

Dave Yost • Auditor of State

CITY OF MARION
MARION COUNTY
DECEMBER 31, 2017

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Development Services Agency</i>			
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-15-2CI-1	\$ 171,535
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-16-2CI-1	113,040
Total Community Development Grants / State's Program and Non-Entitlement Grants in Hawaii			<u>284,575</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>284,575</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Drug Court Discretionary Grant Program (Direct)	16.585	N/A	13,740
Bulletproof Vest Partnership Program (Direct)	16.607	N/A	2,522
<i>Passed Through Ohio Department of Public Safety / Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JG-B01-6411	50,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JG-LLE-5380	10,652
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>60,652</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>76,914</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Airport Improvement Program (Direct)	20.106	N/A	51,524
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Rural Areas	20.509	110-RPTF-17-0100	425,139
Formula Grants for Rural Areas	20.509	110-INTC-17-0200	1,214
Total Formula Grants for Rural Areas			<u>426,353</u>
Federal Transit Cluster:			
Bus and Bus Facilities Formula & Discretionary Programs	20.526	110-BABF-17-0600	124,484
<i>Passed Through Ohio Department of Public Safety</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	N/A	2,906
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	2,813
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>608,080</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio District 5 Area Agency on Aging</i>			
Aging Cluster:			
Special Programs for the Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	57,434
National Family Caregiver Support, Title III, Part E	93.052	N/A	3,078
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>60,512</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Staffing for Adequate Fire and Emergency Response (Direct)	97.083	N/A	4,741
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>4,741</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,034,822</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, 2017**

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's) under programs of the federal government for the year ended December 31, 2017. 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 position, 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 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) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

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.

The current cash balance on the City's local program income account as of December 31, 2017 is \$14,960.

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.

NOTE E – CORRECTION TO PRIOR YEAR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal expenditures totaling \$1,264 from the U.S. Department of Transportation's Airport Improvement Program (CFDA # 20.106) were inadvertently omitted by the City from prior year's Schedule of Expenditures of Federal Awards.



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, (the City) as of and for the year ended December 31, 2017, 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, 2018.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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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 report is not suitable for any other purpose.

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, 2018



Dave Yost • Auditor of State

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

City of Marion
Marion County
233 West Center Street
Marion, Ohio 43302

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Marion's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Marion's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

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 the City's major federal program 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 the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on Community Development Block Grants

As described in finding 2017-002 in the accompanying schedule of findings, the City did not comply with requirements regarding cash management applicable to its CFDA 14.228 Community Development Block Grants major federal program. Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to this program.

Qualified Opinion on Community Development Block Grants

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Community Development Block Grants* paragraph, the City of Marion complied, in all material respects, with the requirements referred to above that could directly and materially affect its Community Development Block Grants for the year ended December 31, 2017.

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 2017-001. Our opinion on the major federal program is not modified with respect to this matter.

The City's responses to our noncompliance findings are described in the accompanying schedule of findings and corrective action plan. We did not audit the City's responses and, accordingly, we express no opinion on them.

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's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a 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 certain deficiencies in internal control over compliance that we consider to be material weaknesses, described in the accompanying schedule of findings as items 2017-001 and 2017-002.

The City's responses to our internal control over compliance findings are described in the accompanying schedule of findings and corrective action plan. We did not audit the City's responses and, accordingly, we express no opinion on them.

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, 2017, 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, 2018. We conducted our audit to opine on the City's basic financial statements as a whole. We have not performed any procedures to the audited financial statements subsequent to June 21, 2018. 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

July 24, 2018

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA# 14.228 – Community Development Block Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

Finding Number	2017-001		
CFDA Title and Number	Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii (CFDA # 14.228)		
Federal Award Identification Number / Year	A-F-15-2CI-1 and A-F-16-2CI-1		
Federal Agency	U.S. Department of Housing and Urban Development		
Compliance Requirement	Procurement, Suspension and Debarment		
Pass-Through Entity	Ohio Development Services Agency		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	

Material Weakness / Noncompliance

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 CFR § 200.318-.320**, which provides:

- **2 CFR § 200.320(b)** states that small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- **2 CFR § 200.318(c)(1)** requires the City to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- **2 CFR § 200.319(c)** requires the City to have written procedures for procurement transactions.
- **2 CFR § 200.320(d)(3)** requires the City to have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

One of seven (14%) expenditures tested did not follow the proper method of procurement by small purchase procedures. In addition, as of December 31, 2017 the City did not have proper internal controls in place to ensure compliance with Federal procurement requirements, including required procurement policies and procedures. Procurement policies were not updated in accordance with the new Uniform Guidance requirements and therefore were not effective controls to ensure compliance.

Failure to implement internal control procedures regarding procurement may result in noncompliance with grant requirements.

We recommend the City implement internal controls related to procurement, including the adoption of the required policies and procedures in 2 CFR §200. We further recommend the City ensure that federal procurement requirements have been followed for all contracts and/or disbursements.

Officials' Response: See Corrective Action Plan

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number	2017-002		
CFDA Title and Number	Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii (CFDA # 14.228)		
Federal Award Identification Number / Year	A-F-15-2CI-1 and A-F-16-2CI-1		
Federal Agency	U.S. Department of Housing and Urban Development		
Compliance Requirement	Cash Management		
Pass-Through Entity	Ohio Development Services Agency		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	

Material Weakness / Noncompliance

2 CFR § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 CFR § 200.303 and .305**, which provide:

- **2 CFR § 200.303(a)** states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- **2 CFR § 200.305(b)** states that for non-Federal entities other than states, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity. Additionally, the Ohio Development Services Agency's Program Policy Notice OCD 17-01, Section (A)(2)(f) further requires that the grantee develop a cash management system to ensure disbursed funds-on-hand balance is less than \$5,000 within 30 days of receiving funds.

During 2017, for Award Number A-F-15-2CI-1, the drawdown requests were not spent below a \$5,000 balance within 30 days for the periods of 01/01/17-05/08/17 and 06/21/17-12/31/17. The balances during 01/01/17 – 05/08/17 ranged from \$6,966 to \$98,516, and the balances during 06/21/17 – 12/31/17 ranged from \$8,536 to \$23,366. While the City mostly requested draws to cover expenses as they came in, the drawdown requests were not spent below the \$5,000 balance within the required number of days due to the carryover balance from the prior year being \$98,516. The large carryover and continued draw requests kept the balance above \$5,000 for most of the year.

Failure to implement effective internal control procedures regarding cash management and to promptly disburse federal funds could result in over drawing the grant and being in noncompliance with the federal cash management requirements.

We recommend the City develop and follow internal control procedures regarding cash management that help ensure compliance with the requirement. Additionally, we recommend the City ensure the disbursed funds-on-hand balance is less than \$5,000 within 30 days of receiving funds.

Officials' Response: See Corrective Action Plan

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	Education on the threshold have been given to assure compliance.	7/31/2018	Evelyn Cummings, Assistant Director, Marion City/County Regional Planning Commission
2017-002	Cash balance reports will be monitored monthly.	7/31/2018	Evelyn Cummings, Assistant Director, Marion City/County Regional Planning Commission

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Marion, Ohio 43302

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CITY OF MARION, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2017

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**INTRODUCTORY
SECTION**

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CITY OF MARION, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2017

Prepared By:

City Auditor

KELLY L. CARR

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CITY OF MARION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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**Kelly L Carr
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June 21, 2018

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, 2017. 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 follow 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, 2017. 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 36,837, 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 Spectrum.

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 percent in December of 2016 to 4.8 percent as of December of 2017.

Local businesses continue to expand in our community. Poet, an ethanol production facility in Marion County, is investing \$100,000,000 in expansion and Nucor Steel is doing an \$85,000,000 expansion project. These companies continue to work on their projects.

The annexation with Kroger's on Marion Waldo Road is complete. They will be building a new Kroger Market Place. This will be new revenue for Marion. We are hoping construction will begin in 2018.

The Street Construction Maintenance and Repair Fund receives a portion of the income tax to help with street improvements. The City completed portions of twenty-nine resurfacing projects in 2017. City Council passed an ordinance to increase the permissive motor vehicle license tax by \$10. This additional money will also be used for resurfacing projects.

Health care costs to the City increased 9 percent in 2018. In 2017, it increased 42 percent. The City continues to explore all possibilities to help with health care costs.

With reorganization and the passage of income tax changes, the City's finances are flat. The unassigned fund balance in the General Fund at year end was 20 percent of General Fund revenues for 2017. 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 (CDBG) Program, Formula Grant, State of Ohio Issue I funds, Federal Aviation Administration (FAA) grants and any other federal or state grants that become available. The City also uses permissive auto license fees, voted income tax restricted for street maintenance and repair, zero interest loans and grants from Ohio Water and Development Authority and the Ohio Public Works Commission

With the assistance of these grants, the City has improved parks, sidewalks, and assisted low/moderate income households with home repairs.

In 2018, the City will receive a \$185,000 grant from CDBG. The money will be used to make ADA improvements at the Women's Club Home, demolition of blighted structures, Sawyer Ludwig Park improvements including trail extensions and related archaeological survey, Rose Cottage demolition, and new concrete for the picnic shelter.

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 (EPA) 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 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 EPA. As part of this modification, the City has completed a city-wide 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 has submitted this plan to the EPA. The City currently pursues grants, no interest and low interest loans, and notes and bonds to complement the Storm Water Fund and Sewer Fund for these projects. In 2018, the City successfully obtained a \$13.5 million interest free loan and a \$12.5 million low interest loan for enhancements to the Water Pollution Control Center.

Two storm water/sanitary sewer projects will be completed in 2018, Sharpless Court and Farming Street. The estimated cost of these projects is \$2 million. The projects will be paid for by grants, zero interest loans, and available City funds .

Permissive auto tax and municipal auto tax dollars along with earmarked city income tax dollars are used for street maintenance and repairs. In 2017, the City completed resurfacing portions of twenty-nine streets. In addition, the City coordinated with the Ohio Department of Transportation (ODOT) to resurface the portion of State Route 95/Center Street from David Street to the western corporation line. For 2018, the City will be spending around \$1 million on local street resurfacing projects. The money for these projects will come from OPWC grants and municipal tax money for resurfacing. The City continues to work with ODOT on paving state routes throughout the City. An estimated \$1.5 million will be spent in for 2018. We are also working with ODOT on the South Greenwood Street bridge rehabilitation and the State Route 309 grade separation project near Kennedy Park and the Intermodal Facility.

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 building. The current terminal was built in the 1950's. The design of the new terminal began in 2017 and construction is anticipated to start in 2019. Funding for this project is not yet finalized. The design phase needs to identify public and private areas of the building.

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, my staff, 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 2017 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**

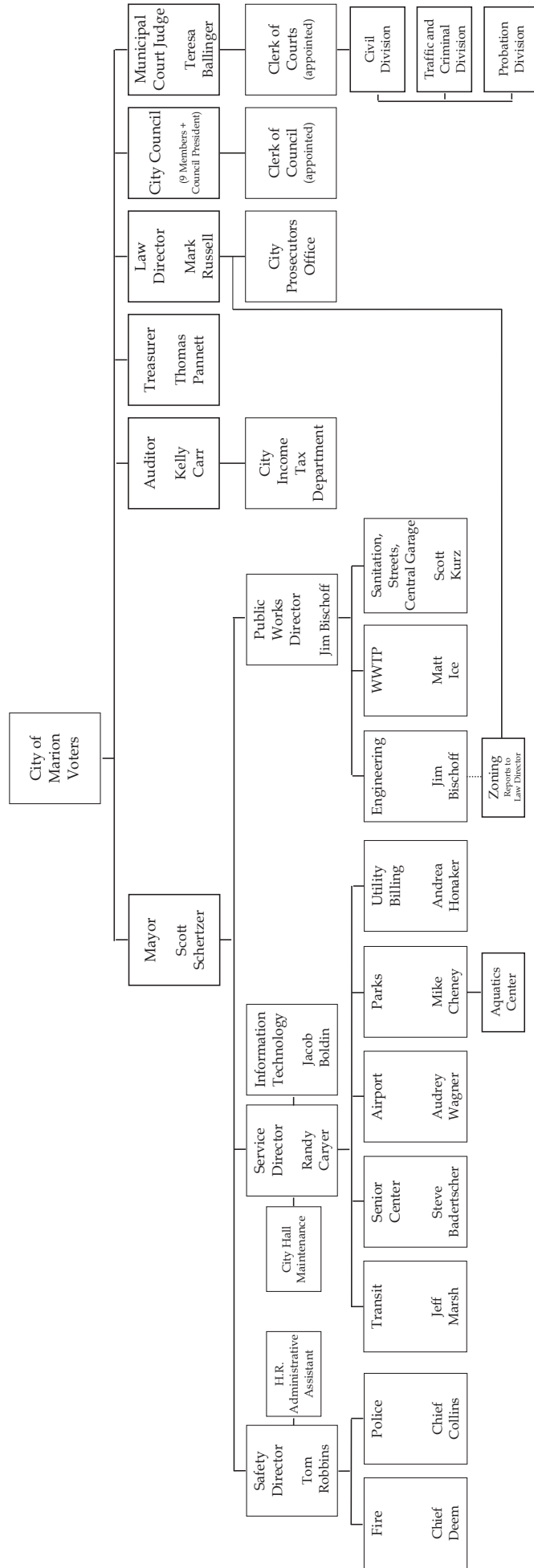
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

City of Marion Organizational Chart



CITY OF MARION

PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2017

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.....	Kate Fisher
Council Members.....	Ralph A. Cumston, II Ayers Ratliff, Jr. Michael Thomas Deborah Blevins Leslie Cunningham Rick Huddle Rebecca Gustin Kevin Norris Joshiah Daniels

APPOINTED OFFICIALS

Clerk of Council.....	Irene Fulton
Clerk of Courts.....	Amanda Fellows
Service Director.....	Randy Caryer
Safety Director.....	Thomas Robbins
Public Works Director.....	James Bischoff

**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, 2017, 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 such 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, 2017, 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, and Police, Dispatch and Fire Income Tax funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is 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, 2018, 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

June 21, 2018

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CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2017 are as follows:

In total, the City's net position decreased 7 percent from the prior year; a decrease of 11 percent for governmental activities and an increase of 4 percent for business-type activities.

General revenues made up 74 percent of the total revenues for governmental activities in 2017, and of this amount, 82 percent was provided through municipal income taxes, the most critical of the City's revenue sources.

