	(883,225)	(949,686)	(66,461)
Fund Balance Beginning of Year	1,295,164	1,295,164	1,295,164	0
Fund Balance End of Year	\$729,133	\$411,939	\$345,478	(\$66,461)

City of Marion
Police, Dispatch, and Fire Income Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$6,226,592	\$6,854,041	\$6,987,629	\$133,588
Intergovernmental	0	25,318	25,318	0
Other	0	50,201	50,201	0
Total Revenues	6,226,592	6,929,560	7,063,148	133,588
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police				
Police Department				
Personal Services	4,883,410	5,235,153	5,142,029	93,124
Travel and Transportation	5,000	3,837	3,837	0
Contractual Services	290,200	273,939	273,939	0
Materials and Supplies	158,500	94,935	94,935	0
Capital Outlay	28,000	111,840	111,840	0
Total Police Department	5,365,110	5,719,704	5,626,580	0
Dispatch				
Personal Services	857,881	836,020	826,451	9,569
Contractual Services	109,918	104,845	104,845	0
Materials and Supplies	2,500	2,390	2,390	0
Capital Outlay	5,500	5,500	5,500	0
Total Dispatch	975,799	948,755	939,186	0
Total Police	6,340,909	6,668,459	6,565,766	102,693
Fire				
Fire Department				
Personal Services	5,176,419	5,156,906	4,897,081	259,825
Travel and Transportation	5,000	980	980	0
Contractual Services	383,900	302,602	302,602	0
Materials and Supplies	126,280	101,354	101,354	0
Other	200	0	0	0
Total Fire	5,691,799	5,561,842	5,302,017	259,825
Total Expenditures	12,032,708	12,230,301	11,867,783	362,518
Excess of Revenues Under Expenditures	(5,806,116)	(5,300,741)	(4,804,635)	496,106
<u>Other Financing Sources</u>				
Transfers In	5,258,833	5,397,891	4,929,700	(468,191)
Changes in Fund Balance	(547,283)	97,150	125,065	27,915
Fund Balance Beginning of Year	108,223	108,223	108,223	0
Fund Balance (Deficit) End of Year	(\$439,060)	\$205,373	\$233,288	\$27,915

City of Marion
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,245,577	\$6,348,281	\$102,704
Bond Anticipation Notes Issued	4,142,150	4,142,150	0
OPWC Loans Issued	12,544	79,162	66,618
Grants	275,361	275,361	0
Other	48,361	47,490	(871)
Total Revenues	10,723,993	10,892,444	168,451
<u>Expenses</u>			
Personal Services			
Sewer	1,950,388	1,905,873	44,515
Contractual Services			
Sewage Replacement	176,744	104,882	71,862
Sewer	1,090,045	1,090,045	0
Sewage Improvement	40,042	40,042	0
Total Contractual Services	1,306,831	1,234,969	71,862
Materials and Supplies			
Sewer	383,088	383,088	0
Capital Outlay			
Sewage Replacement	220,000	159,183	60,817
Sewer	26,887	26,887	0
Sewage Improvement	868,639	933,993	(65,354)
Total Capital Outlay	1,115,526	1,120,063	(4,537)
Other			
Sewer	309	309	0
Debt Service:			
Principal Retirement	4,594,662	4,562,601	32,061
Interest Expense	609,915	521,448	88,467
Total Debt Service	5,204,577	5,084,049	120,528
Total Expenses	9,960,719	9,728,351	232,368
Changes in Fund Balance	763,274	1,164,093	400,819
Fund Balance Beginning of Year	4,860,764	4,860,764	0
Fund Balance End of Year	\$5,624,038	\$6,024,857	\$400,819

City of Marion
Sanitation Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,503,659	\$2,517,166	\$13,507
Bond Anticipation Notes Issued	482,000	482,000	0
Sale of Capital Assets	45,000	45,000	0
Other	24,227	24,250	23
Total Revenues	3,054,886	3,068,416	13,530
<u>Expenses</u>			
Personal Services			
Sanitation	1,233,324	1,190,972	42,352
Contractual Services			
Sanitation	746,986	746,764	222
Materials and Supplies			
Sanitation	97,702	97,702	0
Capital Outlay			
Sanitation	607,896	607,896	0
Debt Service:			
Principal Retirement	341,000	341,000	0
Interest Expense	5,516	4,852	664
Total Debt Service	346,516	345,852	664
Total Expenses	3,032,424	2,989,186	43,238
Changes in Fund Balance	22,462	79,230	56,768
Fund Balance Beginning of Year	389,114	389,114	0
Fund Balance End of Year	\$411,576	\$468,344	\$56,768

City of Marion
Landfill Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$305,152	\$273,968	(\$31,184)
Other	3,748	3,748	0
Total Revenues	<u>308,900</u>	<u>277,716</u>	<u>(31,184)</u>
<u>Expenses</u>			
Contractual Services			
Landfill	95,845	65,297	30,548
Materials and Supplies			
Landfill	1,505	1,505	0
Capital Outlay			
Landfill	1,314	1,314	0
Debt Service:			
Principal Retirement	198,563	198,563	0
Interest Expense	12,855	12,855	0
Total Debt Service	<u>211,418</u>	<u>211,418</u>	<u>0</u>
Total Expenses	<u>310,082</u>	<u>279,534</u>	<u>30,548</u>
Changes in Fund Balance	(1,182)	(1,818)	(636)
Fund Balance Beginning of Year	<u>1,858</u>	<u>1,858</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$676</u></u>	<u><u>\$40</u></u>	<u><u>(\$636)</u></u>

City of Marion
Storm Water Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,363,776	\$1,407,840	\$44,064
Bond Anticipation Notes Issued	6,214,350	6,214,350	0
OPWC Loans Issued	13,340	91,959	78,619
Interest	300	0	(300)
Grants	329,060	329,060	0
Other	30,406	30,581	175
Total Revenues	7,951,232	8,073,790	122,558
<u>Expenses</u>			
Personal Services			
Storm Water Utility	598,427	576,702	21,725
Contractual Services			
Storm Water Utility	154,999	154,999	0
Storm Water Improvement	52,056	52,056	0
Total Contractual Services	207,055	207,055	0
Materials and Supplies			
Storm Water Utility	100,040	100,040	0
Capital Outlay			
Storm Water Utility	25,852	25,852	0
Storm Water Improvement	1,051,804	1,131,685	(79,881)
Total Capital Outlay	1,077,656	1,157,537	(79,881)
Other			
Storm Water Utility	119	119	0
Debt Service:			
Principal Retirement	4,917,315	4,418,404	498,911
Interest Expense	360,018	410,511	(50,493)
Total Debt Service	5,277,333	4,828,915	448,418
Total Expenses	7,260,630	6,870,368	390,262
Changes in Fund Balance	690,602	1,203,422	512,820
Fund Balance (Deficit) Beginning of Year	(476,849)	(476,849)	0
Fund Balance End of Year	\$213,753	\$726,573	\$512,820

City of Marion
Aquatics Center Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$151,438	\$169,444	\$18,006
Other	270,719	245,063	(25,656)
Total Revenues	<u>422,157</u>	<u>414,507</u>	<u>(7,650)</u>
<u>Expenses</u>			
Personal Services			
Aquatics Center	137,323	130,534	6,789
Contractual Services			
Aquatics Center	63,809	63,809	0
Materials and Supplies			
Aquatics Center	40,624	40,624	0
Other			
Aquatics Center	260	260	0
Debt Service:			
Interest Expense	<u>143,669</u>	<u>143,669</u>	<u>0</u>
Total Expenses	<u>385,685</u>	<u>378,896</u>	<u>6,789</u>
Changes in Fund Balance	36,472	35,611	(861)
Fund Balance Beginning of Year	<u>176,754</u>	<u>176,754</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$213,226</u></u>	<u><u>\$212,365</u></u>	<u><u>(\$861)</u></u>

City of Marion
Senior Citizens Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$133,989	\$114,141	(\$19,848)
Interest	375	429	54
Other	31,745	32,791	1,046
Total Revenues	<u>166,109</u>	<u>147,361</u>	<u>(18,748)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Senior Citizens			
Personal Services	86,933	83,052	3,881
Travel and Transportation	2,546	1,989	557
Contractual Services	17,734	14,698	3,036
Materials and Supplies	5,104	5,104	0
Total Expenditures	<u>112,317</u>	<u>104,843</u>	<u>7,474</u>
Excess of Revenues Over Expenditures	53,792	42,518	(11,274)
<u>Other Financing Sources</u>			
Transfers In	<u>0</u>	<u>303</u>	<u>303</u>
Changes in Fund Balance	53,792	42,821	(10,971)
Fund Balance Beginning of Year	<u>249,965</u>	<u>249,965</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$303,757</u></u>	<u><u>\$292,786</u></u>	<u><u>(\$10,971)</u></u>

City of Marion
EMS Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$18,412	\$18,412	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Other	42	42	0
Excess of Revenues Over Expenditures	18,370	18,370	0
<u>Other Financing Uses</u>			
Advances Out	(18,370)	(18,370)	
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Municipal Court Docket Specialist Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$79,746	\$79,746	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	<u>65,507</u>	<u>65,507</u>	<u>0</u>
Changes in Fund Balance	14,239	14,239	0
Fund Balance Beginning of Year	<u>35,545</u>	<u>35,545</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$49,784</u></u>	<u><u>\$49,784</u></u>	<u><u>\$0</u></u>

City of Marion
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$98,381	\$92,564	(\$5,817)
Interest	2,000	429	(1,571)
	<hr/>	<hr/>	<hr/>
Total Revenues	100,381	92,993	(7,388)
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Streets			
Contractual Services	6,864	6,864	0
	<hr/>	<hr/>	<hr/>
Changes in Fund Balance	93,517	86,129	(7,388)
Fund Balance Beginning of Year	241,505	241,505	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	<u>\$335,022</u>	<u>\$327,634</u>	<u>(\$7,388)</u>

City of Marion
MMC Assistance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$161,200	\$161,200	\$0
Intergovernmental	0	7,756	7,756
Other	110	110	0
	<u>161,310</u>	<u>169,066</u>	<u>7,756</u>
Total Revenues	<u>161,310</u>	<u>169,066</u>	<u>7,756</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Travel and Transportation	1,962	1,962	0
Contractual Services	25,986	25,986	0
Materials and Supplies	3,723	9,723	(6,000)
	<u>31,671</u>	<u>37,671</u>	<u>(6,000)</u>
Total Expenditures	<u>31,671</u>	<u>37,671</u>	<u>(6,000)</u>
Changes in Fund Balance	129,639	131,395	1,756
Fund Balance Beginning of Year	<u>118,098</u>	<u>118,098</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$247,737</u></u>	<u><u>\$249,493</u></u>	<u><u>\$1,756</u></u>

City of Marion
Court Computerization Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$93,820	\$93,820	\$0
Other	0	50	50
Total Revenues	<u>93,820</u>	<u>93,870</u>	<u>50</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	12,845	12,845	0
Materials and Supplies	2,695	2,695	0
Capital Outlay	<u>14,875</u>	<u>14,875</u>	<u>0</u>
Total Expenditures	<u>30,415</u>	<u>30,415</u>	<u>0</u>
Changes in Fund Balance	63,405	63,455	50
Fund Balance Beginning of Year	<u>97,876</u>	<u>97,876</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$161,281</u></u>	<u><u>\$161,331</u></u>	<u><u>\$50</u></u>

City of Marion
Police Continuing Training Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	174	0	174
Changes in Fund Balance	(174)	0	174
Fund Balance Beginning of Year	3,226	3,226	0
Fund Balance End of Year	\$3,052	\$3,226	\$174

City of Marion
 School Resource Officer Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$21,062	\$21,062	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	55,933	48,882	7,051
Changes in Fund Balance	(34,871)	(27,820)	7,051
Fund Balance Beginning of Year	37,992	37,992	0
Fund Balance End of Year	\$3,121	\$10,172	\$7,051

City of Marion
Community Corrections Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$190,139	\$190,139	\$0
Other	1,160	1,160	0
Total Revenues	<u>191,299</u>	<u>191,299</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	226,368	217,353	9,015
Materials and Supplies	2,447	2,447	0
Total Expenditures	<u>228,815</u>	<u>219,800</u>	<u>9,015</u>
Excess of Revenues Under Expenditures	(37,516)	(28,501)	(9,015)
<u>Other Financing Sources</u>			
Transfers In	<u>66,300</u>	<u>30,766</u>	<u>(35,534)</u>
Changes in Fund Balance	28,784	2,265	(26,519)
Fund Balance Beginning of Year	<u>1,384</u>	<u>1,384</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$30,168</u></u>	<u><u>\$3,649</u></u>	<u><u>(\$26,519)</u></u>

City of Marion
Indigent Alcohol Monitoring Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$13,099	\$13,099	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	9,737	9,737	0
Changes in Fund Balance	3,362	3,362	0
Fund Balance Beginning of Year	56,422	56,422	0
Fund Balance End of Year	\$59,784	\$59,784	\$0