Program revenues, primarily user charges, made up 96 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 2017. 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
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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
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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 2017 and 2016.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Assets</u>						
Current and Other Assets	\$17,523,345	\$16,432,712	\$12,266,646	\$13,303,376	\$29,789,991	\$29,736,088
Capital Assets, Net	52,528,668	55,485,077	43,096,031	41,671,585	95,624,699	97,156,662
Total Assets	<u>70,052,013</u>	<u>71,917,789</u>	<u>55,362,677</u>	<u>54,974,961</u>	<u>125,414,690</u>	<u>126,892,750</u>
<u>Deferred Outflows of Resources</u>						
Pension	<u>7,772,796</u>	<u>8,094,627</u>	<u>1,729,046</u>	<u>1,484,016</u>	<u>9,501,842</u>	<u>9,578,643</u>
<u>Liabilities</u>						
Current and Other Liabilities	2,849,422	2,444,892	9,023,087	7,469,748	11,872,509	9,914,640
Long-Term Liabilities						
Pension	28,678,116	26,536,581	4,270,075	3,443,406	32,948,191	29,979,987
Other Amounts	<u>7,641,568</u>	<u>7,881,187</u>	<u>30,420,703</u>	<u>32,707,861</u>	<u>38,062,271</u>	<u>40,589,048</u>
Total Liabilities	<u>39,169,106</u>	<u>36,862,660</u>	<u>43,713,865</u>	<u>43,621,015</u>	<u>82,882,971</u>	<u>80,483,675</u>
<u>Deferred Inflows of Resources</u>						
Pension	131,723	180,118	116,760	72,684	248,483	252,802
Other Amounts	<u>1,653,414</u>	<u>1,589,069</u>	<u>0</u>	<u>0</u>	<u>1,653,414</u>	<u>1,589,069</u>
Total Deferred Inflows of Resources	<u>1,785,137</u>	<u>1,769,187</u>	<u>116,760</u>	<u>72,684</u>	<u>1,901,897</u>	<u>1,841,871</u>
<u>Net Position</u>						
Net Investment in Capital Assets	47,939,722	50,948,369	9,153,560	8,048,384	57,093,282	58,996,753
Restricted	7,611,837	6,875,900	0	0	7,611,837	6,875,900
Unrestricted (Deficit)	<u>(18,680,993)</u>	<u>(16,443,700)</u>	<u>4,107,538</u>	<u>4,716,894</u>	<u>(14,573,455)</u>	<u>(11,726,806)</u>
Total Net Position	<u>\$36,870,566</u>	<u>\$41,380,569</u>	<u>\$13,261,098</u>	<u>\$12,765,278</u>	<u>\$50,131,664</u>	<u>\$54,145,847</u>

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The net pension liability reported by the City at December 31, 2017, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". 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.

GASB Statement No. 68 requires the net pension liability to equal 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.

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.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The changes noted in the above table for both governmental and business-type activities for deferred outflows and deferred inflows for pension represent the difference between projected and actual earnings on investments related to the net pension liability as well as changes in assumptions used in the latest actuarial valuation. The increase in the net pension liability represents the City's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

For governmental activities, the increase in current and other assets was primarily related to an increase in cash and cash equivalents as well and an increase in the amount due from other governments. Cash and cash equivalents increased from a modest increase in municipal income taxes, the implementation of an additional \$10 municipal motor vehicle license fee, and grant resources received but not spent as of year end. The increase in the amount due from other governments was primarily related to resources due from the Ohio Public Works Commission for street projects. The decrease in net capital assets and the investment in capital assets was largely the result of annual depreciation. The increase in current and other liabilities was generally due to outstanding payables for street projects.

There was a sizable decrease in current and other assets for business-type activities. There was a decrease in cash and cash equivalents due to resources spent for debt retirement and for projects. There was also a decrease in accounts receivable which was due, in part, to improved utility collections and a reduction in delinquent accounts. The increase in net capital assets and the investment in capital assets is due to additional construction activities as well as annual depreciation. Continuing construction is also reflected in the increase in current and other liabilities due to an increase in contracts and retainage outstanding at year end, particularly related to the George Street and Hane Avenue sewer and storm water projects. The decrease in other long-term liabilities is scheduled debt retirement.

Table 2 reflects the change in net position for 2017 and 2016.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$2,835,479	\$2,406,788	\$10,969,696	\$10,538,203	\$13,805,175	\$12,944,991
Operating Grants, Contributions, and Interest	3,016,232	3,211,132	0	0	3,016,232	3,211,132
Capital Grants and Contributions	1,084,220	484,605	570,852	515,161	1,655,072	999,766
Total Program Revenues	<u>6,935,931</u>	<u>6,102,525</u>	<u>11,540,548</u>	<u>11,053,364</u>	<u>18,476,479</u>	<u>17,155,889</u>
General Revenues						
Property Taxes Levied for General Purposes	1,092,591	1,114,039	0	0	1,092,591	1,114,039
Property Taxes Levied for Police and Fire Pension	199,790	202,528	0	0	199,790	202,528
Payment in Lieu of Taxes	383,876	519,826	0	0	383,876	519,826

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Revenues</u> (continued)						
General Revenues (continued)						
Municipal Income Taxes Levied for General Purposes	\$7,808,668	\$7,774,050	\$0	\$0	\$7,808,668	\$7,774,050
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	618,417	626,470	0	0	618,417	626,470
Municipal Income Taxes Levied for Police and Fire	7,073,961	6,871,565	0	0	7,073,961	6,871,565
Municipal Income Taxes Levied for Capital Improvements	406,028	389,641	0	0	406,028	389,641
Grants and Entitlements not Restricted to Specific Programs	819,578	922,016	0	0	819,578	922,016
Franchise Taxes	292,236	286,507	0	0	292,236	286,507
Interest	134,977	107,283	0	0	134,977	107,283
Other	608,125	406,036	420,386	404,475	1,028,511	810,511
Total General Revenues	<u>19,438,247</u>	<u>19,219,961</u>	<u>420,386</u>	<u>404,475</u>	<u>19,858,633</u>	<u>19,624,436</u>
Total Revenues	<u>26,374,178</u>	<u>25,322,486</u>	<u>11,960,934</u>	<u>11,457,839</u>	<u>38,335,112</u>	<u>36,780,325</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	7,760,073	7,704,885	0	0	7,760,073	7,704,885
Fire	6,785,552	6,917,973	0	0	6,785,552	6,917,973
Other	262,241	279,024	0	0	262,241	279,024
Public Health	391,220	475,974	0	0	391,220	475,974
Leisure Time Activities	1,126,742	1,024,675	0	0	1,126,742	1,024,675
Community Environment	615,208	675,217	0	0	615,208	675,217
Transportation						
Transit	1,108,187	1,121,255	0	0	1,108,187	1,121,255
Other	6,870,206	6,786,744	0	0	6,870,206	6,786,744
General Government						
Court	1,833,153	1,598,237	0	0	1,833,153	1,598,237
Other	4,020,092	3,872,566	0	0	4,020,092	3,872,566
Interest and Fiscal Charges	117,917	132,223	0	0	117,917	132,223
Sewer	0	0	6,735,102	6,024,098	6,735,102	6,024,098
Sanitation	0	0	2,527,701	2,278,028	2,527,701	2,278,028
Landfill	0	0	19,858	(18,644)	19,858	(18,644)
Storm Water	0	0	1,640,883	1,911,468	1,640,883	1,911,468
Aquatics Center	0	0	535,160	491,402	535,160	491,402
Total Expenses	<u>30,890,591</u>	<u>30,588,773</u>	<u>11,458,704</u>	<u>10,686,352</u>	<u>42,349,295</u>	<u>41,275,125</u>

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Increase (Decrease) in Net Position Before Transfers	(4,516,413)	(5,266,287)	502,230	771,487	(4,014,183)	(4,494,800)
Transfers	6,410	10,410	(6,410)	(10,410)	0	0
Increase (Decrease) in Net Position	(4,510,003)	(5,255,877)	495,820	761,077	(4,014,183)	(4,494,800)
Net Position Beginning of Year	41,380,569	46,636,446	12,765,278	12,004,201	54,145,847	58,640,647
Net Position End of Year	<u>\$36,870,566</u>	<u>\$41,380,569</u>	<u>\$13,261,098</u>	<u>\$12,765,278</u>	<u>\$50,131,664</u>	<u>\$54,145,847</u>

The above table reflects the revenues and expenses for operating the City during 2017. For governmental activities, the most significant changes for program revenues is the increase in charges for services which is largely due to the \$10 increase in the municipal motor vehicle license fee and the increase in capital grants and contributions related to Ohio Department of Transportation and Ohio Public Works Commission resources for street improvements. The overall change for general revenues was not significant; however, there was a modest increase in municipal income tax revenue and in other revenue related to a Bureau of Workers' Compensation refund. Governmental activities expenses increased approximately 1 percent, no significant changes within programs.

As is to be expected, 96 percent of the revenues for business-type activities are received through program revenues. The increase in charges for services reflects the increase in sewer and storm water rates. Overall, expenses for business-type activities increased 7 percent with most this change found in the Sewer Fund and related to personnel costs (salaries and benefits).

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	
	2017	2016	2017	2016
Security of Persons and Property				
Police	\$7,760,073	\$7,704,885	\$7,551,262	\$7,527,098
Fire	6,785,552	6,917,973	5,873,516	5,646,899
Other	262,241	279,024	262,241	279,024
Public Health	391,220	475,974	391,220	475,974
Leisure Time Activities	1,126,742	1,024,675	894,630	868,831
Community Environment	615,208	675,217	279,275	238,915
Transportation				
Transit	1,108,187	1,121,255	193,873	321,609
Other	6,870,206	6,786,744	4,372,937	5,264,916

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 3
Governmental Activities
(continued)

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General Government				
Court	\$1,833,153	\$1,598,237	\$355,007	\$151,351
Other	4,020,092	3,872,566	3,662,782	3,579,408
Interest and Fiscal Charges	117,917	132,223	117,917	132,223
Total Expenses	<u>\$30,890,591</u>	<u>\$30,588,773</u>	<u>\$23,954,660</u>	<u>\$24,486,248</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 13 percent of the costs of operations for the fire department. Various grants, generally the CDBG and CHIP programs, provided for 55 percent of the costs of the community environment program. Charges for services and various grants and contributions provided for 43 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 nearly covering the costs of court operations.

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 14 percent increase in fund balance. Revenues had a modest 3 percent increase while expenditures decreased 3 percent. There were no notable changes within the programs.

Fund balance decreased in the Street Construction, Maintenance, and Repair Fund. Total revenues were very similar to the prior year and expenditures increased 5 percent based on improvement projects undertaken and personnel costs.

Fund balance increased approximately \$54,000 in the Police, Dispatch, and Fire Income Tax Fund. Revenues and expenditures were fairly similar to the prior year.

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 decrease in net position in the Sewer Fund. Revenues decreased 7 percent despite an increase in rates and expenses increased primarily due to personnel related costs (salaries and benefits).

CITY OF MARION
Marion County
Management's Discussion and Analysis
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Unaudited

Net position increased over 8 percent in the Sanitation Fund. There was a substantial increase in charges for services revenue (49 percent). This was related to the loss of customers from 2015 to 2016 and the billing schedule which impacted revenue in the prior year. There was a 10 percent increase in expenses due to personnel costs (salaries and benefits) and due to an increase in bad debt expense.

The Landfill Fund had an increase in net position for 2017; 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.

Revenues and expenses in the Storm Water Fund were fairly similar to the prior year. The increase in net position is primarily due to \$304,000 in capital contributions for various infrastructure improvements.

The deficit net position for the Aquatics Center Fund increased approximately \$99,000. This fund has had a deficit net position since its inception in 2011. The fund had an operating income; however, interest on debt resulted in an increase in the deficit.

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, changes from the original budget to the final budget were not significant nor were the changes from the final budget to actual revenues. The most significant change was due to less municipal income tax revenue than expected. For expenditures, changes from the original budget to the final budget and from the final budget to actual expenditures were not significant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2017, was \$52,528,668 and \$43,096,031, respectively (net of accumulated depreciation). The most significant additions for governmental activities were street improvements. Disposals were vehicles and street replacements. The most significant additions for business-type activities were infrastructure improvements. Disposals were not significant. For further information regarding the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2017, the City had bond anticipation notes payable from governmental and business-type activities, in the amount of \$512,000 and \$7,176,500, respectively. New bond anticipation notes were issued for City Hall improvements, the purchase of an EMS vehicle, and for ongoing sewer and storm water improvements. The City also had a number of long-term obligations outstanding including \$22,620,000 in general obligation bonds, \$95,397 in loans for an ODOT related project, \$1,908,173 in Ohio Public Works Commission loans, and \$7,362,259 in Ohio Water Development Authority loans. Of this debt, \$28,624,680 will be paid from business-type activities. The only new long-term debt issues during 2017 were OPWC loans for sewer and storm water replacement.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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 2018, the City will continue to work with the Ohio Environmental Protection Agency regarding the City's long-term control plan. Also in 2018, the City was successful in obtaining a \$13.5 million interest free loan and \$12.5 million low interest loan for enhancements to the Water Pollution Control Center.

The sewer improvement projects for George Street and Hane Avenue will be completed in 2018. The City will also undertake two new sewer/storm water sewer projects in 2018, Sharpless Court and Farming Street. The projects will be funded with grants, zero interest loans, and City resources.

The City completed resurfacing portions on twenty-nine streets in 2017 and coordinated with the Ohio Department of Transportation to resurface the portion of State Route 95/Center Street from David Street to the western corporation line. The City expects to spend another \$1 million on resurfacing projects in 2018.

Projects approved for 2018 include the Women's Club Home, ADA improvements, demolition of blighted structures, Sawyer-Ludwig Park improvements including trail extension and related archaeological survey, Rose Cottage demolition, and new concrete for the picnic shelter.

The City continues to work on improvements for the airport utilizing grants through the Federal Aviation Administration. In 2017, the City began the design of a new terminal; the current terminal was built in the 1950's. Although funding for the project is not yet finalized, the City anticipates construction beginning in 2019.

The City continues to look at the capital needs for departments. The fire department currently needs a new EMS vehicle. There are many vehicles needed throughout the City. The Administration is currently looking at lease options and developing a rotation schedule to meet these needs. If we can put this type of plan in place it could reduce expenses associated with maintenance. The City would like to see departments use the same type of vehicles when replacing them so that equipment could be transferred from old to new, reducing the cost of having to purchase new equipment each time new vehicles are purchased.

In 2017, the City completed negotiations with four of the five union contracts. Police Blue, Police Gold, IAFF and USWA all signed contracts for three years. AFSCME is the next contract due to expire in April 2019.

Economic development continues with the Kroger annexation in 2016 to provide for the construction of a new Kroger Market Place to begin soon. In addition, Poet, an ethanol production facility, and Nucor Steel are investing \$185,000,000 in our community.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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, 2017

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$8,997,512	\$5,986,959	\$14,984,471
Cash and Cash Equivalents with Escrow Agent	67,230	0	67,230
Accounts Receivable	646,175	5,878,202	6,524,377
Accrued Interest Receivable	37,392	0	37,392
Due from Other Governments	1,621,777	186,981	1,808,758
Due from External Parties	496	0	496
Municipal Income Taxes Receivable	3,244,791	0	3,244,791
Other Local Taxes Receivable	21,763	0	21,763
Internal Balances	(83,241)	83,241	0
Prepaid Items	134,501	42,037	176,538
Materials and Supplies Inventory	237,495	89,226	326,721
Property Taxes Receivable	1,629,557	0	1,629,557
Payment in Lieu of Taxes Receivable	431,574	0	431,574
Notes Receivable	536,323	0	536,323
Nondepreciable Capital Assets	8,814,659	4,213,874	13,028,533
Depreciable Capital Assets, Net	43,714,009	38,882,157	82,596,166
Total Assets	70,052,013	55,362,677	125,414,690
<u>Deferred Outflows of Resources</u>			
Pension	7,772,796	1,729,046	9,501,842
<u>Liabilities</u>			
Accrued Wages Payable	220,983	43,332	264,315
Accounts Payable	343,630	212,174	555,804
Contracts Payable	1,384,712	1,211,636	2,596,348
Due to Other Governments	351,993	103,876	455,869
Due to External Parties	245	0	245
Matured Compensated Absences Payable	22,125	0	22,125
Retainage Payable	0	169,875	169,875
Accrued Interest Payable	13,734	105,694	119,428
Notes Payable	512,000	7,176,500	7,688,500
Long-Term Liabilities			
Due Within One Year	947,728	2,754,873	3,702,601
Due in More Than One Year			
Net Pension Liability	28,678,116	4,270,075	32,948,191
Other Amounts Due in More Than One Year	6,693,840	27,665,830	34,359,670
Total Liabilities	39,169,106	43,713,865	82,882,971
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,221,840	0	1,221,840
Payment in Lieu of Taxes	431,574	0	431,574
Pension	131,723	116,760	248,483
Total Deferred Inflows of Resources	1,785,137	116,760	1,901,897
<u>Net Position</u>			
Net Investment in Capital Assets	47,939,722	9,153,560	57,093,282
Restricted for			
Capital Projects	2,338,998	0	2,338,998
Street Construction, Maintenance, and Repair	2,970,057	0	2,970,057
Court Operations	994,834	0	994,834
Economic Development	487,812	0	487,812
Senior Citizens	278,234	0	278,234
Other Purposes	541,902	0	541,902
Unrestricted (Deficit)	(18,680,993)	4,107,538	(14,573,455)
Total Net Position	\$36,870,566	\$13,261,098	\$50,131,664

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Activities
For the Year Ended December 31, 2017

	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	\$7,760,073	\$47,838	\$160,973	\$0
Fire	6,785,552	890,713	21,323	0
Other	262,241	0	0	0
Public Health	391,220	0	0	0
Leisure Time Activities	1,126,742	24,175	207,937	0
Community Environment	615,208	20	135,358	200,555
Transportation				
Transit	1,108,187	98,872	815,442	0
Other	6,870,206	279,108	1,334,496	883,665
General Government				
Court	1,833,153	1,137,443	340,703	0
Other	4,020,092	357,310	0	0
Interest and Fiscal Charges	117,917	0	0	0
Total Governmental Activities	30,890,591	2,835,479	3,016,232	1,084,220
<u>Business-Type Activities</u>				
Sewer	6,735,102	6,146,311	0	266,915
Sanitation	2,527,701	2,827,571	0	0
Landfill	19,858	143,000	0	0
Storm Water	1,640,883	1,670,702	0	303,937
Aquatics Center	535,160	182,112	0	0
Total Business-Type Activities	11,458,704	10,969,696	0	570,852
Total	\$42,349,295	\$13,805,175	\$3,016,232	\$1,655,072

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

Transfers

Change in Net Position

Net Position Beginning of Year

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
(\$7,551,262)	\$0	(\$7,551,262)
(5,873,516)	0	(5,873,516)
(262,241)	0	(262,241)
(391,220)	0	(391,220)
(894,630)	0	(894,630)
(279,275)	0	(279,275)
(193,873)	0	(193,873)
(4,372,937)	0	(4,372,937)
(355,007)	0	(355,007)
(3,662,782)	0	(3,662,782)
(117,917)	0	(117,917)
(23,954,660)	0	(23,954,660)
0	(321,876)	(321,876)
0	299,870	299,870
0	123,142	123,142
0	333,756	333,756
0	(353,048)	(353,048)
0	81,844	81,844
(23,954,660)	81,844	(23,872,816)
1,092,591	0	1,092,591
199,790	0	199,790
383,876	0	383,876
7,808,668	0	7,808,668
618,417	0	618,417
7,073,961	0	7,073,961
406,028	0	406,028
819,578	0	819,578
292,236	0	292,236
134,977	0	134,977
608,125	420,386	1,028,511
19,438,247	420,386	19,858,633
6,410	(6,410)	0
(4,510,003)	495,820	(4,014,183)
41,380,569	12,765,278	54,145,847
\$36,870,566	\$13,261,098	\$50,131,664

City of Marion
Balance Sheet
Governmental Funds
December 31, 2017

	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	\$2,414,639	\$1,471,841	\$379,455	\$4,719,376	\$8,985,311
Accounts Receivable	645,735	88	0	352	646,175
Accrued Interest Receivable	37,392	0	0	0	37,392
Due from Other Governments	375,707	888,743	12,134	341,724	1,618,308
Due from External Parties	496	0	0	0	496
Municipal Income Taxes Receivable	1,622,396	129,791	1,427,708	64,896	3,244,791
Other Local Taxes Receivable	0	0	0	21,763	21,763
Interfund Receivable	125,600	0	0	0	125,600
Prepaid Items	41,365	10,883	69,475	10,418	132,141
Materials and Supplies Inventory	24,830	76,658	8,146	273	109,907
<u>Restricted Assets</u>					
Cash and Cash Equivalents with Escrow Agent	67,230	0	0	0	67,230
Property Taxes Receivable	1,378,854	0	0	250,703	1,629,557
Payment in Lieu of Taxes Receivable	0	0	0	431,574	431,574
Notes Receivable	0	0	0	536,323	536,323
Total Assets	\$6,734,244	\$2,578,004	\$1,896,918	\$6,377,402	\$17,586,568
<u>Liabilities</u>					
Accrued Wages Payable	\$36,053	\$19,585	\$144,097	\$16,437	\$216,172
Accounts Payable	61,586	44,328	159,716	27,950	293,580
Contracts Payable	0	1,212,004	0	172,708	1,384,712
Due to Other Governments	135,590	14,101	162,204	34,051	345,946
Due to External Parties	245	0	0	0	245
Matured Compensated Absences Payable	2,470	0	17,879	1,776	22,125
Interfund Payable	2,623	33,308	14,411	142,115	192,457
Accrued Interest Payable	0	0	0	3,226	3,226
Notes Payable	0	0	0	512,000	512,000
Total Liabilities	238,567	1,323,326	498,307	910,263	2,970,463
<u>Deferred Inflows of Resources</u>					
Property Taxes	1,034,089	0	0	187,751	1,221,840
Payment in Lieu of Taxes	0	0	0	431,574	431,574
Unavailable Revenue	2,130,001	862,973	814,523	285,008	4,092,505
Total Deferred Inflows of Resources	3,164,090	862,973	814,523	904,333	5,745,919
<u>Fund Balance</u>					
Nonspendable	119,795	87,541	77,621	10,691	295,648
Restricted	0	304,164	506,467	4,977,909	5,788,540
Committed	1,762	0	0	8,723	10,485
Assigned	674,902	0	0	0	674,902
Unassigned (Deficit)	2,535,128	0	0	(434,517)	2,100,611
Total Fund Balance	3,331,587	391,705	584,088	4,562,806	8,870,186
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$6,734,244	\$2,578,004	\$1,896,918	\$6,377,402	\$17,586,568

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, 2017

Total Governmental Fund Balance \$8,870,186

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	52,528,668	
Internal Service Fund	(1,397,955)	
		51,130,713

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	536,432	
Accrued Interest Receivable	14,700	
Due from Other Governments	1,310,046	
Municipal Income Taxes Receivable	1,823,610	
Delinquent Property Taxes Receivable	407,717	
		4,092,505

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

(112,551)

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

Accrued Interest Payable	(10,508)	
Accrued Interest Payable - Internal Service Fund	2,908	
General Obligation Bonds Payable	(3,233,700)	
General Obligation Bonds Payable - Internal Service Fund	920,000	
ODOT DRIP TIF Payable	(95,397)	
OPWC Loan Payable	(32,052)	
Compensated Absences Payable	(4,280,419)	
Compensated Absences Payable - Internal Service Fund	48,351	
		(6,680,817)

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	7,772,796	
Deferred Outflows - Pension - Internal Service Fund	(150,417)	
Deferred Inflows - Pension	(131,723)	
Deferred Inflows - Pension - Internal Service Fund	6,046	
Net Pension Liability	(28,678,116)	
Net Pension Liability - Internal Service Fund	376,773	
		(20,804,641)

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.

375,171

Net Position of Governmental Activities

\$36,870,566

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, 2017

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$1,105,142	\$0	\$0	\$201,832	\$1,306,974
Payment in Lieu of Taxes	0	0	0	383,876	383,876
Municipal Income Taxes	7,787,657	616,737	7,055,473	405,188	15,865,055
Other Local Taxes	0	0	0	262,108	262,108
Charges for Services	1,386,137	2,400	0	98,892	1,487,429
Fees, Licenses, and Permits	347,311	14,600	0	0	361,911
Fines and Forfeitures	851,426	0	0	409,024	1,260,450
Intergovernmental	909,566	1,256,037	31,208	2,337,516	4,534,327
Interest	149,968	358	0	7,715	158,041
Other	344,268	70,209	127,295	140,959	682,731
Total Revenues	12,881,475	1,960,341	7,213,976	4,247,110	26,302,902
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	6,814,130	188,202	7,002,332
Fire	213	0	5,713,323	212,627	5,926,163
Other	262,241	0	0	0	262,241
Public Health	390,984	0	0	0	390,984
Leisure Time Activities	857,956	0	0	186,313	1,044,269
Community Environment	244,106	0	0	371,102	615,208
Transportation					
Transit	0	0	0	915,956	915,956
Other	304,039	3,306,212	0	598,670	4,208,921
General Government					
Court	963,915	0	0	629,476	1,593,391
Other	2,962,496	0	0	366,936	3,329,432
Debt Service:					
Principal Retirement	0	0	0	354,730	354,730
Interest and Fiscal Charges	0	0	0	118,752	118,752
Total Expenditures	5,985,950	3,306,212	12,527,453	3,942,764	25,762,379
Excess of Revenues Over (Under) Expenditures	6,895,525	(1,345,871)	(5,313,477)	304,346	540,523
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	803,908	5,367,229	587,866	6,759,003
Transfers Out	(6,484,991)	0	0	(267,602)	(6,752,593)
Total Other Financing Sources (Uses)	(6,484,991)	803,908	5,367,229	320,264	6,410
Changes in Fund Balance	410,534	(541,963)	53,752	624,610	546,933
Fund Balance Beginning of Year	2,921,053	933,668	530,336	3,938,196	8,323,253
Fund Balance End of Year	<u>\$3,331,587</u>	<u>\$391,705</u>	<u>\$584,088</u>	<u>\$4,562,806</u>	<u>\$8,870,186</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, 2017

Changes in Fund Balance - Total Governmental Funds \$546,933

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 - Nondepreciable Capital Assets	1,023,878	
Capital Outlay - Depreciable Capital Assets	943,853	
Depreciation	(4,818,262)	
Depreciation - Internal Service Fund	<u>44,252</u>	(2,806,279)

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. (105,878)

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

Delinquent Property Taxes	(14,593)	
Municipal Income Taxes	42,019	
Charges for Services	(251,279)	
Fees, Licenses, and Permits	7,096	
Intergovernmental	310,073	
Interest	<u>(22,040)</u>	71,276

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	310,950	
General Obligation Bonds Payable - Internal Service Fund	(55,000)	
ODOT DRIP TIF Payable	92,370	
OPWC Loan Payable	<u>6,410</u>	354,730

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

Accrued Interest Payable	949	
Accrued Interest Payable - Internal Service Fund	<u>(114)</u>	835

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	(170,111)	
Compensated Absences Payable - Internal Service Fund	<u>(1,406)</u>	(171,517)

(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, 2017
 (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	(\$4,546,559)	
Pension Expense - Internal Service Fund	<u>82,952</u>	(4,463,607)

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

Contractually Required Contributions	2,131,588	
Contractually Required Contributions - Internal Service Fund	<u>(28,298)</u>	2,103,290

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. (39,786)

Change in Net Position of Governmental Activities (\$4,510,003)