City of Marion
 Probation Services Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$85,381	\$85,381	\$0
Other	32,736	19,000	(13,736)
Total Revenues	<u>118,117</u>	<u>104,381</u>	<u>(13,736)</u>
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Personal Services	88,853	74,947	13,906
Travel and Transportation	1,360	1,360	0
Contractual Services	7,669	7,669	0
Materials and Supplies	4,509	4,209	300
Capital Outlay	7,598	7,598	0
Total Expenditures	<u>109,989</u>	<u>95,783</u>	<u>14,206</u>
Changes in Fund Balance	8,128	8,598	470
Fund Balance Beginning of Year	<u>100,888</u>	<u>100,888</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$109,016</u></u>	<u><u>\$109,486</u></u>	<u><u>\$470</u></u>

City of Marion
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,095	\$1,095	\$0
Interest	100	0	(100)
Other	3,440	0	(3,440)
Total Revenues	4,635	1,095	(3,540)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Capital Outlay	3,378	3,378	0
Changes in Fund Balance	1,257	(2,283)	(3,540)
Fund Balance Beginning of Year	14,022	14,022	0
Fund Balance End of Year	\$15,279	\$11,739	(\$3,540)

City of Marion
Indigent Alcohol Driver Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$24,938	\$23,214	(\$1,724)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Other General Government			
Contractual Services	<u>2,166</u>	<u>2,166</u>	<u>0</u>
Changes in Fund Balance	22,772	21,048	(1,724)
Fund Balance Beginning of Year	<u>165,373</u>	<u>165,373</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$188,145</u></u>	<u><u>\$186,421</u></u>	<u><u>(\$1,724)</u></u>

City of Marion
 Railroad Grade Crossing Improvement Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,000	\$1,000	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	1,000	1,000	0
Fund Balance Beginning of Year	62,125	62,125	0
Fund Balance End of Year	\$63,125	\$63,125	\$0

City of Marion
Special Project Treatment Court Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$7,867	\$7,802	(\$65)
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	7,867	7,802	(65)
Fund Balance Beginning of Year	23,125	23,125	0
Fund Balance End of Year	\$30,992	\$30,927	(\$65)

City of Marion
Police and Fire Pension Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$194,538	\$194,538	\$0
Intergovernmental	34,600	33,198	(1,402)
Total Revenues	229,138	227,736	(1,402)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	105,171	105,171	0
Fire			
Fire Department			
Personal Services	105,171	105,171	0
Contractual Services	5,368	5,368	0
Total Fire	110,539	110,539	0
Total Expenditures	215,710	215,710	0
Changes in Fund Balance	13,428	12,026	(1,402)
Fund Balance Beginning of Year	2,953	2,953	0
Fund Balance End of Year	\$16,381	\$14,979	(\$1,402)

City of Marion
Marion Land Bank Program Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$7,084	\$7,084	\$0
<u>Expenditures</u>			
Current:			
Community Environment Marion Land Bank Program Contractual Services	<u>15,499</u>	<u>15,499</u>	<u>0</u>
Changes in Fund Balance	(8,415)	(8,415)	0
Fund Balance Beginning of Year	<u>13,952</u>	<u>13,952</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,537</u></u>	<u><u>\$5,537</u></u>	<u><u>\$0</u></u>

City of Marion
Clean Ohio Assistance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$17,456	\$17,456	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Clean Ohio			
Contractual Services	17,456	17,456	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
SAFER Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$721,281	\$721,281	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Personal Services	721,281	721,281	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
ADAMH Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$25,000	\$25,000	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
ADAMH Grant	5,023	5,023	0
Materials and Supplies	6,221	6,221	0
Capital Outlay			
Total Expenditures	11,244	11,244	0
Changes in Fund Balance	13,756	13,756	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$13,756	\$13,756	\$0

City of Marion
CHIP Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$304,485	\$303,621	(\$864)
<u>Expenditures</u>			
Current:			
Community Environment CHIP			
Contractual Services	<u>318,101</u>	<u>315,270</u>	<u>2,831</u>
Changes in Fund Balance	(13,616)	(11,649)	1,967
Fund Balance Beginning of Year	<u>15,808</u>	<u>15,808</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,192</u></u>	<u><u>\$4,159</u></u>	<u><u>\$1,967</u></u>

City of Marion
Revolving Loans Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$234	\$299	\$65
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	234	299	65
Fund Balance Beginning of Year	80,595	80,595	0
Fund Balance End of Year	\$80,829	\$80,894	\$65

City of Marion
Marion Area Transit Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$151,500	\$105,599	(\$45,901)
Intergovernmental	940,366	823,622	(116,744)
Other	9,000	5,746	(3,254)
Total Revenues	<u>1,100,866</u>	<u>934,967</u>	<u>(165,899)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Personal Services	694,758	681,099	13,659
Contractual Services	151,883	150,717	1,166
Materials and Supplies	109,701	109,701	0
Capital Outlay	221,673	221,673	0
Total Expenditures	<u>1,178,015</u>	<u>1,163,190</u>	<u>14,825</u>
Excess of Revenues			
Under Expenditures	(77,149)	(228,223)	(151,074)
<u>Other Financing Sources</u>			
Transfers In	<u>262,321</u>	<u>165,000</u>	<u>(97,321)</u>
Changes in Fund Balance	185,172	(63,223)	(248,395)
Fund Balance Beginning of Year	<u>105,641</u>	<u>105,641</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$290,813</u></u>	<u><u>\$42,418</u></u>	<u><u>(\$248,395)</u></u>

City of Marion
Youth Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	5,443	5,443	0
Fund Balance End of Year	\$5,443	\$5,443	\$0

City of Marion
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$52,250	\$52,250	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	57,862	57,862	0
Changes in Fund Balance	(5,612)	(5,612)	0
Fund Balance Beginning of Year	29,569	29,569	0
Fund Balance End of Year	\$23,957	\$23,957	\$0

City of Marion
Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$87,493	\$87,493	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	243,450	243,450	0
Interest and Fiscal Charges	97,548	107,879	(10,331)
Total Expenditures	340,998	351,329	(10,331)
Excess of Revenues Under Expenditures	(253,505)	(263,836)	(10,331)
<u>Other Financing Sources</u>			
Transfers In	257,625	263,836	6,211
Changes in Fund Balance	4,120	0	(4,120)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$4,120	\$0	(\$4,120)

City of Marion
Harding Center Loan Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$13,462	\$11,028	(\$2,434)
Other	37,894	37,894	0
Total Revenues	51,356	48,922	(2,434)
<u>Expenditures</u>			
Debt Service:			
Interest and Fiscal Charges	15,619	11,077	4,542
Excess of Revenues Over Expenditures	35,737	37,845	2,108
<u>Other Financing Uses</u>			
Advances Out	(38,000)	(38,000)	0
Changes in Fund Balance	(2,263)	(155)	2,108
Fund Balance Beginning of Year	10,567	10,567	0
Fund Balance End of Year	<u>\$8,304</u>	<u>\$10,412</u>	<u>\$2,108</u>

City of Marion
CDBG Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$97,456	\$97,000	(\$456)
<u>Expenditures</u>			
Current:			
Community Environment			
CDBG Formula Grant			
Contractual Services	97,456	97,000	456
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Tax Incremental Financing Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$400,514	\$399,460	(\$1,054)
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Contractual Services	16,935	16,935	0
Capital Outlay	11,216	11,216	0
Total Transportation	28,151	28,151	0
Debt Service:			
Principal Retirement	93,012	93,012	0
Interest and Fiscal Charges	10,082	10,082	0
Total Debt Service	103,094	103,094	0
Total Expenditures	131,245	131,245	0
Excess of Revenues Over Expenditures	269,269	268,215	(1,054)
<u>Other Financing Uses</u>			
Transfers Out	(109,893)	(109,893)	0
Changes in Fund Balance	159,376	158,322	(1,054)
Fund Balance Beginning of Year	1,407,108	1,407,108	0
Fund Balance End of Year	<u>\$1,566,484</u>	<u>\$1,565,430</u>	<u>(\$1,054)</u>

City of Marion
Capital Improvements Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$402,816	\$400,353	(\$2,463)
Intergovernmental	21,115	21,115	0
Other	7,663	2,663	(5,000)
Total Revenues	431,594	424,131	(7,463)
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Contractual Services	14	14	0
Capital Outlay	422,607	421,450	1,157
Total General Government	422,621	421,464	1,157
Debt Service:			
Principal Retirement	755,100	755,100	0
Interest and Fiscal Charges	13,700	13,700	0
Total Debt Service	768,800	768,800	0
Total Expenditures	1,191,421	1,190,264	1,157
Excess of Revenues Under Expenditures	(759,827)	(766,133)	(6,306)
<u>Other Financing Sources (Uses)</u>			
Bond Anticipation Notes Issued	728,000	728,000	0
Transfers Out	(143,612)	(153,943)	(10,331)
Total Other Financing Sources (Uses)	584,388	574,057	(10,331)
Changes in Fund Balance	(175,439)	(192,076)	(16,637)
Fund Balance Beginning of Year	314,567	314,567	0
Fund Balance End of Year	\$139,128	\$122,491	(\$16,637)

City of Marion
Quarry Park Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	909	909	0
Fund Balance End of Year	\$909	\$909	\$0

City of Marion
 Busby Downtown Park Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	454	454	0
Fund Balance End of Year	\$454	\$454	\$0

City of Marion
 Airport Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$39,128	\$39,128	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Airport			
Contractual Services	993	993	0
Capital Outlay	50,111	50,111	0
Total Expenditures	51,104	51,104	0
Excess of Revenues Under Expenditures	(11,976)	(11,976)	0
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	95,040	95,040	0
Advances Out	(16,700)	(16,700)	0
Transfers In	16,700	16,700	0
Total Other Financing Sources (Uses)	95,040	95,040	0
Changes in Fund Balance	83,064	83,064	0
Fund Balance Beginning of Year	111,039	111,039	0
Fund Balance End of Year	\$194,103	\$194,103	\$0

City of Marion
Central Garage Internal Service Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,168,401	\$995,060	(\$173,341)
Other	2,151	2,151	0
Total Revenues	<u>1,170,552</u>	<u>997,211</u>	<u>(173,341)</u>
<u>Expenses</u>			
Personal Services			
Central Garage	<u>310,188</u>	<u>298,839</u>	<u>11,349</u>
Contractual Services			
Central Garage	<u>66,366</u>	<u>66,366</u>	<u>0</u>
Materials and Supplies			
Central Garage	<u>555,234</u>	<u>555,234</u>	<u>0</u>
Capital Outlay			
Central Garage	<u>14,687</u>	<u>14,687</u>	<u>0</u>
Debt Service:			
Principal Retirement	51,250	51,250	0
Interest Expense	<u>19,266</u>	<u>38,531</u>	<u>(19,265)</u>
Total Debt Service	<u>70,516</u>	<u>89,781</u>	<u>(19,265)</u>
Total Expenses	<u>1,016,991</u>	<u>1,024,907</u>	<u>(7,916)</u>
Changes in Fund Balance	153,561	(27,696)	(181,257)
Fund Balance Beginning of Year	<u>131,084</u>	<u>131,084</u>	<u>0</u>
Fund Balance End of Year	<u>\$284,645</u>	<u>\$103,388</u>	<u>(\$181,257)</u>

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**STATISTICAL
SECTION**

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**City of Marion
Statistical Section**

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity S-16

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-48

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-59

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information S-63

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

City of Marion
Net Position
Last Ten Years
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$54,707,860	\$57,981,379	\$59,629,506	\$63,770,617
Restricted for				
Capital Projects	2,136,499	1,752,457	1,635,812	1,471,021
Debt Service	0	0	0	0
Other Purposes	4,132,108	5,122,009	4,744,112	3,967,713
Unrestricted (Deficit)	<u>(14,340,021)</u>	<u>(15,921,607)</u>	<u>(1,082,449)</u>	<u>(2,829,014)</u>
Total Governmental Activities Net Position	<u>46,636,446</u>	<u>48,934,238</u>	<u>64,926,981</u>	<u>66,380,337</u>
Business-Type Activities				
Net Investment in Capital Assets	8,611,292	9,800,721	10,522,092	11,273,829
Unrestricted (Deficit)	<u>3,392,909</u>	<u>498,654</u>	<u>1,241,798</u>	<u>501,707</u>
Total Business-Type Activities Net Position	<u>12,004,201</u>	<u>10,299,375</u>	<u>11,763,890</u>	<u>11,775,536</u>
Primary Government				
Net Investment in Capital Assets	63,319,152	67,782,100	70,151,598	75,044,446
Restricted	6,268,607	6,874,466	6,379,924	5,438,734
Unrestricted (Deficit)	<u>(10,947,112)</u>	<u>(15,422,953)</u>	<u>159,349</u>	<u>(2,327,307)</u>
Total Primary Government Net Position	<u>\$58,640,647</u>	<u>\$59,233,613</u>	<u>\$76,690,871</u>	<u>\$78,155,873</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$66,187,425	\$69,544,904	\$51,096,131	\$52,708,806	\$54,707,830	\$26,324,560
3,764,288	3,528,533	1,801,212	4,319,245	4,739,264	701,356
0	0	3,528	0	0	1,126,372
3,388,543	4,082,600	3,044,512	3,189,653	2,744,508	4,209,700
<u>(2,644,101)</u>	<u>(2,899,468)</u>	<u>656,797</u>	<u>1,842,861</u>	<u>2,823,505</u>	<u>2,531,953</u>
<u>70,696,155</u>	<u>74,256,569</u>	<u>56,602,180</u>	<u>62,060,565</u>	<u>65,015,107</u>	<u>34,893,941</u>
11,772,304	11,323,625	9,668,849	9,611,372	10,147,834	10,818,900
<u>(2,969,263)</u>	<u>(3,706,206)</u>	<u>872,040</u>	<u>3,145,811</u>	<u>3,195,362</u>	<u>6,342,804</u>
<u>8,803,041</u>	<u>7,617,419</u>	<u>10,540,889</u>	<u>12,757,183</u>	<u>13,343,196</u>	<u>17,161,704</u>
77,959,729	80,868,529	60,764,980	62,320,178	64,855,664	37,143,460
7,152,831	7,611,133	4,849,252	7,508,898	7,483,772	6,037,428
<u>(5,613,364)</u>	<u>(6,605,674)</u>	<u>1,528,837</u>	<u>4,988,672</u>	<u>6,018,867</u>	<u>8,874,757</u>
<u>\$79,499,196</u>	<u>\$81,873,988</u>	<u>\$67,143,069</u>	<u>\$74,817,748</u>	<u>\$78,358,303</u>	<u>\$52,055,645</u>

City of Marion
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$6,937,590	\$5,937,127	\$6,485,461	\$5,757,434
Fire	6,001,795	5,608,955	5,662,188	4,843,734
Other	273,558	296,116	270,226	297,776
Police/Fire/Other	n/a	n/a	n/a	n/a
Public Health	450,276	391,194	391,484	447,973
Leisure Time Activities	932,334	933,611	860,761	920,509
Community Environment	686,208	803,809	563,133	1,401,447
Transportation				
Transit	976,397	1,065,270	1,175,948	1,071,114
Other	7,323,163	6,257,831	6,177,970	5,767,795
Transit/Other	n/a	n/a	n/a	n/a
General Government				
Court	1,252,947	1,260,331	1,226,544	1,042,867
Other	3,122,100	3,399,848	3,052,278	4,455,649
Court/Other	n/a	n/a	n/a	n/a
Interest and Fiscal Charges	144,154	149,091	158,712	175,311
Total Governmental Activities Expenses	<u>28,100,522</u>	<u>26,103,183</u>	<u>26,024,705</u>	<u>26,181,609</u>
Business-Type Activities				
Sewer	6,088,099	6,150,351	5,452,035	5,270,225
Sanitation	1,936,929	1,992,690	1,666,855	2,146,238
Landfill	(58,216)	(49,243)	36,750	125,998
Storm Water	1,852,887	1,813,918	2,411,967	1,883,897
Aquatics Center	447,437	400,506	486,210	690,856
Other Enterprise	0	0	0	0
Total Business-Type Activities Expenses	<u>10,267,136</u>	<u>10,308,222</u>	<u>10,053,817</u>	<u>10,117,214</u>
Total Primary Government Expenses	<u>38,367,658</u>	<u>36,411,405</u>	<u>36,078,522</u>	<u>36,298,823</u>

2011	2010	2009	2008	2007	2006
\$6,641,183	\$7,637,515	\$7,537,407	\$7,355,049	n/a	n/a
5,864,658	6,205,475	6,202,510	6,518,445	n/a	n/a
258,206	274,704	272,940	296,923	n/a	n/a
n/a	n/a	n/a	n/a	13,133,723	12,817,584
489,284	636,408	1,119,073	1,232,594	1,169,331	1,031,373
1,126,954	1,420,937	1,438,764	1,461,268	1,401,953	1,330,251
2,572,072	1,363,569	953,077	1,258,080	729,756	712,498
922,873	820,298	1,038,671	953,341	n/a	n/a
6,600,017	5,090,213	5,149,912	5,170,585	n/a	n/a
n/a	n/a	n/a	n/a	6,216,734	5,389,641
976,447	1,001,001	996,558	839,695	n/a	n/a
2,994,209	3,874,215	3,125,248	4,493,935	n/a	n/a
n/a	n/a	n/a	n/a	4,148,279	3,361,750
182,157	315,718	231,842	177,152	215,063	254,425
28,628,060	28,640,053	28,066,002	29,757,067	27,014,839	24,897,522
5,796,461	5,795,346	6,408,838	5,864,515	5,854,979	4,721,052
2,196,659	2,039,259	2,413,915	2,200,037	4,418,705	1,905,078
(5,259)	108,154	23,488	67,918	83,300	0
2,299,682	1,640,079	2,023,313	1,777,633	1,489,054	1,139,391
297,524	0	0	0	0	0
0	0	0	0	0	986,450
10,585,067	9,582,838	10,869,554	9,910,103	11,846,038	8,751,971
39,213,127	38,222,891	38,935,556	39,667,170	38,860,877	33,649,493

(continued)

City of Marion
Changes in Net Position
Last Ten Years
(continued)
(Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	\$55,261	\$76,404	\$66,656	\$65,097
Fire	1,216,658	613,965	1,163,379	558,023
Police/Fire/Other	n/a	n/a	n/a	n/a
Public Health	0	4,022	0	0
Leisure Time Activities	18,340	23,138	21,423	21,382
Community Environment	0	0	150	0
Transportation				
Transit	103,810	112,973	115,998	109,913
Other	15,500	18,700	23,350	30,343
Transit/Other	n/a	n/a	n/a	n/a
General Government				
Court	1,044,646	967,956	977,759	906,277
Other	313,424	292,603	319,159	340,371
Court/Other	n/a	n/a	n/a	n/a
Total Charges for Services	<u>2,767,639</u>	<u>2,109,761</u>	<u>2,687,874</u>	<u>2,031,406</u>
Operating Grants, Contributions, and Interest	3,569,668	4,002,743	3,679,557	4,852,977
Capital Grants and Contributions	<u>285,858</u>	<u>2,074,956</u>	<u>145,317</u>	<u>766,305</u>
Total Governmental Activities Program Revenues	<u>6,623,165</u>	<u>8,187,460</u>	<u>6,512,748</u>	<u>7,650,688</u>
Business-Type Activities				
Charges for Services				
Sewer	6,135,568	6,214,889	5,877,295	5,580,190
Sanitation	2,463,223	2,514,897	1,841,691	2,823,504
Landfill	273,968	271,000	593,251	0
Storm Water	1,404,306	1,110,075	1,049,516	1,134,130
Aquatics Center	169,444	127,156	164,528	271,288
Other Enterprise	0	0	0	0
Total Charges for Services	<u>10,446,509</u>	<u>10,238,017</u>	<u>9,526,281</u>	<u>9,809,112</u>
Operating Grants, Contributions, and Interest	0	0	0	0
Capital Grants and Contributions	<u>1,174,973</u>	<u>71,739</u>	<u>158,246</u>	<u>292,397</u>
Total Business-Type Activities Program Revenues	<u>11,621,482</u>	<u>10,309,756</u>	<u>9,684,527</u>	<u>10,101,509</u>
Total Primary Government Program Revenues	<u>18,244,647</u>	<u>18,497,216</u>	<u>16,197,275</u>	<u>17,752,197</u>
<u>Net Expense (Revenue)</u>				
Governmental Activities	21,477,357	17,915,723	19,511,957	18,530,921
Business-Type Activities	<u>(1,354,346)</u>	<u>(1,534)</u>	<u>369,290</u>	<u>15,705</u>
Total Primary Government Net Expense	<u>20,123,011</u>	<u>17,914,189</u>	<u>19,881,247</u>	<u>18,546,626</u>

2011	2010	2009	2008	2007	2006
\$83,637	\$45,231	\$86,899	\$50,742	n/a	n/a
1,096,237	0	1,205,648	1,120,905	n/a	n/a
n/a	n/a	n/a	n/a	1,566,185	896,163
92,729	66,786	318,173	305,291	348,240	267,984
64,557	397,010	81,146	101,074	102,485	70,143
0	0	0	0	1,622,999	0
138,484	21,751	124,740	113,501	n/a	n/a
47,411	108,231	93,834	190,473	n/a	n/a
n/a	n/a	n/a	n/a	295,990	108,285
952,556	1,115,245	1,131,030	1,255,592	n/a	n/a
287,796	431,029	525,199	28,568	n/a	n/a
n/a	n/a	n/a	n/a	1,216,846	936,230
<u>2,763,407</u>	<u>2,185,283</u>	<u>3,566,669</u>	<u>3,166,146</u>	<u>5,152,745</u>	<u>2,278,805</u>
5,328,581	4,403,920	3,177,575	4,099,975	3,496,511	3,395,689
342,991	263,176	429,800	499,392	641,574	1,022,366
<u>8,434,979</u>	<u>6,852,379</u>	<u>7,174,044</u>	<u>7,765,513</u>	<u>9,290,830</u>	<u>6,696,860</u>
5,777,897	5,757,769	5,157,868	5,633,817	5,996,259	5,650,246
2,660,450	1,636,510	2,130,332	2,178,230	5,367,630	2,412,369
207,000	0	346,431	387,799	240,750	0
1,089,014	1,224,273	1,133,667	1,182,881	1,271,615	1,234,383
0	0	0	0	0	0
0	0	0	0	0	165,662
<u>9,734,361</u>	<u>8,618,552</u>	<u>8,768,298</u>	<u>9,382,727</u>	<u>12,876,254</u>	<u>9,462,660</u>
131,206	0	0	0	3,648	705,677
1,990,553	1,373,492	200,531	0	0	253,810
<u>11,856,120</u>	<u>9,992,044</u>	<u>8,968,829</u>	<u>9,382,727</u>	<u>12,879,902</u>	<u>10,422,147</u>
<u>20,291,099</u>	<u>16,844,423</u>	<u>16,142,873</u>	<u>17,148,240</u>	<u>22,170,732</u>	<u>17,119,007</u>
20,193,081	21,787,674	20,891,958	21,991,554	17,724,009	18,200,662
(1,271,053)	(409,206)	1,900,725	527,376	(1,033,864)	(1,670,176)
<u>18,922,028</u>	<u>21,378,468</u>	<u>22,792,683</u>	<u>22,518,930</u>	<u>16,690,145</u>	<u>16,530,486</u>

(continued)

City of Marion
Changes in Net Position
Last Ten Years
(continued)
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	\$1,082,897	\$1,092,263	\$1,044,608	\$1,039,593
Property Taxes Levied for Police and Fire Pension	196,921	198,845	191,397	190,451
Payment in Lieu of Taxes	399,460	363,665	339,296	375,340
Municipal Income Taxes Levied for General Purposes	8,043,383	7,516,504	11,876,892	12,233,801
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	606,726	561,668	595,076	369,225
Municipal Income Taxes Levied for Police and Fire	7,067,946	6,586,927	1,396,953	0
Municipal Income Taxes Levied for Capital Improvements	404,006	377,378	332,204	370,907
Taxes Levied (Property and Municipal Income) for General Purposes	n/a	n/a	n/a	n/a
Special Revenue	n/a	n/a	n/a	n/a
Debt Service	n/a	n/a	n/a	n/a
Capital Projects	n/a	n/a	n/a	n/a
Grants and Entitlements not Restricted to				
Specific Programs	728,315	873,541	1,318,417	1,273,569
Franchise Taxes	278,403	287,074	307,730	312,562
Interest	115,561	137,188	105,396	78,660
Other	255,947	673,618	514,059	213,899
Transfers	0	500	36,573	(2,242,904)
Total Governmental Activities	<u>19,179,565</u>	<u>18,669,171</u>	<u>18,058,601</u>	<u>14,215,103</u>
Business-Type Activities				
Interest	0	0	0	0
Other	350,480	340,678	394,217	745,296
Transfers	0	(500)	(36,573)	2,242,904
Total Business-Type Activities	<u>350,480</u>	<u>340,178</u>	<u>357,644</u>	<u>2,988,200</u>
Total Primary Government	<u>19,530,045</u>	<u>19,009,349</u>	<u>18,416,245</u>	<u>17,203,303</u>
<u>Changes in Net Position</u>				
Governmental Activities	(2,297,792)	753,448	(1,453,356)	(4,315,818)
Business-Type Activities	1,704,826	341,712	(11,646)	2,972,495
Total Primary Government	<u>(\$592,966)</u>	<u>\$1,095,160</u>	<u>(\$1,465,002)</u>	<u>(\$1,343,323)</u>