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, 2017

	<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	\$1,032,777	\$1,107,634	\$1,105,142	(\$2,492)
Municipal Income Taxes	7,206,886	7,107,533	6,669,583	(437,950)
Charges for Services	1,117,288	1,230,643	1,283,706	53,063
Fees, Licenses, and Permits	329,735	350,812	347,245	(3,567)
Fines and Forfeitures	842,800	864,746	854,229	(10,517)
Intergovernmental	726,700	850,813	913,637	62,824
Interest	70,000	150,652	145,037	(5,615)
Other	156,493	312,767	347,490	34,723
Total Revenues	11,482,679	11,975,600	11,666,069	(309,531)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Fire	0	213	213	0
Other	290,000	271,544	271,544	0
Public Health	378,035	390,984	390,984	0
Leisure Time Activities	842,594	877,157	857,293	19,864
Community Environment	273,462	244,106	244,106	0
Transportation				
Other	350,079	313,337	310,169	3,168
General Government				
Court	959,550	970,177	964,613	5,564
Other	3,276,948	3,085,990	3,047,260	38,730
Total Expenditures	6,370,668	6,153,508	6,086,182	67,326
Excess of Revenues Over Expenditures	5,112,011	5,822,092	5,579,887	(242,205)
<u>Other Financing Sources (Uses)</u>				
Advances In	41,000	176,496	204,410	27,914
Advances Out	0	(20,000)	(20,000)	0
Transfers Out	(5,730,268)	(5,833,964)	(5,594,428)	239,536
Total Other Financing Sources (Uses)	(5,689,268)	(5,677,468)	(5,410,018)	267,450
Changes in Fund Balance	(577,257)	144,624	169,869	25,245
Fund Balance Beginning of Year	2,322,038	2,322,038	2,322,038	0
Fund Balance End of Year	<u>\$1,744,781</u>	<u>\$2,466,662</u>	<u>\$2,491,907</u>	<u>\$25,245</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
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,753,284	\$1,763,657	\$10,373
Charges for Services	2,800	2,800	2,400	(400)
Fees, Licenses, and Permits	19,000	19,000	14,600	(4,400)
Intergovernmental	1,326,523	1,348,503	1,258,023	(90,480)
Interest	200	340	358	18
Other	12,949	72,922	70,121	(2,801)
Total Revenues	2,736,050	3,196,849	3,109,159	(87,690)
<u>Expenditures</u>				
Current:				
Transportation				
Other	2,773,175	2,992,241	2,938,545	53,696
Excess of Revenues Over (Under) Expenditures	(37,125)	204,608	170,614	(33,994)
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	0	0	0
Changes in Fund Balance	162,875	204,608	170,614	(33,994)
Fund Balance Beginning of Year	1,291,231	1,291,231	1,291,231	0
Fund Balance End of Year	\$1,454,106	\$1,495,839	\$1,461,845	(\$33,994)

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, 2017

	<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	\$6,604,155	\$7,115,848	\$7,149,246	\$33,398
Intergovernmental	0	32,664	32,664	0
Other	0	127,287	127,287	0
Total Revenues	6,604,155	7,275,799	7,309,197	33,398
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	6,637,508	6,843,966	6,790,701	53,265
Fire	5,465,944	5,843,755	5,711,217	132,538
Total Expenditures	12,103,452	12,687,721	12,501,918	185,803
Excess of Revenues Under Expenditures	(5,499,297)	(5,411,922)	(5,192,721)	219,201
<u>Other Financing Sources</u>				
Other Financing Sources	0	8	8	0
Transfers In	5,499,297	5,625,874	5,367,229	(258,645)
Total Other Financing Sources	5,499,297	5,625,882	5,367,237	(258,645)
Changes in Fund Balance	0	213,960	174,516	(39,444)
Fund Balance Beginning of Year	84,057	84,057	84,057	0
Fund Balance End of Year	<u>\$84,057</u>	<u>\$298,017</u>	<u>\$258,573</u>	<u>(\$39,444)</u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,636,623	\$1,035,503	\$0	\$32,000
Accounts Receivable	1,888,266	3,350,821	1,874	637,241
Due from Other Governments	89,769	0	0	97,212
Interfund Receivable	4,363	0	0	0
Prepaid Items	16,141	9,090	226	14,826
Materials and Supplies Inventory	87,833	503	0	518
Total Current Assets	<u>6,722,995</u>	<u>4,395,917</u>	<u>2,100</u>	<u>781,797</u>
<u>Non-Current Assets</u>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	0	0	2,614	0
Nondepreciable Capital Assets	2,203,186	0	162,571	1,848,117
Depreciable Capital Assets, Net	17,252,928	910,339	0	17,647,846
Total Non-Current Assets	<u>19,456,114</u>	<u>910,339</u>	<u>165,185</u>	<u>19,495,963</u>
Total Assets	<u>26,179,109</u>	<u>5,306,256</u>	<u>167,285</u>	<u>20,277,760</u>
<u>Deferred Outflows of Resources</u>				
Pension	925,991	482,264	0	226,810
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	29,824	12,086	0	1,201
Accounts Payable	150,700	13,020	38,636	9,142
Contracts Payable	596,313	0	0	615,323
Due to Other Governments	47,897	53,714	248	1,767
Compensated Absences Payable	82,646	19,720	0	3,704
Interfund Payable	1,700	28,310	3,663	0
Retainage Payable	85,619	0	0	84,256
Accrued Interest Payable	36,722	0	529	56,471
Notes Payable	2,222,240	0	0	4,954,260
General Obligation Bonds Payable	370,702	0	0	575,798
OWDA Loans Payable	1,428,775	0	0	0
OPWC Loans Payable	82,938	0	0	38,913
Postclosure Costs Payable	0	0	151,323	0
Total Current Liabilities	<u>5,136,076</u>	<u>126,850</u>	<u>194,399</u>	<u>6,340,835</u>

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$280,219	\$5,984,345	\$12,201
0	5,878,202	0
0	186,981	3,469
0	4,363	96,227
1,754	42,037	2,360
372	89,226	127,588
<u>282,345</u>	<u>12,185,154</u>	<u>241,845</u>
0	2,614	0
0	4,213,874	61,943
<u>3,071,044</u>	<u>38,882,157</u>	<u>1,336,012</u>
<u>3,071,044</u>	<u>43,098,645</u>	<u>1,397,955</u>
<u>3,353,389</u>	<u>55,283,799</u>	<u>1,639,800</u>
<u>122,708</u>	<u>1,757,773</u>	<u>150,417</u>
221	43,332	4,811
676	212,174	50,050
0	1,211,636	0
250	103,876	6,047
354	106,424	9,520
0	33,673	60
0	169,875	0
11,972	105,694	2,908
0	7,176,500	0
0	946,500	57,500
0	1,428,775	0
0	121,851	0
0	151,323	0
<u>13,473</u>	<u>11,811,633</u>	<u>130,896</u>

(continued)

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2017
(continued)

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Non-Current Liabilities</u>				
Compensated Absences Payable	\$327,956	\$51,395	\$0	\$8,276
General Obligation Bonds Payable	6,899,891	0	170,000	7,504,909
OWDA Loans Payable	5,933,484	0	0	0
OPWC Loans Payable	964,329	0	0	789,941
Postclosure Costs Payable	0	0	1,150,379	0
Net Pension Liability	2,260,628	1,255,904	0	502,364
Total Non-Current Liabilities	16,386,288	1,307,299	1,320,379	8,805,490
Total Liabilities	21,522,364	1,434,149	1,514,778	15,146,325
<u>Deferred Inflows of Resources</u>				
Pension	13,454	23,467	0	104,535
<u>Net Position</u>				
Net Investment in Capital Assets (Deficit)	2,461,812	910,339	162,571	5,960,063
Unrestricted (Deficit)	3,107,470	3,420,565	(1,510,064)	(706,353)
Total Net Position (Deficit)	\$5,569,282	\$4,330,904	(\$1,347,493)	\$5,253,710

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
\$270	\$387,897	\$38,831
3,865,000	18,439,800	862,500
0	5,933,484	0
0	1,754,270	0
0	1,150,379	0
251,179	4,270,075	376,773
<u>4,116,449</u>	<u>31,935,905</u>	<u>1,278,104</u>
<u>4,129,922</u>	<u>43,747,538</u>	<u>1,409,000</u>
<u>4,031</u>	<u>145,487</u>	<u>6,046</u>
(341,225)	9,153,560	477,955
(316,631)	3,994,987	(102,784)
<u>(\$657,856)</u>	13,148,547	<u>\$375,171</u>
	<u>112,551</u>	
	<u>\$13,261,098</u>	

City of Marion
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Operating Revenues</u>				
Charges for Services	\$6,146,311	\$2,827,571	\$143,000	\$1,670,702
Other	62,061	34,499	3,748	65,872
Total Operating Revenues	<u>6,208,372</u>	<u>2,862,070</u>	<u>146,748</u>	<u>1,736,574</u>
<u>Operating Expenses</u>				
Personal Services	2,493,482	1,400,005	0	441,374
Contractual Services	1,250,443	770,825	6,380	142,377
Materials and Supplies	431,644	90,469	7,134	88,119
Bad Debt	0	161,804	0	0
Depreciation	2,092,203	93,856	0	538,411
Total Operating Expenses	<u>6,267,772</u>	<u>2,516,959</u>	<u>13,514</u>	<u>1,210,281</u>
Operating Income (Loss)	(59,400)	345,111	133,234	526,293
<u>Non-Operating Expenses</u>				
Interest Expense	(465,113)	0	(6,344)	(426,510)
Income (Loss) before Contributions and Transfers	(524,513)	345,111	126,890	99,783
Capital Contributions	266,915	0	0	303,937
Transfers Out	(3,206)	0	0	(3,204)
Changes in Net Position	(260,804)	345,111	126,890	400,516
Net Position (Deficit) Beginning of Year	<u>5,830,086</u>	<u>3,985,793</u>	<u>(1,474,383)</u>	<u>4,853,194</u>
Net Position (Deficit) End of Year	<u>\$5,569,282</u>	<u>\$4,330,904</u>	<u>(\$1,347,493)</u>	<u>\$5,253,710</u>

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
\$182,112	\$10,969,696	\$961,689
254,206	420,386	6,937
<u>436,318</u>	<u>11,390,082</u>	<u>968,626</u>
195,735	4,530,596	386,551
71,985	2,242,010	56,058
55,526	672,892	502,447
0	161,804	0
<u>68,245</u>	<u>2,792,715</u>	<u>44,252</u>
<u>391,491</u>	<u>10,400,017</u>	<u>989,308</u>
44,827	990,065	(20,682)
<u>(143,669)</u>	<u>(1,041,636)</u>	<u>(36,155)</u>
(98,842)	(51,571)	(56,837)
0	570,852	0
<u>0</u>	<u>(6,410)</u>	<u>0</u>
(98,842)	512,871	(56,837)
<u>(559,014)</u>		<u>432,008</u>
<u><u>(\$657,856)</u></u>		<u><u>\$375,171</u></u>
	<u>(17,051)</u>	
	<u><u>\$495,820</u></u>	

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	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	\$6,468,464	\$2,525,335	\$143,000	\$1,766,067
Cash Payments for Personal Services	(2,095,557)	(1,234,633)	0	(485,943)
Cash Payments for Contractual Services	(1,219,598)	(776,910)	(128,740)	(143,604)
Cash Payments to Vendors	(386,749)	(86,436)	(7,186)	(87,394)
Cash Received from Other Revenues	62,061	36,679	1,874	65,872
Net Cash Provided by Operating Activities	2,828,621	464,035	8,948	1,114,998
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers Out	(3,206)	0	0	(3,204)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital Grants	273,195	0	0	312,998
Principal Paid on Bond Anticipation Notes	(2,469,030)	0	0	(4,207,470)
Principal Paid on General Obligation Bonds	(360,018)	0	0	(559,032)
Principal Paid on OWDA Loans	(1,407,582)	0	0	0
Principal Paid on OPWC Loans	(76,941)	0	0	(32,590)
Interest Paid on Bond Anticipation Notes	(58,409)	0	0	(104,060)
Interest Paid on General Obligation Bonds	(282,676)	0	(6,344)	(318,832)
Interest Paid on OWDA Loans	(126,289)	0	0	0
Bond Anticipation Notes Issued	2,222,240	0	0	4,954,260
OPWC Loans Issued	171,181	0	0	150,046
Acquisition of Capital Assets	(1,642,263)	0	0	(1,615,418)
Net Cash Used for Capital and Related Financing Activities	(3,756,592)	0	(6,344)	(1,420,098)
Net Increase (Decrease) in Cash and Cash Equivalents	(931,177)	464,035	2,604	(308,304)
Cash and Cash Equivalents Beginning of Year	5,567,800	571,468	10	340,304
Cash and Cash Equivalents End of Year	\$4,636,623	\$1,035,503	\$2,614	\$32,000

		Governmental Activity
Aquatics Center	Total Enterprise	Internal Service
\$182,112	\$11,084,978	\$954,147
(140,104)	(3,956,237)	(333,121)
(81,040)	(2,349,892)	(53,569)
(46,303)	(614,068)	(520,491)
254,206	420,692	6,937
168,871	4,585,473	53,903
0	(6,410)	0
0	586,193	0
0	(6,676,500)	0
0	(919,050)	(55,000)
0	(1,407,582)	0
0	(109,531)	0
0	(162,469)	0
(143,669)	(751,521)	(36,269)
0	(126,289)	0
0	7,176,500	0
0	321,227	0
0	(3,257,681)	0
(143,669)	(5,326,703)	(91,269)
25,202	(747,640)	(37,366)
255,017	6,734,599	49,567
\$280,219	\$5,986,959	\$12,201

(continued)

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(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)	(\$59,400)	\$345,111	\$133,234	\$526,293
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Depreciation	2,092,203	93,856	0	538,411
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	325,104	(138,252)	(1,874)	95,365
Increase in Due from Other Governments	0	0	0	0
Increase in Interfund Receivable	(2,951)	0	0	0
(Increase) Decrease in Prepaid Items	35	(1,075)	3	(880)
(Increase) Decrease in Materials and Supplies Inventory	1,269	1,168	0	1,205
Increase (Decrease) in Accrued Wages Payable	5,971	(3,351)	0	(6,693)
Increase (Decrease) in Accounts Payable	57,384	7,867	38,516	581
Decrease in Contracts Payable	0	0	(19,751)	0
Increase (Decrease) in Due to Other Governments	25,191	(5,282)	(52)	(7,900)
Increase (Decrease) in Compensated Absences Payable	45,480	3,776	0	(95,349)
Increase (Decrease) Interfund Payable	(2,519)	(2,748)	2,792	(2,278)
Decrease in Postclosure Costs Payable	0	0	(143,920)	0
Increase in Net Pension Liability	50,605	28,114	0	11,247
Decrease in Deferred Outflows - Pension	319,981	160,286	0	110,292
Decrease in Deferred Inflows - Pension	(29,732)	(25,435)	0	(55,296)
Net Cash Provided by Operating Activities	<u>\$2,828,621</u>	<u>\$464,035</u>	<u>\$8,948</u>	<u>\$1,114,998</u>

Non-Cash Capital Financing Activities

At December 31, 2017, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$700,092. At December 31, 2016, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$185,214. In addition, receivables were recorded, in the amount of \$13,309 and \$76,460, for requested and approved reimbursements on OPWC projects. In the prior year, receivables were recorded, in the amount of \$19,589 and \$58,504, for requested and approved reimbursements on OPWC projects.

At December 31, 2017, the Storm Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$699,579. At December 31, 2016, the Storm Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$254,977. In addition, receivables were recorded, in the amount of \$13,570 and \$83,642, for requested and approved reimbursements on OPWC projects. In the prior year, receivables were recorded, in the amount of \$22,631 and \$84,054, for requested and approved reimbursements on OPWC projects.