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,081,136	\$1,138,506	\$1,153,111	\$1,219,923	\$1,144,917	n/a
196,399	207,376	209,572	221,481	207,531	n/a
366,126	361,716	357,782	0	0	377,705
11,166,623	11,831,522	11,865,486	13,131,320	13,816,172	n/a
279,941	377,602	526,254	592,725	328,401	n/a
0	0	0	0	0	n/a
317,767	377,602	277,777	288,150	425,819	n/a
n/a	n/a	n/a	n/a	n/a	13,321,308
n/a	n/a	n/a	n/a	n/a	1,540,724
n/a	n/a	n/a	n/a	n/a	94,138
n/a	n/a	n/a	n/a	n/a	384,520
2,146,727	1,936,793	2,313,482	2,472,533	2,101,134	1,884,999
297,964	288,289	272,225	171,252	204,551	169,191
166,410	333,457	184,976	392,497	814,664	633,496
252,278	137,018	388,661	273,752	211,571	136,608
361,296	1,643,729	395,394	273,379	0	(214,848)
<u>16,632,667</u>	<u>18,633,610</u>	<u>17,944,720</u>	<u>19,037,012</u>	<u>19,254,760</u>	<u>18,327,841</u>
0	0	49,182	124,191	92,218	25,030
275,865	296,571	30,643	90,551	38,308	85,284
<u>(361,296)</u>	<u>(1,643,729)</u>	<u>(395,394)</u>	<u>(273,379)</u>	<u>0</u>	<u>214,848</u>
<u>(85,431)</u>	<u>(1,347,158)</u>	<u>(315,569)</u>	<u>(58,637)</u>	<u>130,526</u>	<u>325,162</u>
<u>16,547,236</u>	<u>17,286,452</u>	<u>17,629,151</u>	<u>18,978,375</u>	<u>19,385,286</u>	<u>18,653,003</u>
(3,560,414)	(3,154,064)	(2,947,238)	(2,954,542)	1,530,751	127,179
<u>1,185,622</u>	<u>(937,952)</u>	<u>(2,216,294)</u>	<u>(586,013)</u>	<u>1,164,390</u>	<u>1,995,338</u>
<u><u>(\$2,374,792)</u></u>	<u><u>(\$4,092,016)</u></u>	<u><u>(\$5,163,532)</u></u>	<u><u>(\$3,540,555)</u></u>	<u><u>\$2,695,141</u></u>	<u><u>\$2,122,517</u></u>

City of Marion
Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved (Deficit)	0	0	0	0
Nonspendable	175,653	211,891	298,172	58,799
Committed	1,762	1,713	1,416	464
Assigned	735,720	541,532	211,336	170,522
Unassigned (Deficit)	<u>1,825,622</u>	<u>1,246,057</u>	<u>865,934</u>	<u>(791,952)</u>
Total General Fund	<u>2,738,757</u>	<u>2,001,193</u>	<u>1,376,858</u>	<u>(562,167)</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Designated for Termination Benefits	0	0	0	0
Unreserved, Reported in Special Revenue Funds	0	0	0	0
Debt Service Funds (Deficit)	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0
Nonspendable	118,704	212,130	144,841	149,341
Restricted	5,790,423	5,671,537	5,554,752	4,777,943
Committed	7,079	6,130	5,110	0
Assigned	0	0	0	0
Unassigned (Deficit)	<u>(361,421)</u>	<u>(207,369)</u>	<u>(1,491,256)</u>	<u>(1,075,648)</u>
Total All Other Governmental Funds	<u>5,554,785</u>	<u>5,682,428</u>	<u>4,213,447</u>	<u>3,851,636</u>
Total Governmental Funds	<u><u>\$8,293,542</u></u>	<u><u>\$7,683,621</u></u>	<u><u>\$5,590,305</u></u>	<u><u>\$3,289,469</u></u>

Note: The City implemented GASB Statement No. 54 in 2011.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$0	\$422,439	\$480,799	\$452,612	\$486,424	\$217,301
0	(1,247,645)	917,957	2,756,095	3,619,500	5,300,128
333,735	n/a	n/a	n/a	n/a	n/a
159,519	n/a	n/a	n/a	n/a	n/a
158,086	n/a	n/a	n/a	n/a	n/a
<u>(1,365,380)</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>(714,040)</u>	<u>(825,206)</u>	<u>1,398,756</u>	<u>3,208,707</u>	<u>4,105,924</u>	<u>5,517,429</u>
0	1,977,893	1,240,387	2,187,819	2,227,960	2,450,889
0	504,426	713,644	709,112	693,123	0
0	742,483	1,161,949	1,353,949	862,397	2,104,247
0	(385,823)	3,528	0	0	0
0	2,916,582	1,507,327	(412,672)	491,977	(575,469)
82,256	n/a	n/a	n/a	n/a	n/a
7,075,213	n/a	n/a	n/a	n/a	n/a
0	n/a	n/a	n/a	n/a	n/a
1,372	n/a	n/a	n/a	n/a	n/a
<u>(1,103,141)</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>6,055,700</u>	<u>5,755,561</u>	<u>4,626,835</u>	<u>3,838,208</u>	<u>4,275,457</u>	<u>3,979,667</u>
<u>\$5,341,660</u>	<u>\$4,930,355</u>	<u>\$6,025,591</u>	<u>\$7,046,915</u>	<u>\$8,381,381</u>	<u>\$9,497,096</u>

City of Marion
Changes in Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Revenues</u>				
Property Taxes	\$1,263,885	\$1,270,829	\$1,232,257	\$1,213,171
Payment in Lieu of Taxes	399,460	363,665	339,296	375,340
Municipal Income Taxes	16,072,587	14,853,318	14,324,676	12,679,571
Taxes (Property and Municipal Income)	n/a	n/a	n/a	n/a
Special Assessments	0	0	0	0
Charges for Services	1,190,348	1,294,317	1,178,391	1,242,226
Fees, Licenses, and Permits	342,233	343,397	382,259	366,646
Fines and Forfeitures	1,157,497	1,110,859	1,129,885	1,059,463
Intergovernmental	4,663,703	6,742,967	5,594,429	6,623,132
Interest	96,990	137,753	136,337	95,821
Other	354,653	666,356	607,434	292,905
Total Revenues	25,541,356	26,783,461	24,924,964	23,948,275
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	6,673,542	6,001,812	6,426,618	5,492,807
Fire	5,927,259	5,641,142	5,920,835	4,812,830
Other	273,558	296,116	270,226	297,776
Police/Fire/Other	n/a	n/a	n/a	n/a
Public Health	447,537	390,859	391,149	447,638
Leisure Time Activities	880,589	901,399	805,801	932,545
Community Environment	686,208	803,809	623,338	1,401,447
Transportation				
Transit	1,134,617	992,516	1,171,823	1,578,161
Other	4,191,048	4,694,570	2,448,841	2,793,121
Transit/Other	n/a	n/a	n/a	n/a
General Government				
Court	1,247,813	1,252,603	1,200,327	1,014,527
Other	3,102,998	3,256,433	2,790,803	4,349,368
Court/Other	n/a	n/a	n/a	n/a
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	336,462	393,015	407,701	397,628
Current Refunding	0	0	0	0
Interest and Fiscal Charges	144,844	154,340	161,905	175,472
Total Expenditures	25,046,475	24,778,614	22,619,367	23,693,320
Excess of Revenues Over (Under) Expenditures	494,881	2,004,847	2,305,597	254,955

2011	2010	2009	2008	2007	2006
\$1,221,951	\$1,306,032	\$1,316,619	\$1,401,185	\$1,404,796	n/a
366,126	361,716	345,570	338,367	478,042	471,843
12,740,356	11,743,061	12,640,346	14,113,112	\$13,443,747	n/a
n/a	n/a	n/a	n/a	n/a	16,231,668
0	0	0	0	0	27,496
1,198,228	1,676,046	1,827,413	1,360,963	1,505,323	1,158,442
351,163	326,653	363,818	279,947	265,113	1,245,906
1,124,168	1,249,299	1,214,293	1,297,980	\$1,186,232	n/a
7,670,115	6,299,197	5,636,142	6,917,210	5,620,098	5,749,625
192,345	374,695	247,914	416,423	812,342	633,496
955,275	474,041	451,298	314,710	308,992	136,608
<u>25,819,727</u>	<u>23,810,740</u>	<u>24,043,413</u>	<u>26,439,897</u>	<u>25,024,685</u>	<u>25,655,084</u>
6,778,386	7,552,410	7,671,074	\$7,397,210	n/a	n/a
5,526,469	6,125,357	6,261,289	\$6,195,101	n/a	n/a
258,206	274,704	272,940	\$296,923	n/a	n/a
n/a	n/a	n/a	n/a	13,220,977	12,332,999
488,966	636,090	1,194,396	1,231,500	1,168,061	1,039,432
1,114,921	1,403,075	1,385,622	1,471,093	1,421,739	1,217,766
2,572,072	1,363,569	1,000,594	1,351,027	729,756	702,043
1,197,923	807,806	1,001,456	\$1,117,012	n/a	n/a
3,354,214	4,682,823	3,565,728	\$3,172,806	n/a	n/a
n/a	n/a	n/a	n/a	5,849,580	3,632,581
976,173	997,407	973,975	\$824,660	n/a	n/a
3,081,972	4,066,325	3,376,243	\$4,188,079	n/a	n/a
n/a	n/a	n/a	n/a	3,993,892	3,267,290
0	0	0	0	0	295,323
634,053	3,905,795	338,086	346,898	312,462	292,427
0	0	0	0	70,000	0
192,662	296,264	226,984	190,754	189,357	188,017
<u>26,176,017</u>	<u>32,111,625</u>	<u>27,268,387</u>	<u>27,783,063</u>	<u>26,955,824</u>	<u>22,967,878</u>
<u>(356,290)</u>	<u>(8,300,885)</u>	<u>(3,224,974)</u>	<u>(1,343,166)</u>	<u>(1,931,139)</u>	<u>2,687,206</u>

(continued)

City of Marion
Changes in Fund Balance
Governmental Funds
Last Ten Years
(continued)
(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Other Financing Sources (Uses)</u>				
Bond Anticipation Notes Issued	\$0	\$0	\$0	\$0
General Obligation Bonds Issued	0	0	0	0
Loan Proceeds	0	0	0	0
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Sale of Capital Assets	115,040	87,969	3,850	23,400
Inception of Capital Lease	0	0	0	0
Transfers In	6,290,774	6,386,264	1,353,929	1,551,743
Transfers Out	<u>(6,290,774)</u>	<u>(6,385,764)</u>	<u>(1,362,540)</u>	<u>(3,882,289)</u>
Total Other Financing Sources (Uses)	<u>115,040</u>	<u>88,469</u>	<u>(4,761)</u>	<u>(2,307,146)</u>
Changes in Fund Balance	<u>\$609,921</u>	<u>\$2,093,316</u>	<u>\$2,300,836</u>	<u>(\$2,052,191)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.08%	2.51%	2.58%	2.67%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$0	\$2,650,000	\$0	\$1,580,000	\$1,580,000	\$0
0	4,178,350	0	0	0	0
0	0	3,780,000	0	0	0
0	(250,000)	(1,580,000)	(1,580,000)	(700,000)	0
0	(790,010)	0	0	0	0
0	2,300	3,650	8,700	5,200	0
0	0	0	0	149,000	0
2,029,580	3,585,003	1,701,215	1,732,944	1,986,977	1,658,369
<u>(1,663,985)</u>	<u>(1,941,274)</u>	<u>(1,701,215)</u>	<u>(1,732,944)</u>	<u>(1,986,977)</u>	<u>(2,008,477)</u>
<u>365,595</u>	<u>7,434,369</u>	<u>2,203,650</u>	<u>8,700</u>	<u>1,034,200</u>	<u>(350,108)</u>
<u>\$9,305</u>	<u>(\$866,516)</u>	<u>(\$1,021,324)</u>	<u>(\$1,334,466)</u>	<u>(\$896,939)</u>	<u>\$2,337,098</u>
3.30%	14.16%	2.24%	2.08%	2.04%	2.15%

City of Marion
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility			
2015	\$263,070,800	\$81,120,760	\$983,404,457	\$29,015,140	\$32,971,750
2014	263,816,600	82,467,090	989,381,971	25,412,110	28,877,398
2013	271,196,890	76,113,830	992,316,343	23,688,270	26,918,489
2012	272,472,140	76,487,530	997,027,629	22,353,570	25,401,784
2011	273,732,270	77,803,200	1,004,387,057	21,945,680	24,938,273
2010	295,173,850	77,401,950	1,064,502,286	21,834,590	24,812,034
2009	295,845,230	79,324,070	1,071,912,286	21,169,150	24,055,852
2008	298,109,220	82,188,470	1,086,564,829	21,893,290	24,878,739
2007	275,972,300	74,992,090	1,002,755,400	20,905,600	23,756,364
2006	272,147,490	73,320,980	987,052,771	21,064,560	23,937,000

Source: Marion County Auditor

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out beginning in 2006. The assessment percentage was 12.5 percent for 2007, 6.25 for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been collected since 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$373,206,700	\$1,016,376,207	36.72%	\$4.20
0	0	371,695,800	1,018,259,369	36.50	4.20
0	0	370,998,990	1,019,234,832	36.40	4.20
0	0	371,313,240	1,022,429,413	36.32	4.20
0	0	373,481,150	1,029,325,330	36.28	4.20
416,300	416,300	394,826,690	1,089,730,620	36.23	4.20
492,180	7,874,880	396,830,630	1,103,843,018	35.95	4.20
13,529,040	108,232,320	415,720,020	1,219,675,888	34.08	4.20
27,991,030	149,285,493	399,861,020	1,175,797,257	34.01	4.20
43,191,975	172,767,900	409,725,005	1,183,757,671	34.61	4.20

City of Marion
Property Tax Rates - Direct and All Overlapping Governments
(Per \$1,000 of Assessed Values)
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
City of Marion				
Unvoted Millage				
General	\$3.600	\$3.600	\$3.600	\$3.600
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2000	4.2000	4.2000	4.2000
Total Millage (Total Direct Rate)	4.2000	4.2000	4.2000	4.2000
Total Effective Millage by Type of Property				
Residential/Agriculture	4.2000	4.2000	4.2000	4.2000
Commerical/Industrial	4.2000	4.2000	4.2000	4.2000
Tangible/Public Utility Personal	4.2000	4.2000	4.2000	4.2000
Marion County	11.1700	11.1700	11.1700	11.1700
Marion City School District	41.1200	41.1200	41.2200	41.2500
Elgin Local School District	44.8600	44.8600	45.7500	45.7800
Pleasant Local School District	46.5300	46.5300	47.1300	47.1300
Ridgedale Local School District	44.7000	44.7000	45.6900	45.7000
River Valley Local School District	38.6200	38.6200	38.8900	38.8900
Tri-Rivers Joint Vocational School District	4.4000	4.4000	4.4000	4.4000
Marion Township	10.1000	10.1000	10.1000	10.1000

Source: Marion County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can be increased only by a majority vote of the City's residents.

Overlapping rates are those of local and county governments that apply to property owners within the City. Property tax rates for all overlapping governments are based upon the original voted levy.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$3.600	\$3.600	\$3.600	\$3.600	\$3.600	\$3.600
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
11.1700	11.1700	11.5500	11.5500	11.5500	10.7500
40.3600	40.3600	40.3600	40.7500	40.2600	40.6300
46.1700	46.1700	37.6800	38.2600	37.7700	37.8500
47.5900	47.5900	47.5900	47.7700	47.7700	48.2300
46.5200	46.5200	46.5200	47.6800	47.6000	47.3900
38.4100	38.4100	38.4100	43.5000	43.5000	44.3700
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
7.8000	7.8000	7.8000	7.8000	7.8000	7.8000

City of Marion
Real Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2015	\$1,447,461	\$149,502	\$1,596,963	\$1,422,034	98.24%
2014	1,450,102	156,740	1,606,842	1,432,159	98.76
2013	1,444,568	168,149	1,612,717	1,391,261	96.31
2012	1,441,507	161,131	1,602,638	1,378,578	95.63
2011	1,461,010	153,047	1,614,057	1,338,329	91.60
2010	1,461,010	54,755	1,515,765	1,511,805	103.48
2009	1,542,721	129,642	1,672,363	1,514,993	98.20
2008	1,547,017	107,208	1,654,225	1,541,707	99.66
2007	1,506,565	161,999	1,668,564	1,442,632	95.76
2006	1,452,344	107,043	1,559,387	1,466,165	100.95

Source: Marion County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

(2) Amounts listed include penalties and interest.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$124,075	\$1,546,109	96.82%	\$365,555	22.89%
138,797	1,570,956	97.77	349,622	21.76
114,833	1,506,094	93.39	329,343	20.42
98,201	1,476,779	92.15	325,595	20.32
99,983	1,438,312	89.11	308,722	19.13
105,549	1,617,354	106.70	253,138	16.70
101,734	1,616,727	96.67	288,391	17.24
101,898	1,643,605	99.36	243,057	14.69
97,975	1,540,607	92.33	203,039	12.17
120,864	1,587,029	101.77	177,930	11.41

City of Marion
Tangible Personal Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2015	\$0	\$598	\$598	\$0	0.00%
2014	0	833	833	0	0.00
2013	0	6,891	6,891	0	0.00
2012	0	6,957	6,957	0	0.00
2011	86	9,919	10,005	0	0.00
2010	1,691	11,120	12,811	1,522	90.01
2009	6,570	18,662	25,232	6,442	98.05
2008	66,429	20,462	86,891	62,753	94.47
2007	109,657	17,790	127,447	107,976	98.47
2006	188,768	25,704	214,472	185,813	98.43

Source: Marion County Auditor

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$0	\$0	0.00%	\$598	100.00%
0	0	0.00	833	100.00
6,002	6,002	87.10	833	12.09
65	65	0.93	6,896	99.12
2,911	2,911	29.10	6,945	69.42
191	1,713	13.37	9,864	77.00
1,664	8,106	32.13	11,440	45.34
2,244	64,997	74.80	20,217	23.27
2,533	110,509	86.71	14,912	11.70
14	185,827	86.64	17,412	8.12

City of Marion
Principal Taxpayers
Current Year and Four Years Ago

Taxpayer	Type of Business	2015		
		Real Property Assessed Valuation	Rank	Percentage of Total City Assessed Valuation (2015 Collection Year)
Aqua Ohio	Utility	\$16,792,050	1	4.50%
Ohio Edison Company	Utility	9,196,400	2	2.46
Marion General Hospital	Hospital	8,344,570	3	2.24
Columbia Gas	Utility	3,301,750	4	0.88
DOFASCO Marion, Inc.	Real Estate	2,798,400	5	0.75
Marion Plaza Association	Real Estate	2,260,110	6	0.61
American Transmission	Manufacturing	1,852,900	7	0.50
Nucor Steel	Manufacturing	1,717,190	8	0.46
Kinman Real Estate	Real Estate	1,423,040	9	0.38
HCRA Properties	Real Estate	1,417,850	10	0.38
Ohio American Water	Utility			
Clinic Investment	Medical			
John and Judy Curr	Real Estate			
MV/ALG Mallard Landing	Real Estate			
	Total	49,104,260		13.16
	All Other Taxpayers	324,102,440		86.84
	Total Assessed Valuation	\$373,206,700		100.00%

Source: Marion County Auditor

Note: Information prior to 2011 is not available.

2011

<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Assessed Valuation (2011 Collection Year)</u>
\$7,252,160	2	1.94%
1,775,530	6	0.48
2,167,490	4	0.58
2,082,610	5	0.56
1,401,210	7	0.38
1,245,480	10	0.33
12,161,490	1	3.26
3,334,180	3	0.89
1,319,740	8	0.35
1,312,500	9	0.35
34,052,390		9.12
339,428,760		90.88
<u>\$373,481,150</u>		<u>100.00%</u>

City of Marion
Income Tax Revenue Base and Collections
Last Nine Years
(Accrual Basis of Accounting)

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2015	2.00%	\$16,122,061	\$12,832,078	79.59%	\$2,145,803	13.31%	\$1,144,180	7.10%
2014	2.00	15,042,477	12,371,604	82.24	1,497,107	9.95	1,173,766	7.81
2013	2.00	14,201,125	11,632,480	81.91	1,469,045	10.34	1,099,600	7.74
2012	1.75	12,973,933	11,064,451	85.28	1,160,201	8.94	749,281	5.78
2011	1.75	11,764,331	9,747,314	82.85	1,201,216	10.21	815,801	6.93
2010	1.75	12,586,726	10,905,471	86.64	945,066	7.51	736,189	5.85
2009	1.75	12,669,517	10,504,721	82.91	1,347,433	10.64	817,363	6.45
2008	1.75	14,012,195	11,709,273	83.56	1,411,850	10.08	891,072	6.36
2007	1.75	14,570,392	12,271,390	84.22	1,421,967	9.76	877,035	6.02

Source: City Records

Note: Information prior to 2007 is not available.

City of Marion
Sewer Utility Statistics
Last Seven Years

Type of Customer	2015			2014		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits	664,495	\$2,635,043	\$2.78	713,152	\$2,845,852	\$2.78
Outside City Limits	27,779	127,694	3.24	28,458	129,996	3.24
Commercial						
Inside City Limits	554,110	1,667,994	2.92	475,506	1,381,162	2.92
Outside City Limits	59,465	<u>196,272</u>	3.09	45,779	<u>151,697</u>	3.09
Subtotal		<u>4,627,003</u>			<u>4,508,707</u>	
Residential Well						
Well	n/a	2,187	12.19	n/a	5,619	12.19
Sewer Well 1 Person	n/a	4,269	12.19	n/a	2,202	12.19
Sewer Well 2 People	n/a	1,153	18.68	n/a	4,202	18.68
Sewer Well 3 People	n/a	902	23.54	n/a	1,552	23.54
Sewer Well 4 People	n/a	902	26.78	n/a	796	26.78
Sewer Well 5 People	n/a	<u>404</u>	28.40	n/a	<u>0</u>	28.40
Subtotal		<u>9,817</u>			<u>14,371</u>	
Grand Total		<u>\$4,636,820</u>			<u>\$4,523,078</u>	

Source: City Utility Department

(continued)

Note: In 2014, the billing cycle was changed to a monthly cycle.

Information prior to 2009 is not available.

n/a - not applicable

City of Marion
Sewer Utility Statistics
Last Seven Years
(continued)

Type of Customer	2013			2012		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits	726,914	\$2,978,103	\$2.61	588,011	\$2,283,210	\$2.61
Outside City Limits	28,822	130,399	3.09	20,076	116,242	3.09
Commercial						
Inside City Limits	504,307	1,506,463	2.77	443,243	1,271,528	2.77
Outside City Limits	41,271	<u>138,412</u>	3.09	34,498	<u>116,509</u>	3.09
Subtotal		<u>4,753,377</u>			<u>3,787,489</u>	
Residential Well						
Well	n/a	197,102	23.03	n/a	36,202	23.03
Sewer Well 1 Person	n/a	2,004	23.03	n/a	1,668	23.03
Sewer Well 2 People	n/a	3,763	33.42	n/a	2,877	33.42
Sewer Well 3 People	n/a	1,265	43.82	n/a	1,271	43.82
Sewer Well 4 People	n/a	922	54.21	n/a	597	54.21
Sewer Well 5 People	n/a	<u>258</u>	64.61	n/a	<u>258</u>	64.61
Subtotal		<u>205,314</u>			<u>42,873</u>	
Grand Total		<u>\$4,958,691</u>			<u>\$3,830,362</u>	

Source: City Utility Department

Note: In 2014, the billing cycle was changed to a monthly cycle.

Information prior to 2009 is not available.

n/a - not applicable

2011			2010			2009		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
761,031	\$2,760,144	\$2.35	n/a	\$2,295,334	\$2.30	n/a	\$2,271,940	\$2.16
30,567	129,469	2.83	n/a	116,865	2.77	n/a	119,811	2.66
545,917	1,509,213	2.50	n/a	1,296,241	2.45	n/a	1,260,115	2.34
41,147	<u>133,335</u>	2.83	n/a	<u>125,528</u>	2.77	n/a	<u>123,196</u>	2.66
	<u>4,532,161</u>			<u>3,833,968</u>			<u>3,775,062</u>	
n/a	21,013	20.82	n/a	17,618	20.60	n/a	1,182	20.05
n/a	1,703	20.82	n/a	1,379	20.60	n/a	3,027	20.05
n/a	3,540	30.22	n/a	2,947	29.70	n/a	75	28.68
n/a	1,748	39.62	n/a	1,482	38.97	n/a	629	37.32
n/a	815	49.02	n/a	861	48.16	n/a	423	45.95
n/a	<u>0</u>	58.42	n/a	<u>0</u>	57.34	n/a	<u>137</u>	54.58
	<u>28,819</u>			<u>24,287</u>			<u>5,473</u>	
	<u>\$4,560,980</u>			<u>\$3,858,255</u>			<u>\$3,780,535</u>	

City of Marion
Sanitation Utility Statistics
Last Six Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Number of Accounts	13,258	12,293	12,439	11,930
Total Billed	\$3,591,083	\$3,443,328	\$3,189,987	\$2,717,722
Flat Rate Bi-Monthly				
Residential				
Residential Through 4/30/13	n/a	n/a	40.66	38.50
Residential 5/1/13 Through 3/17/14	n/a	42.66	42.66	n/a
Residential After 3/18/14	22.00	22.00	n/a	n/a
Senior Residential Through 4/30/13	n/a	n/a	20.33	24.25
Senior Residential 5/1/13 Through 3/17/14	n/a	21.33	21.33	n/a
Senior Residential After 3/18/14	11.00	11.00	n/a	n/a

<u>2011</u>	<u>2010</u>
10,002	10,002
\$2,227,749	\$1,761,468

38.50	38.50
n/a	n/a
n/a	n/a
24.25	24.25
n/a	n/a
n/a	n/a

(continued)

City of Marion
Sanitation Utility Statistics
Last Six Years
(continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commerical				
Commercial Bi-Monthly Pickup Through 4/30/13	n/a	n/a	\$37.46	n/a
Commercial Bi-Monthly Pickup 5/1/13 Through 3/17/14	n/a	\$38.46	38.46	n/a
Commercial Bi-Monthly Pickup After 3/18/14	\$39.13	39.13	n/a	n/a
5 Bags 1 Pickup Monthly Through 4/30/13	n/a	n/a	25.33	\$24.25
5 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	n/a	26.33	26.33	n/a
5 Bags 1 Pickup Monthly After 3/18/14	27.00	27.00	n/a	n/a
5 Bags 2 Pickup Monthly Through 4/30/13	n/a	n/a	50.66	48.50
5 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	n/a	52.66	52.66	n/a
5 Bags 2 Pickup Monthly After 3/18/14	27.00	27.00	n/a	n/a
6 Bags 1 Pickup Monthly Through 4/30/13	n/a	n/a	37.48	36.40
6 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	n/a	38.48	38.48	n/a
6 Bags 1 Pickup Monthly After 3/18/14	39.15	39.15	n/a	n/a
6 Bags 2 Pickup Monthly Through 4/30/13	n/a	n/a	74.96	72.80
6 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	n/a	76.99	76.99	n/a
6 Bags 2 Pickup Monthly After 3/18/14	77.66	77.66	n/a	n/a
6 Bags 3 Pickup Monthly Through 4/30/13	n/a	n/a	111.36	109.20
6 Bags 3 Pickup Monthly 5/1/13 Through 3/17/14	n/a	112.36	112.36	n/a
6 Bags 3 Pickup Monthly After 3/18/14	113.03	113.03	n/a	n/a
Trailer Park Flat Rate	280.24	280.24	279.57	279.57