See Accompanying Notes to the Basic Financial Statements

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$44,827	990,065	(\$20,682)
68,245	2,792,715	44,252
0	280,343	0
0	0	(2,765)
0	(2,951)	(4,777)
(69)	(1,986)	(243)
(53)	3,589	(14,707)
5	(4,068)	632
217	104,565	(3,203)
0	(19,751)	0
(201)	11,756	2,183
247	(45,846)	(1,406)
0	(4,753)	(35)
0	(143,920)	0
5,621	95,587	8,436
54,552	645,111	52,997
(4,520)	(114,983)	(6,779)
\$168,871	\$4,585,473	\$53,903

City of Marion
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$100,221
Cash and Cash Equivalents in Segregated Accounts	68,343
Due from External Parties	245
	<hr/>
Total Assets	<u>\$168,809</u>
 <u>Liabilities</u>	
Due to External Parties	\$496
Undistributed Assets	168,313
	<hr/>
Total Liabilities	<u>\$168,809</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, Service Director, and Public Works Director, are elected positions. The Safety Director, Service Director, and Public Works 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 2017.

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, 2017

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, 2017

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.

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 2017. 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 insurance proceeds held by the City to secure proper handling of fire damaged structures until adequately repaired or demolished, for ticket sales remitted to the Greyhound Bus company, and for fines and fees collected by the Marion Municipal Court (excluding those due to the City of Marion).

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 and proprietary funds 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, 2017, but which were levied to finance 2018 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 and proprietary funds 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, 2017

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 for the City by an escrow agent for demolition related to an Ohio Department of Transportation project are recorded as “Cash and Cash Equivalents with Escrow Agent”.

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

During 2017, investments included nonnegotiable and negotiable certificates of deposit, 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 2017 was \$149,968, which includes \$126,794 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, 2017, 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Resources set aside in a separate escrow account, whose use is limited to payment to contractors for demolition related to an Ohio Department of Transportation project, are reported as restricted.

Monies required to be set aside for postclosure costs at the landfill are reported as restricted.

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 acquisition 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 2017.

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:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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”.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, Service Director, and Public Works 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 2018 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

For 2017, the City has implemented Governmental Accounting Standard Board (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2017, the following funds had a deficit fund balance/net position:

Fund Type/Fund	Deficit
Nonmajor Special Revenue Fund	
Adult Drug Court	\$14,969
Nonmajor Capital Projects Funds	
CDBG	8,457
Capital Improvements	411,091
Enterprise Funds	
Landfill	1,347,493
Aquatics Center	657,856

The deficit fund balance in the Adult Drug Court special revenue fund and 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 accumulated operating losses from prior years. The fund had an operating income for 2017 and will begin to reduce the deficit as the debt gets paid down.

B. Compliance

For the year ended December 31, 2017, the CDBG capital projects fund had expenditures plus encumbrances in excess of appropriations, in the amount of \$30,000, for the CDBG formula grant contractual services account within the community environment program. The City 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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).
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

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax
GAAP Basis	\$410,534	(\$541,963)	\$53,752
<u>Increases (Decreases) Due To</u>			
Revenue Accruals:			
Accrued 2016, Received in Cash 2017	899,393	166,072	720,548
Accrued 2017, Not Yet Received in Cash	(2,121,121)	982,746	(625,319)
Expenditure Accruals:			
Accrued 2016, Paid in Cash 2017	(260,522)	(949,769)	(346,926)
Accrued 2017, Not Yet Paid in Cash	207,940	1,313,330	377,425
Cash Adjustments:			
Unrecorded Activity 2016	(78,372)	0	0
Unrecorded Activity 2017	42,427	0	0
Prepaid Items	(972)	422	(3,433)
Materials and Supplies Inventory	(4,411)	3,684	(1,531)
Advances In	204,410	0	0
Advances Out	(20,000)	0	0
Transfers In	0	(803,908)	0
Transfer Out	890,563	0	0
Budget Basis	\$169,869	\$170,614	\$174,516

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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;
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;

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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 a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2017, the City was not exposed to custodial credit risk.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

In April 2018, three of the City's financial institutions participating in OPCS were approved for a reduced collateral floor of 50 percent. At the time the reduced floor became effective, \$11,203 of the City's bank balance of \$730,959 was exposed to custodial credit risk because the deposits were uninsured and uncollateralized.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$1,036,140	\$1,036,140	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	4,407,966	1,430,473	2,184,099	0	793,394
Federal Farm Credit Bank Notes	2,299,839	2,299,839	0	0	0
Federal Home Loan Bank Notes	2,290,318	997,760	0	0	1,292,558
Federal Home Loan Mortgage Corporation Notes	988,050	0	0	0	988,050
Federal National Mortgage Association Notes	749,115	0	0	749,115	0
Total Fair Value - Level Two Inputs	10,735,288	4,728,072	2,184,099	749,115	3,074,002
Total Investments	\$11,771,428	\$5,764,212	\$2,184,099	\$749,115	\$3,074,002

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The mutual funds carry a rating of Aaa by Moody's. Negotiable certificates of deposit are generally covered by FDIC and/or SIPC insurance. The federal agency securities carry a rating of Aaa 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.

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	\$4,407,966	37.45%
Federal Farm Credit Bank	2,299,839	19.54
Federal Home Loan Bank	2,290,318	19.46
Federal Home Loan Mortgage Corporation	988,050	8.39
Federal National Mortgage Association	749,115	6.36

NOTE 7 - RECEIVABLES

Receivables at December 31, 2017, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; due from external parties; municipal income taxes; other local 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, notes, and the allowance for uncollectibles related to utility services. 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 \$480,580 will not be received within one year.

A summary of accounts receivable related to utility services is as follows:

	Sewer	Sanitation	Landfill	Storm Water	Total Enterprise Funds
Accounts Receivable	\$1,888,266	\$3,512,625	\$1,874	\$637,241	\$6,040,006
Less Allowance for Uncollectibles	0	(161,804)	0	0	(161,804)
Net Accounts Receivable	\$1,888,266	\$3,350,821	\$1,874	\$637,241	\$5,878,202

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RECEIVABLES (continued)

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 2017 follows:

	Balance December 31, 2016	New Loans	Repayments	Balance December 31, 2017
Special Revenue Fund				
Revolving Loans	\$437,803	\$0	\$0	\$437,803
Debt Service Fund				
Harding Centre Loan	140,787	0	42,267	98,520
	\$578,590	\$0	\$42,267	\$536,323

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$80,322
Local Government	294,367
Cigarette Tax	1,018
Total General Fund	375,707
Street Construction, Maintenance, and Repair	
Gasoline Tax	473,712
Motor Vehicle License Tax	88,241
Ohio Public Works Commission	326,790
Total Street Construction, Maintenance, and Repair	888,743
Police, Dispatch, and Fire Income Tax	
Bulletproof Vest Grant	2,522
Department of Public Safety	5,814
Overtime Grant	3,798
Total Police, Dispatch, and Fire Income Tax	12,134
Total Major Funds	1,276,584
Nonmajor Funds	
Senior Citizens	
Ohio District 5 Area on Aging	5,710
State Highway	
Gasoline Tax	38,459
Motor Vehicle License Tax	6,439
Ohio Department of Transportation	23,633
Total State Highway	68,531

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
School Resource Officer	
School Resource Officer	\$10,870
Community Corrections	
Community Based Corrections	117,595
Indigent Alcohol Monitoring	
Department of Public Safety	1,770
Police and Fire Pension	
Homestead and Rollback	14,612
Adult Drug Court	
Adult Drug Court	13,740
Marion Area Transit	
Fuel Tax	1,258
Ohio Department of Transportation	91,046
Total Marion Area Transit	92,304
CDBG	
Formula Grant	4,000
Airport Improvement	
Federal Aviation Administration	12,592
Total Nonmajor Funds	341,724
Internal Service Fund	
Marion City School District	910
Marion Township	2,559
Total Internal Service Fund	3,469
Total Governmental Activities	\$1,621,777
Business-Type Activities	
Sewer	
Ohio Public Works Commission	\$89,769
Storm Water	
Ohio Public Works Commission	97,212
Total Business-Type Activities	\$186,981

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, 2017

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 2017 represent the collection of 2016 taxes. Real property taxes received in 2017 were levied after October 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of 2016 taxes. Public utility real and tangible personal property taxes received in 2017 became a lien on December 31, 2015, were levied after October 1, 2016, 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, 2017, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2017 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, 2017, was \$4.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$267,962,400
Commercial/Industrial	82,541,650
Public Utility Real	156,280
Public Utility Personal	33,446,790
Total	\$384,107,120

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 10 - PAYMENT IN LIEU OF TAXES

In accordance with agreements related to tax increment financing districts, 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.

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$8,327,406	\$0	\$0	\$8,327,406
Construction in Progress	31,573	1,023,878	(568,198)	487,253
Total Nondepreciable Capital Assets	<u>8,358,979</u>	<u>1,023,878</u>	<u>(568,198)</u>	<u>8,814,659</u>
Depreciable Capital Assets				
Land Improvements	2,507,889	0	0	2,507,889
Buildings and Building Improvements	26,126,358	0	0	26,126,358
Equipment	2,847,504	92,476	0	2,939,980
Vehicles	5,592,458	69,360	(106,992)	5,554,826
Streets	140,596,700	1,350,215	(627,654)	141,319,261
Total Depreciable Capital Assets	<u>177,670,909</u>	<u>1,512,051</u>	<u>(734,646)</u>	<u>178,448,314</u>
Less Accumulated Depreciation for				
Land Improvements	(727,951)	(119,477)	0	(847,428)
Buildings and Building Improvements	(6,875,475)	(406,520)	0	(7,281,995)
Equipment	(1,944,840)	(181,569)	0	(2,126,409)
Vehicles	(2,735,717)	(320,148)	106,992	(2,948,873)
Streets	(118,260,828)	(3,790,548)	521,776	(121,529,600)
Total Accumulated Depreciation	<u>(130,544,811)</u>	<u>(4,818,262)</u>	<u>628,768</u>	<u>(134,734,305)</u>
Total Depreciable Capital Assets, Net	<u>47,126,098</u>	<u>(3,306,211)</u>	<u>(105,878)</u>	<u>43,714,009</u>
Governmental Activities Capital Assets, Net	<u>\$55,485,077</u>	<u>(\$2,282,333)</u>	<u>(\$674,076)</u>	<u>\$52,528,668</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 11 - CAPITAL ASSETS (continued)

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$593,000	\$0	\$0	\$593,000
Construction in Progress	877,454	4,121,548	(1,378,128)	3,620,874
Total Nondepreciable Capital Assets	<u>1,470,454</u>	<u>4,121,548</u>	<u>(1,378,128)</u>	<u>4,213,874</u>
Depreciable Capital Assets				
Buildings	28,033,642	0	0	28,033,642
Equipment	4,919,775	95,613	0	5,015,388
Vehicles	2,466,749	0	0	2,466,749
Sewer and Storm Water Lines	45,693,533	1,378,128	(6,720)	47,064,941
Total Depreciable Capital Assets	<u>81,113,699</u>	<u>1,473,741</u>	<u>(6,720)</u>	<u>82,580,720</u>
Less Accumulated Depreciation for				
Buildings	(18,016,673)	(1,674,631)	0	(19,691,304)
Equipment	(3,671,227)	(183,369)	0	(3,854,596)
Vehicles	(1,082,085)	(134,879)	0	(1,216,964)
Sewer and Storm Water Lines	(18,142,583)	(799,836)	6,720	(18,935,699)
Total Accumulated Depreciation	<u>(40,912,568)</u>	<u>(2,792,715)</u>	<u>6,720</u>	<u>(43,698,563)</u>
Total Depreciable Capital Assets, Net	<u>40,201,131</u>	<u>(1,318,974)</u>	<u>0</u>	<u>38,882,157</u>
Business-Type Activities Capital Assets, Net	<u>\$41,671,585</u>	<u>\$2,802,574</u>	<u>(\$1,378,128)</u>	<u>\$43,096,031</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$115,070
Security of Persons and Property - Fire	118,699
Public Health	236
Leisure Time Activities	47,551
Transportation - Transit	73,072
Transportation - Other	4,064,927
General Government - Court	14,022
General Government - Other	384,685
Total Depreciation Expense - Governmental Activities	<u>\$4,818,262</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at December 31, 2017, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental	\$125,600
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Due to Sewer Fund from:

General	\$379
Police, Dispatch, and Fire Income Tax	265
Other Governmental	58
Landfill	3,601
Internal Service	60

Total Sewer Fund	<u>\$4,363</u>
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Due to Internal Service Fund from:

General	\$2,244
Street Construction, Maintenance, and Repair	33,308
Police, Dispatch, and Fire Income Tax	14,146
Other Governmental	16,457
Sewer	1,700
Sanitation	28,310
Landfill	62

Total Internal Service Fund	<u><u>\$96,227</u></u>
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The balance due to the General Fund consists of loans made to provide working capital for operations or projects. Of this amount, \$53,600 will not 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, 2017

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 2017, the City had the following insurance coverage:

Type of Coverage	Coverage	Deductible
Property	\$55,855,896	\$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
Public Officials 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 2017, 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, participation in these plans is not material; therefore, the following disclosure focuses on OPERS' traditional pension plan.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 including requirements for reduced and unreduced benefits).

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, 2017

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
2017 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer			
Pension	13.0 %	17.1 %	17.1 %
Postemployment Health Care Benefits	1.0	1.0	1.0
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 \$943,261 for 2017. Of this amount, \$91,398 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 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 after 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. (See OPF CAFR referenced above for additional information including requirements for deferred retirement option plan provisions and reduced and unreduced benefits.)