Source: City Utility Department

Note: Information prior to 2010 is not available.

n/a - not applicable

<u>2011</u>	<u>2010</u>
n/a	n/a
n/a	n/a
n/a	n/a
\$24.25	\$24.25
n/a	n/a
n/a	n/a
48.50	48.50
n/a	n/a
n/a	n/a
36.40	36.40
n/a	n/a
n/a	n/a
72.80	72.80
n/a	n/a
n/a	n/a
109.20	109.20
n/a	n/a
n/a	n/a
279.57	279.57

City of Marion
Storm Water Utility Statistics
Last Seven Years

Type of Customer	2015		2014		2013	
	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
Residential						
Bi-Monthly Through 3/18/14	n/a	n/a	n/a	n/a	\$613,527	\$8.32
Monthly 3/18/14 through 4/30/15	\$186,999	\$4.16	\$565,870	\$4.16	n/a	n/a
Monthly After 4/30/15	553,963	6.08	n/a	n/a	n/a	n/a
Senior Bi-Monthly Discount Through 3/18/14	n/a	n/a	n/a	n/a	21,838	4.16
Senior Monthly Discount 3/18/14 through 4/30/15	6,011	2.08	18,430	2.08	n/a	n/a
Senior Monthly Discount After 4/30/15	16,634	3.07	n/a	n/a	n/a	n/a
Commercial						
Bi-Monthly	n/a	n/a	n/a	n/a	355,578	8.32
Monthly Through 4/30/15	166,203	4.16	554,353	4.16	243,879	4.16
Monthly After 4/30/15	<u>499,488</u>	6.14	<u>n/a</u>	n/a	<u>n/a</u>	n/a
Grand Total	<u>\$1,429,298</u>		<u>\$1,138,653</u>		<u>\$1,234,822</u>	

Source: City Utility Department

Note: In 2014, the billing cycle was changed to a monthly cycle.

Information prior to 2009 is not available.

2012		2011		2010		2009	
Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
\$503,850	\$8.32	\$626,222	\$8.32	\$542,317	\$8.32	\$565,208	\$8.32
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15,866	4.16	17,790	4.16	14,925	4.16	15,520	4.16
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
276,382	8.32	219,952	8.32	232,566	8.32	278,291	8.32
191,854	4.16	352,789	4.16	268,344	4.16	249,876	n/a
<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>\$987,952</u>		<u>\$1,216,753</u>		<u>\$1,058,152</u>		<u>\$1,108,895</u>	

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City of Marion
Principal Sewer Customers
Last Seven Years

Customer	2015			2014		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$546,322	1	11.77%	\$617,240	1	13.65%
North Central Correctional Institute	342,787	2	7.39	363,053	2	8.03
North Central Correctional Facility	48,189	3	1.04			
Kinman Real Estate	24,851	4	0.54	23,713	5	0.52
Nachurs	24,465	5	0.53	17,214	9	0.38
Nucor Steel	23,634	6	0.51	22,611	6	0.50
Sika Corporation	22,248	7	0.48	32,993	3	0.73
Marion Village Apartments	16,087	8	0.35			
Multi County Correctional Institute	15,291	9	0.33	15,565	10	0.34
Community Nursing	14,868	10	0.32	21,057	7	0.47
Mark Kamann				31,188	4	0.69
Fairview 1				18,115	8	0.40
Silverline Building Products						
Arcelormittal Tubular						
Chartwell Group						
TSM Management						
CSX Transportation, Inc.						
John Curry						
Rotary Towers						
US Yachiyo						
Total	1,078,742		23.26	1,162,749		25.71
Balance from Other Customers	3,558,078		76.74	3,360,329		74.29
Total Billed	<u>\$4,636,820</u>		<u>100.00%</u>	<u>\$4,523,078</u>		<u>100.00%</u>

Source: City Utility Department

(continued)

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Does not include industrial pre-treatment customers.

Information prior to 2009 is not available.

City of Marion
Principal Sewer Customers
Last Seven Years
(continued)

Customer	2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$624,814	1	12.60%	\$453,378	1	11.84%
North Central Correctional Institute	304,596	2	6.14	244,885	2	6.39
North Central Correctional Facility						
Kinman Real Estate	24,170	3	0.49	24,870	3	0.65
Nachurs	18,785	6	0.38	24,159	4	0.63
Nucor Steel						
Sika Corporation						
Marion Village Apartments						
Multi County Correctional Institute	17,876	7	0.36	13,348	10	0.35
Community Nursing	20,907	5	0.42	18,070	6	0.47
Mark Kamann	22,721	4	0.46			
Fairview 1	14,455	9	0.29			
Silverline Building Products	14,850	8	0.30	20,955	5	0.55
Arcelormittal Tubular	14,176	10	0.29			
Chartwell Group				16,246	7	0.42
TSMM Management				14,569	8	0.38
CSX Transportation, Inc.				13,520	9	0.35
John Curry						
Rotary Towers						
US Yachiyo						
Total	<u>1,077,350</u>		<u>21.73</u>	<u>844,000</u>		<u>22.03</u>
Balance from Other Customers	<u>3,881,341</u>		<u>78.27</u>	<u>2,986,362</u>		<u>77.97</u>
Total Billed	<u>\$4,958,691</u>		<u>100.00%</u>	<u>\$3,830,362</u>		<u>100.00%</u>

Source: City Utility Department

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Does not include industrial pre-treatment customers.

Information prior to 2009 is not available.

2011			2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$547,820	1	12.02%	\$414,838	1	10.76%	\$359,510	1	9.51%
349,098	2	7.65	308,287	2	7.99	270,915	2	7.17
26,131	4	0.57	24,708	5	0.64	22,958	5	0.61
26,144	3	0.57	26,219	4	0.68			
			60,630	3	1.57	87,340	3	2.31
15,819	8	0.35	14,805	9	0.38	15,051	8	0.40
18,651	6	0.41	15,229	8	0.39	15,175	7	0.40
15,387	9	0.34	15,684	7	0.41	12,986	10	0.34
16,531	7	0.36						
24,919	5	0.55	23,771	6	0.62	29,378	4	0.78
12,985	10	0.28	12,487	10	0.32	16,344	6	0.43
						14,515	9	0.38
1,053,485		23.10	916,658		23.76	844,172		22.33
3,507,495		76.90	2,941,597		76.24	2,936,363		77.67
<u>\$4,560,980</u>		<u>100.00%</u>	<u>\$3,858,255</u>		<u>100.00%</u>	<u>\$3,780,535</u>		<u>100.00%</u>

City of Marion
Principal Sanitation Customers
Last Six Years

Customer	2015			2014			2013		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Kinman Real Estate	\$11,235	1	0.31%	\$11,233	2	0.33%	\$12,163	1	0.40%
Hampton Woods	9,705	2	0.27	12,938	1	0.37	9,397	2	0.29
Lakes of Marion	7,920	3	0.22	8,480	3	0.25	7,439	3	0.23
John Osborne	2,352	4	0.07						
Villas at Center Park	2,112	5	0.06	2,621	5	0.08	1,984	7	0.06
Alan Gale	1,857	6	0.05	1,424	10	0.04			
USWA Local 1949	1,807	7	0.05	1,654	8	0.05			
James Troy	1,418	8	0.04						
Gretchen Haley	1,282	9	0.04						
Myrtle Zornes	1,238	10	0.03						
David Delauder				3,936	4	0.11			
Michael Gamble				2,089	6	0.06			
Bryan Timmon				1,688	7	0.05			
Vernie Williams				1,534	9	0.04			
Ethel Cochroan							2,630	4	0.08
Carola Woodrum							2,296	5	0.07
Sonja Troutman							2,020	6	0.06
Reginald Blair							1,922	8	0.06
Michael Cox							1,656	9	0.05
Rebecca Lyons							1,480	10	0.05
Mary Houston									
N & L Rentals									
Bobby May									
Janeth Watkins									
Harold Large									

2012			2011			2010		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$10,292	1	0.38%	\$10,981	1	0.50%	\$10,632	1	0.61%
9,245	2	0.34	8,982	2	0.40			
7,319	3	0.27	7,110	3	0.32			
2,028	7	0.07						
1,952	8	0.07	1,896	4	0.09			
						728	5	0.04

2,297	4	0.08
2,087	5	0.08
2,083	6	0.08
1,917	9	0.07
1,788	10	0.07

(continued)

City of Marion
Principal Sanitation Customers
Last Six Years
(continued)

Customer	2015			2014			2013		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Lois Partipilo									
Rocky Bradford									
Charles Levings									
Rose Ann Seiter									
Martis Bracy									
Fairpark Baptist Church									
Mobile Meals									
Church of Nazarene									
Marion Public Library									
CWA Local 4371									
The Bainbridge Firm									
Debra Haire									
J & D Properties									
Total	40,926		1.14	47,597		1.38	42,987		1.35
Balance from Other Customers	<u>3,550,157</u>		<u>98.86</u>	<u>3,395,731</u>		<u>98.62</u>	<u>3,147,000</u>		<u>98.65</u>
Total Billed	<u>\$3,591,083</u>		<u>100.00%</u>	<u>\$3,443,328</u>		<u>100.00%</u>	<u>\$3,189,987</u>		<u>100.00%</u>

Source: City Utility Department

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Information prior to 2010 is not available.

2012			2011			2010		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
			\$1,870	5	0.08%			
			1,820	6	0.08			
			1,654	7	0.07			
			1,533	8	0.04			
			1,495	9	0.07			
			1,445	10	0.06	\$1,424	2	0.08%
						893	3	0.05
						874	4	0.05
						583	6	0.03
						486	7	0.03
						437	8	0.02
						385	9	0.02
						323	10	0.02
41,008		1.51	38,786		1.74	16,765		0.95
<u>2,676,714</u>		<u>98.49</u>	<u>2,188,963</u>		<u>98.26</u>	<u>1,744,703</u>		<u>99.05</u>
<u>\$2,717,722</u>		<u>100.00%</u>	<u>\$2,227,749</u>		<u>100.00%</u>	<u>\$1,761,468</u>		<u>100.00%</u>

City of Marion
Principal Storm Water Customers
Last Seven Years

Customer	2015			2014		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$28,888	1	2.02%	\$21,930	3	1.93%
Nucor Steel	27,843	2	1.95	24,659	1	2.15
GPS LLC	26,238	3	1.84	19,918	4	1.75
Marion Medical Center	22,034	4	1.54	16,369	5	1.44
Central Ohio Farmers Coop	21,337	5	1.49			
Graphic Packaging	17,939	6	1.26	13,618	6	1.20
North Central Correctional Institute	16,268	7	1.14	22,019	2	1.93
North Central Correctional Facility	13,009	8	0.91			
General Recycling	11,896	9	0.83	10,009	8	0.88
Marion City School District	11,495	10	0.80	8,726	9	0.77
Bunge North American Granary				10,938	7	0.96
General Machine and Saw				7,588	10	0.67
Kinman Real Estate						
Clinic Investment						
Ohio Department of Youth Services						
Total	196,947		13.78	155,774		13.68
Balance from Other Customers	1,232,351		86.22	982,879		86.32
Total Billed	<u>\$1,429,298</u>		<u>100.00%</u>	<u>\$1,138,653</u>		<u>100.00%</u>

Source: City Utility Department

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Does not include industrial pre-treatment customers.

Information prior to 2009 is not available.

2013			2012			2011		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$25,524	2	2.07%	\$18,275	2	1.85%	\$21,930	2	1.80%
49,200	1	4.00	38,750	1	3.92	42,096	1	3.44
24,842	3	2.01	18,258	3	1.85	19,918	3	1.64
17,687	5	1.43						
15,850	6	1.28	12,483	5	1.26	13,618	6	1.12
14,241	7	1.15	9,177	7	0.93	12,236	7	1.01
10,536	8	0.85	7,525	9	0.76	10,536	8	0.87
10,156	9	0.82	7,999	8	0.81	8,726	9	0.72
17,771	4	1.44	12,365	6	1.25	16,404	4	1.35
8,390	10	0.68	6,608	10	0.67	7,208	10	0.59
			15,005	4	1.52	16,369	5	1.35
<hr/>			<hr/>			<hr/>		
194,197		15.73	146,445		14.82	169,041		13.89
1,040,625		84.27	841,507		85.18	1,047,712		86.11
<u>\$1,234,822</u>		<u>100.00%</u>	<u>\$987,952</u>		<u>100.00%</u>	<u>\$1,216,753</u>		<u>100.00%</u>

(continued)

City of Marion
Principal Storm Water Customers
Last Six Years
(continued)

Customer	2010			2009		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$21,930	1	2.07%	\$21,930	1	1.98%
Nucor Steel	17,613	3	1.67	21,136	2	1.90
GPS LLC	19,918	2	1.88	19,918	3	1.80
Marion Medical Center						
Central Ohio Farmers Coop						
Graphic Packaging	13,618	6	1.29	13,618	6	1.23
North Central Correctional Institute	12,235	7	1.16	12,235	7	1.10
North Central Correctional Facility						
General Recycling	7,525	9	0.71	9,407	9	0.85
Marion City School District						
Bunge North American Granary	16,404	4	1.55	16,472	5	1.49
General Machine and Saw						
Kinman Real Estate	7,208	10	0.68	7,208	10	0.65
Clinic Investment	16,369	5	1.55	16,846	4	1.52
Ohio Department of Youth Services	<u>9,784</u>	8	<u>0.92</u>	<u>9,784</u>	8	<u>0.88</u>
Total	142,604		13.48	148,554		13.40
Balance from Other Customers	<u>915,548</u>		<u>86.52</u>	<u>960,341</u>		<u>86.60</u>
Total Billed	<u>\$1,058,152</u>		<u>100.00%</u>	<u>\$1,108,895</u>		<u>100.00%</u>

Source: City Utility Department

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Does not include industrial pre-treatment customers.

Information prior to 2009 is not available.

City of Marion
Wastewater Treated with Parameter Removal Data
Last Ten Years

Year	Gallons Treated (Per Million)	Parameter	Removal Rate	Average Pounds Removed (Per Day)
2015	3,480	Ammonia	91.3	680
		Biochemical Oxygen Demand	97.6	9,938
		Total Suspended Solids	97.6	9,415
		Phosphorus	58.2	147
2014	3,234	Ammonia	94.8	n/a
		Biochemical Oxygen Demand	94.9	n/a
		Total Suspended Solids	87.3	n/a
		Phosphorus	62.5	n/a
2013	3,651	Ammonia	96.9	n/a
		Biochemical Oxygen Demand	97.4	n/a
		Total Suspended Solids	97.0	n/a
		Phosphorus	73.9	n/a
2012	3,273	Ammonia	96.4	612
		Biochemical Oxygen Demand	98.3	8,933
		Total Suspended Solids	97.6	8,523
		Phosphorus	57.5	138
2011	4,641	Ammonia	95.5	n/a
		Biochemical Oxygen Demand	97.8	n/a
		Total Suspended Solids	96.4	n/a
		Phosphorus	62.7	n/a
2010	3,792	Ammonia	95.9	n/a
		Biochemical Oxygen Demand	98.3	n/a
		Total Suspended Solids	97.9	n/a
		Phosphorus	50.4	n/a
2009	3,039	Ammonia	94.9	n/a
		Biochemical Oxygen Demand	98.0	n/a
		Total Suspended Solids	97.3	n/a
		Phosphorus	55.5	n/a
2008	3,733	Ammonia	91.0	702
		Biochemical Oxygen Demand	97.8	11,475
		Total Suspended Solids	96.9	9,732
		Phosphorus	48.9	173
2007	3,771	Ammonia	93.4	672
		Biochemical Oxygen Demand	97.6	12,284
		Total Suspended Solids	97.1	9,059
		Phosphorus	64.1	240
2006	3,754	Ammonia	93.4	773
		Biochemical Oxygen Demand	97.9	11,345
		Total Suspended Solids	97.2	9,896
		Phosphorus	53.1	163

Source: City Utility Department

n/a - not available

City of Marion
Ratios of Outstanding Debt by Type
Last Ten Years

Governmental Activities						
Year	Bond Anticipation Notes	General Obligation Bonds	ODOT DRIP TIF	OPWC Loans	Capital Loans	Capital Leases
2015	\$0	\$3,846,850	\$277,207	\$44,872	\$0	\$0
2014	0	4,141,550	363,809	51,282	0	0
2013	0	4,429,950	447,664	57,692	64,350	0
2012	0	4,715,800	528,859	64,102	147,346	0
2011	0	4,997,250	607,478	70,512	227,245	0
2010	2,650,000	5,269,350	683,602	76,922	304,164	0
2009	5,160,000	765,000	757,312	80,127	378,213	39,581
2008	1,580,000	815,000	929,716	86,537	449,500	77,566
2007	2,980,000	865,000	1,115,124	92,947	518,128	114,018
2006	0	1,364,000	1,275,127	99,357	584,195	0

Source: City Records

(1) See Schedule on S-59 for population and personal income.

Business-Type Activities

General Obligation Bonds	OWDA Loans	OPWC Loans	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$21,213,150	\$10,243,963	\$1,166,058	\$0	\$36,792,100	\$1,004.70	3.00%
22,093,450	11,977,694	1,087,974	0	39,715,759	1,078.15	2.65
22,950,050	13,675,355	1,189,379	0	42,814,440	1,123.27	2.71
23,794,200	15,337,917	1,286,934	0	45,875,158	1,243.09	3.81
13,362,750	16,966,329	1,423,009	0	37,654,573	1,019.40	3.22
14,150,650	18,561,506	1,382,428	0	43,078,622	1,170.46	3.75
5,022,850	20,124,330	1,247,446	0	33,574,859	938.47	2.95
5,360,689	21,578,955	1,367,335	41,143	32,286,441	897.79	2.63
5,683,621	22,941,019	1,487,224	121,404	35,918,485	999.40	2.98
6,030,000	24,456,153	1,618,550	199,038	35,626,420	984.94	2.98

City of Marion
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Estimated Actual Value</u>	<u>Gross Bonded Debt</u>	<u>Bonded Debt Per Capita</u>	<u>Bonded Debt to Estimated Actual Value</u>
2015	36,620	\$1,016,376,207	\$25,060,000	\$684.33	2.47%
2014	36,837	1,018,259,369	26,235,000	712.19	2.58
2013	38,116	1,019,234,832	27,380,000	718.33	2.69
2012	36,904	1,022,429,413	28,510,000	772.54	2.79
2011	36,938	1,029,325,330	18,360,000	497.05	1.78
2010	36,805	1,089,730,620	19,420,000	527.65	1.78
2009	35,776	1,103,843,018	5,787,850	161.78	0.52
2008	35,962	1,219,675,888	6,175,689	171.73	0.51
2007	35,940	1,175,797,257	6,548,621	182.21	0.56
2006	36,171	1,183,757,671	7,394,000	204.42	0.62

Source: City Records
Marion County Auditor

City of Marion
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2015

Political Subdivision	Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
City of Marion	\$4,168,929	100%	\$4,168,929
Marion County	2,520,000	33.51	844,452
Marion City School District	8,224,121	95.75	7,874,596
Elgin Local School District	14,015,000	0.26	36,439
Pleasant Local School District	640,000	19.21	122,944
River Valley Local School District	9,010,000	2.99	269,399
Total Overlapping Debt	34,409,121		9,147,830
Total	\$38,578,050		\$13,316,759

Source: Marion County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision. The valuations used were for the 2015 collection year.

City of Marion
Computation of Legal Debt Margin
Last Ten Years

	2015	2014	2013	2012
Total Assessed Valuation	<u>\$373,206,700</u>	<u>\$371,695,800</u>	<u>\$370,998,990</u>	<u>\$371,313,240</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	39,186,704	39,028,059	38,954,894	38,987,890
Gross Indebtedness	44,133,600	43,259,359	48,994,440	47,205,158
Less Debt Outside Limitation				
Bond Anticipation Notes	6,613,500	2,588,500	5,680,000	1,030,000
General Obligation Bonds	21,213,150	22,093,450	22,950,050	23,794,200
OWDA Loans	10,243,963	11,977,694	13,675,355	15,337,917
OPWC Loans	1,210,930	1,139,256	1,247,071	1,351,036
ODOT DRIP TIF	<u>277,207</u>	<u>363,809</u>	<u>447,664</u>	<u>528,859</u>
Net Indebtedness	4,574,850	5,096,650	4,994,300	5,163,146
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 10.5 Percent Limitation	<u>4,574,850</u>	<u>5,096,650</u>	<u>4,994,300</u>	<u>5,163,146</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$34,611,854</u>	<u>\$33,931,409</u>	<u>\$33,960,594</u>	<u>\$33,824,744</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	88.33%	86.94%	87.18%	86.76%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$20,526,369	\$20,443,269	\$20,404,944	\$20,422,228
Gross Indebtedness	44,133,600	43,259,359	48,994,440	47,205,158
Less Debt Outside Limitation				
Bond Anticipation Notes	6,613,500	2,588,500	5,680,000	1,030,000
General Obligation Bonds	21,213,150	22,093,450	22,950,050	23,794,200
OWDA Loans	10,243,963	11,977,694	13,675,355	15,337,917
OPWC Loans	1,210,930	1,139,256	1,247,071	1,351,036
ODOT DRIP TIF	<u>277,207</u>	<u>363,809</u>	<u>447,664</u>	<u>1,286,934</u>
Net Indebtedness	4,574,850	5,096,650	4,994,300	4,405,071
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 5.5 Percent Limitation	<u>4,574,850</u>	<u>5,096,650</u>	<u>4,994,300</u>	<u>4,405,071</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$15,951,519</u>	<u>\$15,346,619</u>	<u>\$15,410,644</u>	<u>\$16,017,157</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.71%	75.07%	75.52%	78.43%

Source: City Records

2011	2010	2009	2008	2007	2006
<u>\$373,481,150</u>	<u>\$394,826,690</u>	<u>\$396,830,630</u>	<u>\$415,720,020</u>	<u>\$399,861,020</u>	<u>\$409,725,005</u>
39,215,521	41,456,802	41,667,216	43,650,602	41,985,407	43,021,126
47,054,573	48,978,622	44,174,859	43,761,441	41,698,485	42,626,420
9,400,000	5,900,000	10,600,000	8,625,000	5,440,000	4,725,000
13,362,750	14,150,650	5,022,850	5,360,689	5,683,621	6,030,000
16,966,329	18,561,506	20,124,330	21,578,955	22,941,019	24,456,153
1,493,521	1,459,350	1,327,573	1,453,872	1,580,171	1,717,907
607,478	683,602	757,312	929,716	1,115,124	1,275,127
5,224,495	8,223,514	6,342,794	5,813,209	4,938,550	4,422,233
1,372	0	3,528	0	0	711,043
<u>5,223,123</u>	<u>8,223,514</u>	<u>6,339,266</u>	<u>5,813,209</u>	<u>4,938,550</u>	<u>3,711,190</u>
<u>\$33,992,398</u>	<u>\$33,233,288</u>	<u>\$35,327,950</u>	<u>\$37,837,393</u>	<u>\$37,046,857</u>	<u>\$39,309,936</u>
86.68%	80.16%	84.79%	86.68%	88.24%	91.37%
\$20,541,463	\$21,715,468	\$21,825,685	\$22,864,601	\$21,992,356	\$22,534,875
47,054,573	48,978,622	44,174,859	43,761,441	41,698,485	42,626,420
9,400,000	5,900,000	10,600,000	8,625,000	5,440,000	4,725,000
13,362,750	14,150,650	5,022,850	5,360,689	5,683,621	6,030,000
16,966,329	18,561,506	20,124,330	21,578,955	22,941,019	24,456,153
1,493,521	1,459,350	1,327,573	1,453,872	1,580,171	1,717,907
1,423,009	1,382,428	1,247,446	1,367,335	1,487,224	1,618,550
4,408,964	7,524,688	5,852,660	5,375,590	4,566,450	4,078,810
1,372	0	3,528	0	0	711,043
<u>4,407,592</u>	<u>7,524,688</u>	<u>5,849,132</u>	<u>5,375,590</u>	<u>4,566,450</u>	<u>3,367,767</u>
<u>\$16,133,871</u>	<u>\$14,190,780</u>	<u>\$15,976,553</u>	<u>\$17,489,011</u>	<u>\$17,425,906</u>	<u>\$19,167,108</u>
78.54%	65.35%	73.20%	76.49%	79.24%	85.06%

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City of Marion
Pledged Revenue
Sewer Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$6,183,058	\$3,543,493	\$2,639,565	\$1,605,091	\$177,526	\$1,782,617	1.48
2014	6,262,241	3,501,196	2,761,045	1,621,739	205,241	1,826,980	1.51
2013	5,913,398	2,907,549	3,005,849	1,594,653	232,328	1,826,981	1.65
2012	5,811,035	2,602,260	3,208,775	1,770,227	258,804	2,029,031	1.58
2011	5,798,469	3,324,699	2,473,770	2,771,987	284,688	3,056,675	0.81
2010	5,880,088	3,162,262	2,717,826	1,682,590	309,999	1,992,589	1.36
2009	5,196,030	3,894,143	1,301,887	1,301,240	368,220	1,669,460	0.78
2008	5,729,157	3,472,497	2,256,660	1,321,942	263,278	1,585,220	1.42
2007	6,064,831	3,324,993	2,739,838	1,481,201	394,420	1,875,621	1.46
2006	5,675,276	4,074,635	1,600,641	1,457,367	n/a	1,457,367	1.10

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

Note: Includes OWDA and OPWC loans.

n/a - not available

City of Marion
Pledged Revenue
Sanitation Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$2,486,821	\$1,845,693	\$641,128	\$0	\$0	\$0	0.00
2014	2,547,643	1,941,227	606,416	0	0	0	0.00
2013	1,945,993	1,614,628	331,365	0	0	0	0.00
2012	2,833,718	2,088,947	744,771	0	0	0	0.00
2011	2,692,061	2,132,106	559,955	0	0	0	0.00
2010	1,656,342	1,986,446	(330,104)	0	0	0	0.00
2009	2,138,429	2,318,408	(179,979)	0	0	0	0.00
2008	2,206,014	2,127,171	78,843	0	0	0	0.00
2007	5,382,818	4,327,713	1,055,105	0	0	0	0.00
2006	2,412,369	1,825,066	587,303	134,808	n/a	134,808	4.36