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, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3 percent or the percentage increase in the Consumer Price Index, if any, over the twelve month period ending on September 30 of the immediately preceding year rounded to the nearest one-tenth of one percent.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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
2017 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2017 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,509,035 for 2017. Of this amount, \$146,158 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, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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
Proportion of the Net Pension Liability			
Current Measurement Date	0.05530600%	0.32190500%	
Prior Measurement Date	0.05679900%	0.31309600%	
Change in Proportionate Share	0.00149300%	0.00880900%	
 Proportionate Share of the Net			
Pension Liability	\$12,559,051	\$20,389,140	\$32,948,191
Pension Expense	\$2,765,094	\$2,727,888	\$5,492,982

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference Between Expected and Actual Experience	\$17,023	\$5,768	\$22,791
Changes of Assumptions	1,992,019	0	1,992,019
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,870,332	1,982,754	3,853,086
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions City Contributions Subsequent to the Measurement Date	191,198	990,452	1,181,650
	<u>943,261</u>	<u>1,509,035</u>	<u>2,452,296</u>
Total Deferred Outflows of Resources	<u>\$5,013,833</u>	<u>\$4,488,009</u>	<u>\$9,501,842</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$74,745	\$46,944	\$121,689
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	126,794	0	126,794
Total Deferred Inflows of Resources	<u>\$201,539</u>	<u>\$46,944</u>	<u>\$248,483</u>

\$2,452,296 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Year Ending December 31,			
2018	\$1,672,342	\$971,859	\$2,644,201
2019	1,591,859	971,859	2,563,718
2020	659,657	792,179	1,451,836
2021	(54,825)	84,307	29,482
2022	0	103,910	103,910
Thereafter	0	7,916	7,916
Total	<u>\$3,869,033</u>	<u>\$2,932,030</u>	<u>\$6,801,063</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. In 2016, the OPERS actuarial consultants conducted an experience study for the period 2011 through 2015 comparing assumptions to actual results. The experience study incorporates both a historical review and forward looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions with the most notable being a reduction in the actuarially assumed rate of return from 8 percent to 7.5 percent for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuations, reflecting experience study results, prepared as of December 31, 2016, compared to December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA: Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

For 2016, mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvements scale to the above described tables.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

For 2015, 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, 2015. The prior 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.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the traditional pension plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. The Defined Benefit portfolio historically included the assets of the member-directed retiree medical accounts funded through the VEBA Trust; however, the VEBA Trust was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit 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 annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

The table below displays the board approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 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 contractually required rates as actuarially determined. 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 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate Share of the Net Pension Liability	\$19,186,758	\$12,559,051	\$7,036,029

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of January 1, 2016, are presented below.

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
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 plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.6 percent simple for increases based on lesser of the increase in CPI and 3 percent

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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, 2016, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equities	16.00	5.21
Non-U.S. Equities	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: assumptions are geometric

* 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.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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	\$27,155,918	\$20,389,140	\$14,654,203

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

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 a cost-sharing multiple-employer defined benefit postemployment health care trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension 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 Governmental Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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 to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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 of both the traditional and combined plans was 1 percent for 2017. As recommended by OPERS' actuary, the portion of the employer contribution allocated to health care beginning January 1, 2018, decreased to 0 percent for both plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2017.

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, 2017, 2016, and 2015 was \$72,559, \$142,772, and \$141,214, respectively. For 2017, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

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 Governmental Accounting Standards Board (GASB) Statement No. 45.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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 2017, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of 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.

The City's contribution to OPF for the years ended December 31, 2017, 2016, and 2015, was \$1,544,717, \$1,491,393, and \$1,366,897, respectively, of which \$35,682, \$34,507, and \$31,436 was allocated to the health care plan. For 2017, 90 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 2016 and 2015.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 2017 were as follows:

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
<u>Governmental Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2016 Various Purpose	2.00%	\$512,000	\$0	\$512,000	\$0
2017 Various Purpose	2.00	0	512,000	0	512,000
Total Governmental Activities		<u>\$512,000</u>	<u>\$512,000</u>	<u>\$512,000</u>	<u>\$512,000</u>
 <u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2016 Various Purpose	2.00%	\$6,676,500	\$0	\$6,676,500	\$0
2017 Various Purpose	2.00	0	7,176,500	0	7,176,500
Total Business-Type Activities		<u>\$6,676,500</u>	<u>\$7,176,500</u>	<u>\$6,676,500</u>	<u>\$7,176,500</u>

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

On September 8, 2016, the City issued \$7,188,500 in bond anticipation notes; \$250,000 for City Hall improvements, \$262,000 for the purchase of an EMS vehicle, \$2,469,030 for sewer improvements, and \$4,207,470 for storm water improvements. The notes matured on September 7, 2017.

On September 7, 2017, the City issued \$7,688,500 in bond anticipation notes; \$250,000 for City Hall improvements, \$262,000 for the purchase of an EMS vehicle, \$2,222,240 for sewer improvements, and \$4,954,260 for storm water improvements. The notes mature on September 6, 2018. As of December 31, 2017, \$915,000 of the proceeds had not been spent.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2017, was as follows:

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2010 Police and Fire Pension Refunding						
(Original Amount \$794,300)	2-4.3%	\$317,200	\$0	\$75,400	\$241,800	\$78,000
2010 Street Improvement						
(Original Amount \$1,598,850)	2-4.3	1,156,650	0	64,350	1,092,300	66,000
2010 Computer Equipment						
(Original Amount \$775,200)	2-4.3	560,800	0	31,200	529,600	32,000
2010 City Hall Roof						
(Original Amount \$110,000)	2-3.75	80,000	0	5,000	75,000	5,000
2010 Generator						
(Original Amount \$225,000)	2-3.75	165,000	0	10,000	155,000	10,000
2010 Fire Truck						
(Original Amount \$320,000)	2-3.75	140,000	0	35,000	105,000	35,000
2010 Police Records						
(Original Amount \$355,000)	2-3.75	150,000	0	35,000	115,000	35,000
2010 Central Garage						
(Original Amount \$1,376,250)	1.75-4	975,000	0	55,000	920,000	57,500
Total General Obligation Bonds		<u>3,544,650</u>	<u>0</u>	<u>310,950</u>	<u>3,233,700</u>	<u>318,500</u>
Other Long-Term Obligations						
ODOT DRIP TIF						
(Original Amount \$2,105,884)	0.00	187,767	0	92,370	95,397	95,397
OPWC Loan						
#CPI0D Marion Williamsport Road Improvements						
(Original Amount \$128,202)	0.00	38,462	0	6,410	32,052	6,410
Net Pension Liability						
Ohio Public Employees Retirement System						
		6,394,896	1,894,080	0	8,288,976	0
Ohio Police and Fire						
		20,141,685	247,455	0	20,389,140	0
Total Net Pension Liability		<u>26,536,581</u>	<u>2,141,535</u>	<u>0</u>	<u>28,678,116</u>	<u>0</u>
Compensated Absences Payable						
		4,110,308	357,455	187,344	4,280,419	527,421
Total Other Long-Term Obligations		<u>30,873,118</u>	<u>2,498,990</u>	<u>286,124</u>	<u>33,085,984</u>	<u>629,228</u>
Total Governmental Activities		<u>\$34,417,768</u>	<u>\$2,498,990</u>	<u>\$597,074</u>	<u>\$36,319,684</u>	<u>\$947,728</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose A						
(Original Amount \$7,786,650)	2-4.3%	\$3,910,350	\$0	\$604,050	\$3,306,300	\$624,000
2010 Various Purpose B						
(Original Amount \$7,183,750)	1.75-4	5,240,000	0	295,000	4,945,000	302,500
2012 Various Purpose						
(Original Amount \$11,235,000)	2-4	11,155,000	0	20,000	11,135,000	20,000
Total General Obligation Bonds		20,305,350	0	919,050	19,386,300	946,500
Other Long-Term Obligations						
OWDA Loans						
#3397 WRRSP						
(Original Amount \$5,366,955)	1.50	1,781,600	0	285,951	1,495,649	290,257
#3398 WWTP Upgrade						
(Original Amount \$20,784,201)	1.50	6,988,241	0	1,121,631	5,866,610	1,138,518
Total OWDA Loans		8,769,841	0	1,407,582	7,362,259	1,428,775
OPWC Loans						
#CP06G Mary St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$29,232)	0.00	13,151	0	1,462	11,689	1,461
#CP10F Uncapher Ave/ Florence St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$268,990)	0.00	94,152	0	13,449	80,703	13,450
#CP16E Avondale Ave/ Catalina Dr Storm Water Replacement						
(Original Amount \$119,185)	0.00	32,771	0	5,960	26,811	5,960
#CP33E Water Pollution Control Upgrade						
(Original Amount \$1,070,800)	0.00	401,550	0	53,540	348,010	53,540
#CP14L Franconia Avenue Sanitary Sewer and Storm Water Replacement						
(Original Amount \$107,827)	0.00	88,060	0	3,594	84,466	3,594

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
OPWC Loans (continued)						
#CP05K Oakgrove and Waterloo Sanitary Sewer and Storm Water Replacement (Original Amount \$211,153)	0.00%	\$153,084	\$0	\$10,558	\$142,526	\$10,558
#CP04M Woodrow and Henry Sanitary Sewer and Storm Water Replacement (Original Amount \$60,993)	0.00	50,823	0	2,034	48,789	2,034
#CP04N Milburn Sanitary Sewer and Storm Water Replacement (Original Amount \$73,189)	0.00	68,310	0	2,439	65,871	2,440
#CP12R Latourette Sanitary Sewer and Storm Water Replacement (Original Amount \$27,199)	0.00	26,747	0	907	25,840	907
#CP22Q North Greenwood Sanitary Sewer and Storm Water Replacement (Original Amount \$166,000)	0.00	163,233	0	5,533	157,700	5,534
#CP18S Ballentine Sanitary Sewer and Storm Water Replacement (Original Amount \$114,170)	0.00	114,170	0	3,805	110,365	3,806
#CP23S Main/State Sanitary Sewer and Storm Water Replacement (Original Amount \$119,499)	0.00	16,737	102,762	0	119,499	3,984
#CP26T South Greenwood Sanitary Sewer and Storm Water Replacement (Original Amount \$125,000)	0.00	49,093	75,907	0	125,000	2,083
#CP37T Belmont Sanitary Sewer and Storm Water Replacement (Original Amount \$375,000)	0.00	375,000	0	6,250	368,750	12,500

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
#CP06T George Street Sanitary Sewer and Storm Water Replacement (Original Amount \$100,000)	0.00%	\$0	\$100,000	\$0	\$100,000	\$0
#CP17U Hane Avenue Sanitary Sewer and Storm Water Replacement (Original Amount \$60,102)	0.00	0	60,102	0	60,102	0
Total OPWC Loans		1,646,881	338,771	109,531	1,876,121	121,851
Net Pension Liability						
Ohio Public Employees Retirement System		3,443,406	826,669	0	4,270,075	0
Compensated Absences Payable		540,167	55,635	101,481	494,321	106,424
Postclosure Costs Payable		1,445,622	0	143,920	1,301,702	151,323
Total Other Long-Term Obligations		15,845,917	1,221,075	1,762,514	15,304,478	1,808,373
Total Business-Type Activities		\$36,151,267	\$1,221,075	\$2,681,564	\$34,690,778	\$2,754,873

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, 2017, all of the proceeds had been spent and \$519,840 was spent on items which were not capitalized.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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
2029	\$305,000

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

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, 2017, all of the proceeds had been spent and \$847,731 was spent on items which were not capitalized.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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>
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.

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 - There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the General Fund; the Street Construction, Maintenance, and Repair; Police, Dispatch, and Fire Income Tax; Senior Citizens; Municipal Court Docket Specialist; MMC Assistance; Community Corrections; Probation Services; Police and Fire Pension, Adult Drug Court, and Marion Area Transit special revenue funds; the Sewer, Sanitation, Storm Water, and Aquatics Center enterprise funds; and the Central Garage internal service fund.

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; Police, Dispatch, and Fire Income Tax; Senior Citizens; MMC Assistance; Community Corrections; Probation Services; 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 preservation of Edison Woods and wastewater treatment plant improvements. OWDA loans will be paid from the Sewer enterprise fund.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

OWDA monies spent on items which were not capitalized were \$1,495,649 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.

OWDA loans are payable solely from the gross revenues of the Sewer enterprise fund 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 \$7,362,259 and \$307,095, respectively, and total principal to be paid on the OPWC loans (on completed projects for which amortization schedules are available) is \$1,716,019. Principal and interest paid in the Sewer enterprise fund for the current year was \$1,610,812 and \$32,590 in the Storm Water enterprise fund. Total net revenues for the Sewer enterprise fund was \$2,032,803 and \$1,064,704 in the Storm Water enterprise fund. The OWDA loans are payable through 2022 and the OPWC loans are payable through 2048.

The City's legal debt margin was \$36,585,548 at December 31, 2017.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2017, were as follows:

Year	Governmental Activities				
	General Obligation Bonds		ODOT DRIP TIF		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
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	187,750	91,121	0	0	6,411
2022	196,400	83,611	0	0	6,411
2023-2027	1,085,700	295,976	0	0	0
2028-2030	774,550	65,329	0	0	0
	\$3,233,700	\$875,739	\$95,397	\$1,945	\$32,052

The OPWC loans #CP06T George Street Sanitary Sewer and Storm Water Replacement and #CP17U Hane Avenue Sanitary Sewer and Storm Water Replacement have not been completed. An amortization schedule for the repayment of these loans will not be available until the project is completed and, therefore, are not included in the following schedule.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, from the enterprise funds were as follows:

Year	Business-Type Activities				
	General Obligation Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2018	\$946,500	\$725,625	\$1,428,775	\$105,096	\$121,851
2019	982,750	695,793	1,450,287	83,584	123,929
2020	1,011,450	663,177	1,472,123	61,748	123,933
2021	1,132,250	627,835	1,494,288	39,583	123,934
2022	1,183,600	589,393	1,516,786	17,084	120,943
2023-2027	6,529,300	2,282,028	0	0	345,747
2028-2032	6,545,450	941,224	0	0	231,768
2033-2037	1,055,000	42,200	0	0	194,820
2038-2042	0	0	0	0	187,366
2043-2047	0	0	0	0	139,645
2048	0	0	0	0	2,083
	\$19,386,300	\$6,567,275	\$7,362,259	\$307,095	\$1,716,019

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 \$1,301,702 reported as landfill postclosure costs at December 31, 2017, 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, 2017, liability decreased from the prior year by \$143,920 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, 2017

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	\$53,600	\$0	\$0	\$0
Materials and Supplies Inventory	24,830	76,658	8,146	273
Prepaid Items	41,365	10,883	69,475	10,418
Total Nonspendable	119,795	87,541	77,621	10,691
Restricted for:				
Airport Improvements	0	0	0	157,319
Court Operations	0	0	0	1,132,364
Economic Development and Rehabilitation	0	0	0	509,316
Park Improvements	0	0	0	1,363
Permanent Improvements	0	0	0	2,030,343
Police and Fire Operations	0	0	506,467	79,148
Railroad Crossing Improvements	0	0	0	64,125
Senior Citizen Activities	0	0	0	275,188
Street Maintenance and Construction	0	304,164	0	615,228
Transit Operations	0	0	0	108,072
Youth Activities	0	0	0	5,443
Total Restricted	0	304,164	506,467	4,977,909
Committed for:				
Debt Retirement	0	0	0	8,723
Termination Benefits	1,762	0	0	0
Total Committed	1,762	0	0	8,723
Assigned for:				
Airport Improvements	157,996	0	0	0
Parking Meters	2,356	0	0	0
Projected Budget Shortage	373,622	0	0	0
Recreation	70,437	0	0	0
Safety Patrol	395	0	0	0
Softball Field Improvements	26,489	0	0	0
Underground Storage Tank	11,000	0	0	0
Wellness	32,607	0	0	0
Total Assigned	674,902	0	0	0
Unassigned (Deficit)	2,535,128	0	0	(434,517)
Total Fund Balance	\$3,331,587	\$391,705	\$584,088	\$4,562,806

NOTE 21 - INTERNAL BALANCES AND TRANSFERS

The City uses an internal proportionate share to allocate its net pension liability and corresponding deferred outflows/inflows of resources and pension expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental activities and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column include a deferred outflow of resources for the Sewer, Storm Water, and Aquatics Center enterprise funds, in the amount of \$26,576, \$1,212, and \$939, respectively, and a deferred inflow of resources for the Sanitation, Storm Water, and Aquatics Center enterprise funds, in the amount of \$6,073, \$22,102, and \$552, respectively.