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

Note: Includes OWDA and OPWC loans.

n/a - not available

City of Marion
Pledged Revenue
Landfill Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$277,716	(\$71,071)	\$348,787	\$198,563	\$6,511	\$205,074	1.70
2014	274,747	(70,452)	345,199	190,209	14,865	205,074	1.68
2013	593,251	7,529	585,722	182,197	22,877	205,074	2.86
2012	12,787	82,998	(70,211)	174,523	30,551	205,074	(0.34)
2011	207,925	(45,748)	207,925	298,328	37,902	336,230	0.62
2010	0	63,211	(63,211)	160,130	44,943	205,073	(0.31)
2009	346,431	(28,200)	346,431	153,385	51,688	205,073	1.69
2008	387,799	9,769	378,030	146,925	58,149	205,074	1.84
2007	242,009	18,962	223,047	140,736	64,338	205,074	1.09
2006	165,662	982,843	(817,181)	0	0	0	0.00

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

City of Marion
Pledged Revenue
Storm Water Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Coverage
2015	\$1,434,887	\$819,685	\$615,202	\$23,114	26.62
2014	1,127,688	894,822	232,866	21,787	10.69
2013	1,072,763	1,497,969	(425,206)	21,787	(19.52)
2012	1,396,536	905,080	491,456	21,787	22.56
2011	1,104,209	1,204,884	(100,675)	720,012	(0.14)
2010	1,378,693	776,897	601,796	261,980	2.30
2009	1,167,233	1,092,362	74,871	13,086	5.72
2008	1,274,499	1,050,201	224,298	13,086	17.14
2007	1,317,122	749,688	567,434	13,085	43.37
2006	1,234,383	838,867	395,516	13,085	30.23

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.

City of Marion
Demographic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita	School Enrollment (3)	Marion County Unemployment Rate (4)
2015	36,620	\$1,225,817,880	\$33,474	4,190	5.20%
2014	36,837	1,497,534,561	40,653	4,377	5.30
2013	38,116	1,582,766,900	41,525	4,460	7.90
2012	36,904	1,205,395,352	32,663	4,521	7.20
2011	36,938	1,169,826,460	31,670	4,606	8.40
2010	36,805	1,148,352,805	31,201	4,798	10.20
2009	35,776	1,137,211,712	31,787	4,967	11.20
2008	35,962	1,228,461,920	34,160	5,038	7.00
2007	35,940	1,206,290,160	33,564	5,151	5.50
2006	36,171	1,195,994,115	33,065	5,069	5.40

Source: (1) United States Census Bureau

(2) Computation of per capita personal income multiplied by population

(3) Marion City School District

(4) U.S. Department of Labor: Bureau of Labor Statistics

Note: Unemployment rate for City was not available.

City of Marion
Principal Employers
Current Year and Nine Years Ago

		December 31, 2015		
Employer	Type of Business	Number of Employees	Rank	Percentage of Total Employment
Marion General Hospital	Hospital	989	1	7.62%
Marion City School District	School District	890	2	6.85
Marion Correctional Institute	Correctional Facility	633	3	4.87
Marion County	Government	533	4	4.10
Marion Area Physicians	Medical	405	5	3.12
North Central Correctional Institute	Correctional Facility	350	6	2.70
Marion Industries	Manufacturing	330	7	2.54
City of Marion	Government	281	8	2.16
Nucor Steel	Manufacturing	278	9	2.14
Graphic Packaging	Manufacturing	250	10	1.93
Frederick C Smith Clinic	Medical			
Marion Independent Physicians	Medical			
	Total	<u>4,939</u>		<u>38.03%</u>
	Total City Employment	<u>12,987</u>		

Source: City Auditor

Note: 2015 employment is based on 2010 census.

December 31, 2006

<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
1,076	1	7.39%
708	2	4.85
484	5	3.31
700	3	4.79
385	7	2.64
491	4	3.36
283	8	1.94
251	9	1.72
450	6	3.08
<u>228</u>	10	<u>1.55</u>
<u>5,056</u>		<u>34.63%</u>
<u><u>14,601</u></u>		

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City of Marion
 Full-Time City Government Employees by Program/Department
 Last Six Years

Program/Department	2015	2014	2013	2012	2011	2010
Security of Persons and Property						
Police	65	63	57	52	69	75
Fire	56	57	53	49	51	59
Leisure Time Activities	17	19	19	22	28	29
Transportation						
Transit	19	19	20	20	21	19
Other	17	17	22	21	22	26
Basic Utility Services						
Sewer	30	28	29	28	32	32
Solid Waste	16	16	16	13	18	15
Billing Services	4	4	4	4	4	4
General Government						
Court	21	20	21	21	19	19
Other	51	49	44	45	46	49
Totals	<u>296</u>	<u>292</u>	<u>285</u>	<u>275</u>	<u>310</u>	<u>327</u>

Source: City Auditor

Method: Only full-time employees are included as of December 31.

Note: Information prior to 2010 is not available.

City of Marion
Operating Indicators by Program/Department
Last Ten Years

Program/Department	2015	2014	2013
Security of Persons and Property - Police			
Total Calls for Services	43,822	37,828	39,106
Number of Traffic Citations Issued	922	915	594
Number of Felony Criminal Arrests	687	2,789	565
Number of Accident Reports Completed	975	605	887
DUI Arrests	89	62	39
Motor Vehicle Accidents	793	1,037	1,149
Gasoline Costs of Fleet	\$55,195	\$113,449	\$122,394
Gasoline Usage in Gallons	23,572	36,295	38,043
Community Policing Auxillary Hours	4,783	1,000	2,790
Security of Persons and Property - Fire			
Structure Fires	66	69	69
Fires with Loss	45	50	63
Fires with Losses Exceeding \$10,000	35	22	33
Total Fire Losses	\$916,886	\$779,776	\$979,720
Number of EMS Calls	6,755	5,902	6,140
Leisure Time Activities			
Swimming Pool Receipts	\$144,549	\$94,789	\$122,778
Aquatics Center Seasonal Admissions	23,999	16,920	18,038
Park Shelter Rentals	\$9,405	\$16,075	\$11,631
Concession Receipts	\$40,848	\$44,327	\$41,777
Basic Utility Services			
Refuse Disposal per Year (in tons)	12,048	11,847	12,240
Yard Waste per Year (in tons)	398	315	554
Leaf Pickup (in yards)	3,122	3,081	1,320
Salt Usage (in tons)	2,262	2,226	1,526
Sanitary Sewer Customers	13,289	12,206	12,298
Sanitation Customers	13,258	12,293	12,439
Storm Water Customers	13,716	12,316	12,660
Sanitary Sewer Inspections	8,736	7,696	5,497
Storm Water Inspections	236	190	145
Sanitary Blockage	398	390	369
Odor Complaints	75	75	65
Sanitary Lines Cleaned or Jetted (in feet)	679,970	521,096	373,540
Storm Water Lines Cleaned or Jetted (in feet)	26,000	17,000	6,800
Excavations	56	51	44
Manhole Repairs	17	17	18
Catch Basins Repaired	95	82	235
Degreased (in feet)	10,000	19,000	600
Root Cut or Control in Feet	1,100	9,139	5,299
Sanitary Lines Televised (in feet)	4,702	11,054	8,539
Storm Water Lines Televised (in feet)	1,419	3,877	946
Percentage of Biosolides Suspended or Removed	98%	87%	97%
Biosolids Land Applied	2,883	1,362	1,160
Gallons of Wastewater Treated (in millions)	3,480	3,234	3,651
Gallons of Wastewater ByPass (in millions)	84	50	106

2012	2011	2010	2009	2008	2007	2006
36,711	38,481	43,162	42,050	45,968	42,807	43,345
319	1,838	3,780	3,473	3,237	2,677	1,857
593	635	536	526	498	451	517
732	743	821	748	812	1,176	1,117
60	110	118	141	149	97	90
2,142	2,115	2,377	621	644	913	831
\$105,178	\$104,028	\$120,043	\$74,715	\$127,309	\$122,465	\$107,043
31,614	n/a	45,357	45,944	42,319	47,239	47,171
2,553	2,608	3,222	n/a	n/a	1,688	2,752
48	48	50	46	54	60	50
47	42	43	41	46	45	40
7	19	20	21	28	17	11
\$304,100	\$900,880	\$650,206	\$836,600	\$994,550	\$752,150	\$568,170
6,041	5,916	4,529	4,363	4,600	4,663	4,356
\$195,061	n/a	\$16,209	n/a	\$17,486	\$18,863	\$21,210
40,979	n/a	n/a	n/a	n/a	n/a	n/a
\$15,575	\$8,056	\$10,220	n/a	\$10,665	\$7,760	\$7,635
\$78,363	n/a	\$465	n/a	\$111	\$9,286	\$9,084
12,277	13,362	12,543	12,647	13,305	13,540	13,094
533	521	703	847	1,336	714	1,021
2,280	2,550	3,562	5,938	4,296	4,940	5,893
1,016	2,738	2,282	2,152	2,354	2,341	527
12,526	12,598	12,618	12,700	13,202	13,167	13,254
11,930	10,002	10,002	10,104	10,606	10,595	10,608
12,779	12,871	12,891	12,973	12,475	12,455	12,523
3,841	3,525	3,528	3,404	4,018	3,919	3,979
111	180	144	289	339	268	287
238	208	243	274	444	461	366
85	127	156	101	152	154	87
336,880	453,767	498,878	501,906	461,500	468,066	420,545
8,800	4,748	5,622	6,716	11,615	10,650	11,765
40	50	79	40	57	47	41
13	41	34	33	45	43	33
203	232	290	343	462	379	515
500	n/a	1,100	2,500	19,191	6,200	3,825
5,060	6,088	5,520	10,721	16,979	1,810	1,810
8,297	3,484	10,933	19,924	13,561	13,895	10,909
4,743	585	1,969	1,155	5,989	6,628	5,017
98%	96%	98%	97%	97%	97%	97%
1,305	269	n/a	3,055	3,117	3,325	2,440
3,273	4,641	3,792	3,039	3,733	3,771	3,754
28	179	n/a	10	59	78	79

(continued)

City of Marion
 Operating Indicators by Program/Department
 Last Ten Years
 (continued)

Program/Department	2015	2014	2013
Transportation			
Total Transit Ridership	167,680	177,000	195,139
Hot Mix Asphalt (in tons)	367	196	786
Cold Mix Asphalt (in tons)	361	359	184
Tack Used (in gallons)	64	185	738
Aggregate Used (in tons)	1,368	905	0
General Government			
Council and Clerk			
Number of Ordinances Passed	95	81	91
Number of Resolutions Passed	20	27	24
Engineering Excavation Permits Issued	667	779	694

Source: City Records

n/a - not available

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
193,283	190,480	184,068	180,054	185,072	173,929	161,872
211	486	90	83	895	1,296	764
209	276	250	250	530	168	269
339	816	591	427	1,305	464	994
12	590	70	132	132	323	614
84	99	119	99	133	115	96
26	27	21	27	25	46	30
721	708	656	660	677	695	575

City of Marion
Capital Assets by Program/Department
Last Eight Years

Program/Department	2015	2014	2013	2012
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	30	30	30	33
Security of Persons and Property-Fire				
Stations	3	3	3	3
Vehicles	14	13	13	13
Public Health				
Buildings	1	2	2	2
Leisure Time Activities				
Buildings	7	7	7	7
Number of Parks	19	19	19	19
Number of Playgrounds	12	12	12	12
Number of Swimming Pools	1	1	1	1
Vehicles	9	9	8	8
Transportation - Transit				
Bus Terminal	1	1	1	1
Vehicles	18	15	16	16
Transportation - Other				
Airport Buildings	3	3	3	3
Other Buildings	3	3	3	3
Streets (miles)	311	311	311	311
Vehicles	24	22	21	21
General Government - Court				
Buildings	1	1	1	1
Vehicles	0	0	1	1
General Government - Other				
Buildings	4	4	4	4
Vehicles	3	1	1	1
Sewer				
Sewer Lines (miles)	134	134	134	134
Vehicles	17	16	15	14
Sanitation				
Vehicles	18	13	13	13
Storm Water				
Storm Water Lines (miles)	135	135	135	135
Vehicles	15	15	15	15

Source: City Records

Note: Information prior to 2008 is not available.

2011	2010	2009	2008
1 38	1 36	1 36	1 34
3 14	3 14	3 14	3 13
2	2	2	2
7 19 12 1 10	7 19 12 1 10	7 19 12 1 9	7 18 11 1 9
1 19	1 15	1 16	1 17
3 3 311 21	3 3 311 21	3 3 311 20	3 3 311 20
1 1	1 1	1 1	1 1
4 2	4 2	4 1	4 1
134 16	132 16	128 16	127 15
14	14	14	14
135 17	134 17	131 17	130 16

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Dave Yost • Auditor of State

CITY OF MARION

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 22, 2016**