During 2017, 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 \$803,908, \$5,367,229, and \$313,854, respectively, to subsidize operations in those funds.

Other governmental funds made transfers to other governmental funds, in the amount of \$267,602, to make debt payments as they come due.

The Sewer and Storm Water enterprise funds made transfers to other governmental funds, in the amount of \$3,206 and \$3,204, respectively, 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.

NOTE 22 - INSURANCE POOLS (continued)

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. 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 on 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 24 - CONTINGENT LIABILITIES (continued)

B. Federal and State Grants

For the period January 1, 2017, to December 31, 2017, 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.

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 Four Years (1)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.05530600%	0.05679900%	0.05233800%	0.05233800%
City's Proportionate Share of the Net Pension Liability	\$12,559,051	\$9,838,302	\$6,312,547	\$6,169,968
City's Covered Payroll	\$7,138,608	\$7,060,707	\$6,416,733	\$6,289,238
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	175.93%	139.34%	98.38%	98.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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 Four Years (1)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.32190500%	0.31309600%	0.29544000%	0.29544000%
City's Proportionate Share of the Net Pension Liability	\$20,389,140	\$20,141,685	\$15,305,024	\$14,388,855
City's Covered Payroll	\$6,901,362	\$6,287,176	\$5,814,402	\$5,699,689
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	295.44%	320.36%	263.23%	252.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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 Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$943,261	\$856,633	\$847,285	\$770,008
Contributions in Relation to the Contractually Required Contribution	<u>(943,261)</u>	<u>(856,633)</u>	<u>(847,285)</u>	<u>(770,008)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,255,854	\$7,138,608	\$7,060,707	\$6,416,733
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

2013

\$817,601

(817,601)

\$0

\$6,289,238

13.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,509,035	\$1,456,886	\$1,335,461	\$1,236,397
Contributions in Relation to the Contractually Required Contribution	<u>(1,509,035)</u>	<u>(1,456,886)</u>	<u>(1,335,461)</u>	<u>(1,236,397)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,136,374	\$6,901,362	\$6,287,176	\$5,814,402
Contributions as a Percentage of Covered Payroll	21.15%	21.11%	21.24%	21.26%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,031,887	\$828,535	\$965,813	\$1,054,068	\$1,009,826	\$1,000,505
<u>(1,031,887)</u>	<u>(828,535)</u>	<u>(965,813)</u>	<u>(1,054,068)</u>	<u>(1,009,826)</u>	<u>(1,000,505)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,699,689	\$5,496,253	\$6,487,763	\$7,080,192	\$6,779,997	\$6,703,501
18.10%	15.07%	14.89%	14.89%	14.89%	14.93%

City of Marion
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below.

	<u>December 31, 2017</u>	<u>December 31, 2016 and Prior</u>
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvements scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates 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.

**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.

Municipal Motor Vehicle License

To account for permissive motor vehicle registration fees levied by the City and restricted for maintenance of streets within the City.

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.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

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.

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 fines 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.

Adult Drug Court

To account for grants received from the U.S. Department of Justice restricted for the implementation and enhancement of a local drug court.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

ADAMH Grant

To account for grants received from the Marion-Crawford Mental Health Board restricted for the purchase of supplies and equipment for the probation department.

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.

(continued)

**Nonmajor Capital Projects Funds
(continued)**

Capital Improvements

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

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, 2017

	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	\$2,410,125	\$7,803	\$2,301,448	\$4,719,376
Accounts Receivable	352	0	0	352
Due from Other Governments	325,132	0	16,592	341,724
Municipal Income Taxes Receivable	0	0	64,896	64,896
Other Local Taxes Receivable	21,763	0	0	21,763
Prepaid Items	10,418	0	0	10,418
Materials and Supplies Inventory	273	0	0	273
Property Taxes Receivable	250,703	0	0	250,703
Payment in Lieu of Taxes Receivable	0	0	431,574	431,574
Notes Receivable	437,803	98,520	0	536,323
Total Assets	\$3,456,569	\$106,323	\$2,814,510	\$6,377,402
<u>Liabilities</u>				
Accrued Wages Payable	\$16,437	\$0	\$0	\$16,437
Accounts Payable	13,619	0	14,331	27,950
Contracts Payable	158,717	0	13,991	172,708
Due to Other Governments	13,204	0	20,847	34,051
Matured Compensated Absences Payable	1,776	0	0	1,776
Interfund Payable	44,515	97,600	0	142,115
Accrued Interest Payable	0	0	3,226	3,226
Notes Payable	0	0	512,000	512,000
Total Liabilities	248,268	97,600	564,395	910,263
<u>Deferred Inflows of Resources</u>				
Property Taxes	187,751	0	0	187,751
Payment in Lieu of Taxes	0	0	431,574	431,574
Unavailable Revenue	235,944	0	49,064	285,008
Total Deferred Inflows of Resources	423,695	0	480,638	904,333
<u>Fund Balance</u>				
Nonspendable	10,691	0	0	10,691
Restricted	2,788,884	0	2,189,025	4,977,909
Committed	0	8,723	0	8,723
Unassigned (Deficit)	(14,969)	0	(419,548)	(434,517)
Total Fund Balance	2,784,606	8,723	1,769,477	4,562,806
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$3,456,569	\$106,323	\$2,814,510	\$6,377,402

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Senior Citizens	EMS Grant	Municipal Court Docket Specialist	Municipal Motor Vehicle License
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$288,095	\$2,191	\$50,508	\$244,447
Accounts Receivable	0	0	0	0
Due from Other Governments	5,710	0	0	0
Other Local Taxes Receivable	0	0	0	21,763
Prepaid Items	1,235	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	<u>\$295,040</u>	<u>\$2,191</u>	<u>\$50,508</u>	<u>\$266,210</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$1,513	\$0	\$0	\$0
Accounts Payable	4,210	0	0	0
Contracts Payable	0	0	0	0
Due to Other Governments	869	0	513	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	9,796	0	0	0
Total Liabilities	<u>16,388</u>	<u>0</u>	<u>513</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	2,229	0	0	0
Total Deferred Inflows of Resources	<u>2,229</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	1,235	0	0	0
Restricted	275,188	2,191	49,995	266,210
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>276,423</u>	<u>2,191</u>	<u>49,995</u>	<u>266,210</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$295,040</u>	<u>\$2,191</u>	<u>\$50,508</u>	<u>\$266,210</u>

State Highway	MMC Assistance	Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections
\$364,647	\$295,451	\$258,667	\$10,671	\$0	\$18,170
0	0	0	0	0	0
68,531	0	0	0	10,870	117,595
0	0	0	0	0	0
0	0	0	0	0	2,249
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$433,178</u>	<u>\$295,451</u>	<u>\$258,667</u>	<u>\$10,671</u>	<u>\$10,870</u>	<u>\$138,014</u>
\$0	\$1,626	\$0	\$0	\$0	\$3,411
0	0	3,601	0	0	0
23,633	0	0	0	0	0
0	1,149	0	0	0	2,657
0	0	0	0	0	0
0	0	0	0	0	0
<u>23,633</u>	<u>2,775</u>	<u>3,601</u>	<u>0</u>	<u>0</u>	<u>6,068</u>
0	0	0	0	0	0
60,527	0	0	0	0	58,798
<u>60,527</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,798</u>
0	0	0	0	0	2,249
349,018	292,676	255,066	10,671	10,870	70,899
0	0	0	0	0	0
<u>349,018</u>	<u>292,676</u>	<u>255,066</u>	<u>10,671</u>	<u>10,870</u>	<u>73,148</u>
<u>\$433,178</u>	<u>\$295,451</u>	<u>\$258,667</u>	<u>\$10,671</u>	<u>\$10,870</u>	<u>\$138,014</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017
(continued)

	Indigent Alcohol Monitoring	Probation Services	Enforcement and Education	Indigent Alcohol Driver
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$74,657	\$118,949	\$11,683	\$219,632
Accounts Receivable	0	0	0	0
Due from Other Governments	1,770	0	0	0
Other Local Taxes Receivable	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	<u>\$76,427</u>	<u>\$118,949</u>	<u>\$11,683</u>	<u>\$219,632</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$1,322	\$0	\$0
Accounts Payable	310	1,159	0	974
Contracts Payable	0	0	0	0
Due to Other Governments	0	935	0	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	0	0
Total Liabilities	<u>310</u>	<u>3,416</u>	<u>0</u>	<u>974</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	76,117	115,533	11,683	218,658
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>76,117</u>	<u>115,533</u>	<u>11,683</u>	<u>218,658</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$76,427</u>	<u>\$118,949</u>	<u>\$11,683</u>	<u>\$219,632</u>

Railroad Grade Crossing Improvement	Special Project Treatment Court	Police and Fire Pension	Marion Land Bank Program	Clean Ohio Assistance	Adult Drug Court
\$64,125	\$49,653	\$8,315	\$21,504	\$135,084	\$6,710
0	0	0	0	0	0
0	0	14,612	0	0	13,740
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	250,703	0	0	0
0	0	0	0	0	0
<u>\$64,125</u>	<u>\$49,653</u>	<u>\$273,630</u>	<u>\$21,504</u>	<u>\$135,084</u>	<u>\$20,450</u>
\$0	\$0	\$0	\$0	\$0	\$813
0	0	0	0	0	290
0	0	0	0	135,084	0
0	0	0	0	0	576
0	0	0	0	0	0
0	0	0	0	0	20,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135,084</u>	<u>21,679</u>
0	0	187,751	0	0	0
0	0	77,564	0	0	13,740
<u>0</u>	<u>0</u>	<u>265,315</u>	<u>0</u>	<u>0</u>	<u>13,740</u>
0	0	0	0	0	0
64,125	49,653	8,315	21,504	0	0
0	0	0	0	0	(14,969)
<u>64,125</u>	<u>49,653</u>	<u>8,315</u>	<u>21,504</u>	<u>0</u>	<u>(14,969)</u>
<u>\$64,125</u>	<u>\$49,653</u>	<u>\$273,630</u>	<u>\$21,504</u>	<u>\$135,084</u>	<u>\$20,450</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017
(continued)

	ADAMH Grant	Revolving Loans	Marion Area Transit	Youth Recreation
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,632	\$50,009	\$70,657	\$5,443
Accounts Receivable	0	0	352	0
Due from Other Governments	0	0	92,304	0
Other Local Taxes Receivable	0	0	0	0
Prepaid Items	0	0	6,934	0
Materials and Supplies Inventory	0	0	273	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	437,803	0	0
Total Assets	<u>\$4,632</u>	<u>\$487,812</u>	<u>\$170,520</u>	<u>\$5,443</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$7,752	\$0
Accounts Payable	865	0	1,403	0
Contracts Payable	0	0	0	0
Due to Other Governments	0	0	6,505	0
Matured Compensated Absences Payable	0	0	1,776	0
Interfund Payable	0	0	14,719	0
Total Liabilities	<u>865</u>	<u>0</u>	<u>32,155</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	23,086	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>23,086</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	0	0	7,207	0
Restricted	3,767	487,812	108,072	5,443
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>3,767</u>	<u>487,812</u>	<u>115,279</u>	<u>5,443</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$4,632</u>	<u>\$487,812</u>	<u>\$170,520</u>	<u>\$5,443</u>

Law Enforcement	Total
\$36,225	\$2,410,125
0	352
0	325,132
0	21,763
0	10,418
0	273
0	250,703
0	437,803
<u>\$36,225</u>	<u>\$3,456,569</u>
\$0	\$16,437
807	13,619
0	158,717
0	13,204
0	1,776
0	44,515
<u>807</u>	<u>248,268</u>
0	187,751
0	235,944
<u>0</u>	<u>423,695</u>
0	10,691
35,418	2,788,884
0	(14,969)
<u>35,418</u>	<u>2,784,606</u>
<u>\$36,225</u>	<u>\$3,456,569</u>

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$10,496	\$2,030,343	\$87,936	\$909
Due from Other Governments	4,000	0	0	0
Municipal Income Taxes Receivable	0	0	64,896	0
Payment in Lieu of Taxes Receivable	0	431,574	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$14,496	\$2,461,917	\$152,832	\$909
<u>Liabilities</u>				
Accounts Payable	\$2,106	\$0	\$12,225	\$0
Contracts Payable	0	0	0	0
Due to Other Governments	20,847	0	0	0
Accrued Interest Payable	0	0	3,226	0
Notes Payable	0	0	512,000	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	22,953	0	527,451	0
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	431,574	0	0
Unavailable Revenue	0	0	36,472	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	0	431,574	36,472	0
<u>Fund Balance</u>				
Restricted	0	2,030,343	0	909
Unassigned (Deficit)	(8,457)	0	(411,091)	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance (Deficit)	(8,457)	2,030,343	(411,091)	909
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$14,496	\$2,461,917	\$152,832	\$909

Busby Downtown Park	Airport Improvement	Total
\$454	\$171,310	\$2,301,448
0	12,592	16,592
0	0	64,896
0	0	431,574
<u>\$454</u>	<u>\$183,902</u>	<u>\$2,814,510</u>
\$0	\$0	\$14,331
0	13,991	13,991
0	0	20,847
0	0	3,226
0	0	512,000
<u>0</u>	<u>13,991</u>	<u>564,395</u>
0	0	431,574
0	12,592	49,064
<u>0</u>	<u>12,592</u>	<u>480,638</u>
454	157,319	2,189,025
0	0	(419,548)
<u>454</u>	<u>157,319</u>	<u>1,769,477</u>
<u>\$454</u>	<u>\$183,902</u>	<u>\$2,814,510</u>

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City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$201,832	\$0	\$0	\$201,832
Payment in Lieu of Taxes	0	0	383,876	383,876
Municipal Income Taxes	0	0	405,188	405,188
Other Local Taxes	262,108	0	0	262,108
Charges for Services	98,892	0	0	98,892
Fines and Forfeitures	409,024	0	0	409,024
Intergovernmental	2,078,923	0	258,593	2,337,516
Interest	1,059	6,656	0	7,715
Other	125,507	0	15,452	140,959
Total Revenues	3,177,345	6,656	1,063,109	4,247,110
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	188,202	0	0	188,202
Fire	212,627	0	0	212,627
Leisure Time Activities	186,313	0	0	186,313
Community Environment	145,046	0	226,056	371,102
Transportation				
Transit	915,956	0	0	915,956
Other	536,625	0	62,045	598,670
General Government				
Court	629,476	0	0	629,476
Other	106,564	0	260,372	366,936
Debt Service:				
Principal Retirement	0	255,950	98,780	354,730
Interest and Fiscal Charges	0	103,769	14,983	118,752
Total Expenditures	2,920,809	359,719	662,236	3,942,764
Excess of Revenues Over (Under) Expenditures	256,536	(353,063)	400,873	304,346
<u>Other Financing Sources (Uses)</u>				
Transfers In	191,419	353,838	42,609	587,866
Transfers Out	0	0	(267,602)	(267,602)
Total Other Financing Sources (Uses)	191,419	353,838	(224,993)	320,264
Changes in Fund Balance	447,955	775	175,880	624,610
Fund Balance Beginning of Year	2,336,651	7,948	1,593,597	3,938,196
Fund Balance End of Year	\$2,784,606	\$8,723	\$1,769,477	\$4,562,806

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Senior Citizens	EMS Grant	Municipal Court Docket Specialist	Municipal Motor Vehicle License
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	262,108
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	122,598	0	90,128	0
Interest	393	0	0	0
Other	32,144	2,191	0	0
Total Revenues	155,135	2,191	90,128	262,108
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	0	0	0
Leisure Time Activities	186,313	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	65,457	0
Other	0	0	0	0
Total Expenditures	186,313	0	65,457	0
Excess of Revenues Over (Under) Expenditures	(31,178)	2,191	24,671	262,108
<u>Other Financing Sources</u>				
Transfers In	0	0	0	0
Changes in Fund Balance	(31,178)	2,191	24,671	262,108
Fund Balance (Deficit) Beginning of Year	307,601	0	25,324	4,102
Fund Balance (Deficit) End of Year	\$276,423	\$2,191	\$49,995	\$266,210

State Highway	MMC Assistance	Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	165,783	101,779	0	0	0
551,301	0	0	20,220	50,000	239,389
392	0	0	0	0	0
0	2,179	0	0	0	5,429
<u>551,693</u>	<u>167,962</u>	<u>101,779</u>	<u>20,220</u>	<u>50,000</u>	<u>244,818</u>
0	0	0	9,750	39,129	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
536,625	0	0	0	0	0
0	150,819	59,581	0	0	316,883
0	0	0	0	0	0
<u>536,625</u>	<u>150,819</u>	<u>59,581</u>	<u>9,750</u>	<u>39,129</u>	<u>316,883</u>
15,068	17,143	42,198	10,470	10,871	(72,065)
0	0	0	0	419	81,000
15,068	17,143	42,198	10,470	11,290	8,935
333,950	275,533	212,868	201	(420)	64,213
<u>\$349,018</u>	<u>\$292,676</u>	<u>\$255,066</u>	<u>\$10,671</u>	<u>\$10,870</u>	<u>\$73,148</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, 2017
(continued)

	Indigent Alcohol Monitoring	Probation Services	Enforcement and Education	Indigent Alcohol Driver
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	9,876	102,759	1,614	17,604
Intergovernmental	12,824	0	0	16,939
Interest	0	0	0	0
Other	0	0	0	0
Total Revenues	<u>22,700</u>	<u>102,759</u>	<u>1,614</u>	<u>34,543</u>
<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	0	0	0	0
Transportation				
Transit	0	0	0	0
Other	0	0	0	0
General Government				
Court	6,742	0	0	10,865
Other	0	106,564	0	0
Total Expenditures	<u>6,742</u>	<u>106,564</u>	<u>0</u>	<u>10,865</u>
Excess of Revenues Over (Under) Expenditures	15,958	(3,805)	1,614	23,678
<u>Other Financing Sources</u>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	15,958	(3,805)	1,614	23,678
Fund Balance (Deficit) Beginning of Year	<u>60,159</u>	<u>119,338</u>	<u>10,069</u>	<u>194,980</u>
Fund Balance (Deficit) End of Year	<u>\$76,117</u>	<u>\$115,533</u>	<u>\$11,683</u>	<u>\$218,658</u>

<u>Railroad Grade Crossing Improvement</u>	<u>Special Project Treatment Court</u>	<u>Police and Fire Pension</u>	<u>Marion Land Bank Program</u>	<u>Clean Ohio Assistance</u>	<u>SAFER Grant</u>
\$0	\$0	\$201,832	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	9,609	0	0	0	0
0	0	29,637	0	135,084	13,697
0	0	0	0	0	0
0	0	0	9,020	0	0
<u>0</u>	<u>9,609</u>	<u>231,469</u>	<u>9,020</u>	<u>135,084</u>	<u>13,697</u>
0	0	120,000	0	0	0
0	0	126,188	0	0	86,439
0	0	0	0	0	0
0	0	0	9,306	135,084	0
0	0	0	0	0	0
0	0	0	0	0	0
0	215	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>215</u>	<u>246,188</u>	<u>9,306</u>	<u>135,084</u>	<u>86,439</u>
0	9,394	(14,719)	(286)	0	(72,742)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	9,394	(14,719)	(286)	0	(72,742)
<u>64,125</u>	<u>40,259</u>	<u>23,034</u>	<u>21,790</u>	<u>0</u>	<u>72,742</u>
<u>\$64,125</u>	<u>\$49,653</u>	<u>\$8,315</u>	<u>\$21,504</u>	<u>\$0</u>	<u>\$0</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, 2017
(continued)

	Adult Drug Court	ADAMH Grant	Revolving Loans	Marion Area Transit
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Charges for Services	0	0	20	98,872
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	4,750	0	792,356
Interest	0	0	274	0
Other	0	0	0	37,692
Total Revenues	0	4,750	294	928,920
<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	0	0	656	0
Transportation				
Transit	0	0	0	915,956
Other	0	0	0	0
General Government				
Court	14,969	3,945	0	0
Other	0	0	0	0
Total Expenditures	14,969	3,945	656	915,956
Excess of Revenues Over (Under) Expenditures	(14,969)	805	(362)	12,964
<u>Other Financing Sources</u>				
Transfers In	0	0	0	110,000
Changes in Fund Balance	(14,969)	805	(362)	122,964
Fund Balance (Deficit) Beginning of Year	0	2,962	488,174	(7,685)
Fund Balance (Deficit) End of Year	(\$14,969)	\$3,767	\$487,812	\$115,279

Youth Recreation	Law Enforcement	Total
\$0	\$0	\$201,832
0	0	262,108
0	0	98,892
0	0	409,024
0	0	2,078,923
0	0	1,059
0	36,852	125,507
0	36,852	3,177,345
0	19,323	188,202
0	0	212,627
0	0	186,313
0	0	145,046
0	0	915,956
0	0	536,625
0	0	629,476
0	0	106,564
0	19,323	2,920,809
0	17,529	256,536
0	0	191,419
0	17,529	447,955
5,443	17,889	2,336,651
<u>\$5,443</u>	<u>\$35,418</u>	<u>\$2,784,606</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, 2017

	<u>Bond Retirement</u>	<u>Harding Center Loan</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$0	\$6,656	\$6,656
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	255,950	0	255,950
Interest and Fiscal Charges	97,888	5,881	103,769
Total Expenditures	353,838	5,881	359,719
Excess of Revenues Over (Under) Expenditures	(353,838)	775	(353,063)
<u>Other Financing Sources</u>			
Transfers In	353,838	0	353,838
Changes in Fund Balance	0	775	775
Fund Balance Beginning of Year	0	7,948	7,948
Fund Balance End of Year	<u>\$0</u>	<u>\$8,723</u>	<u>\$8,723</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$383,876	\$0	\$0
Municipal Income Taxes	0	0	405,188	0
Intergovernmental	200,555	0	0	0
Other	0	0	15,452	0
Total Revenues	200,555	383,876	420,640	0
<u>Expenditures</u>				
Current:				
Community Environment	226,056	0	0	0
Transportation				
Other	0	678	0	0
General Government				
Other	0	0	260,372	0
Debt Service:				
Principal Retirement	0	98,780	0	0
Interest and Fiscal Charges	0	4,745	10,238	0
Total Expenditures	226,056	104,203	270,610	0
Excess of Revenues Over (Under) Expenditures	(25,501)	279,673	150,030	0
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	6,410	0	0
Transfers Out	0	(109,942)	(157,660)	0
Total Other Financing Sources (Uses)	0	(103,532)	(157,660)	0
Changes in Fund Balance	(25,501)	176,141	(7,630)	0
Fund Balance (Deficit) Beginning of Year	17,044	1,854,202	(403,461)	909
Fund Balance (Deficit) End of Year	(\$8,457)	\$2,030,343	(\$411,091)	\$909

Busby Downtown Park	Airport Improvement	Total
\$0	\$0	\$383,876
0	0	405,188
0	58,038	258,593
0	0	15,452
0	58,038	1,063,109
0	0	226,056
0	61,367	62,045
0	0	260,372
0	0	98,780
0	0	14,983
0	61,367	662,236
0	(3,329)	400,873
0	36,199	42,609
0	0	(267,602)
0	36,199	(224,993)
0	32,870	175,880
454	124,449	1,593,597
<u>\$454</u>	<u>\$157,319</u>	<u>\$1,769,477</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.

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, 2017

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
<u>Insurance Proceeds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$155,170	\$59,448	\$161,682	\$52,936
<u>Liabilities</u>				
Undistributed Assets	\$155,170	\$59,448	\$161,682	\$52,936
<u>Rotary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$43,947	\$77,244	\$73,906	\$47,285
<u>Liabilities</u>				
Undistributed Assets	\$43,947	\$77,244	\$73,906	\$47,285
<u>Municipal Court</u>				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$66,243	\$68,343	\$66,243	\$68,343
Due from External Parties	1,729	245	1,729	245
Total Assets	\$67,972	\$68,588	\$67,972	\$68,588
<u>Liabilities</u>				
Due to External Parties	\$0	\$496	\$0	\$496
Undistributed Assets	67,972	68,092	67,972	68,092
Total Liabilities	\$67,972	\$68,588	\$67,972	\$68,588
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$199,117	\$136,692	\$235,588	\$100,221
Cash and Cash Equivalents in Segregated Accounts	66,243	68,343	66,243	68,343
Due from External Parties	1,729	245	1,729	245
Total Assets	\$267,089	\$205,280	\$303,560	\$168,809
<u>Liabilities</u>				
Due to External Parties	\$0	\$496	\$0	\$496
Undistributed Assets	267,089	204,784	303,560	168,313
Total Liabilities	\$267,089	\$205,280	\$303,560	\$168,809

**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, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,032,777	\$1,107,634	\$1,105,142	(\$2,492)
Municipal Income Taxes	7,206,886	7,107,533	6,669,583	(437,950)
Charges for Services	1,117,288	1,230,643	1,283,706	53,063
Fees, Licenses, and Permits	329,735	350,812	347,245	(3,567)
Fines and Forfeitures	842,800	864,746	854,229	(10,517)
Intergovernmental	726,700	850,813	913,637	62,824
Interest	70,000	150,652	145,037	(5,615)
Other	156,493	312,767	347,490	34,723
Total Revenues	11,482,679	11,975,600	11,666,069	(309,531)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Fire				
Fire Department				
Other	0	213	213	0
Other				
Street Lighting				
Contractual Services	290,000	271,544	271,544	0
Total Security of Persons and Property	290,000	271,757	271,757	0
Public Health				
Health Administration				
Contractual Services	378,035	390,984	390,984	0
Leisure Time Activities				
Recreation				
Capital Outlay	4,000	3,005	3,005	0
Senior Citizens				
Personal Services	258,984	237,736	229,142	8,594
Contractual Services	55,000	38,675	36,507	2,168
Materials and Supplies	3,000	2,500	1,032	1,468
Total Senior Citizens	316,984	278,911	266,681	12,230
Parks				
Personal Services	418,221	459,440	455,047	4,393
Contractual Services	73,000	59,590	57,215	2,375
Materials and Supplies	30,029	25,782	25,261	521
Other	360	360	15	345
Capital Outlay	0	50,069	50,069	0
Total Parks	521,610	595,241	587,607	7,634
Total Leisure Time Activities	842,594	877,157	857,293	19,864

(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, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Community Environment				
Planning and Economic Development				
Contractual Services	\$273,462	\$244,106	\$244,106	\$0
Transportation				
Other				
Airport				
Personal Services	196,079	180,269	179,297	972
Travel and Transportation	150	0	0	0
Contractual Services	129,300	116,087	114,874	1,213
Materials and Supplies	9,550	11,729	10,746	983
Capital Outlay	15,000	5,252	5,252	0
Total Transportation	350,079	313,337	310,169	3,168
General Government				
Court				
Municipal Court				
Personal Services	891,565	907,680	903,192	4,488
Contractual Services	44,485	41,780	40,831	949
Materials and Supplies	23,500	20,717	20,590	127
Total Court	959,550	970,177	964,613	5,564
Other				
Mayor				
Personal Services	145,903	146,321	146,291	30
Contractual Services	620	555	262	293
Materials and Supplies	1,000	440	440	0
Total Mayor	147,523	147,316	146,993	323
Auditor				
Personal Services	472,569	467,775	467,367	408
Travel and Transportation	0	1,320	1,320	0
Contractual Services	55,140	55,517	55,517	0
Materials and Supplies	3,500	3,500	3,371	129
Total Auditor	531,209	528,112	527,575	537
Income Tax				
Personal Services	219,087	226,771	226,617	154
Contractual Services	10,500	9,975	9,975	0
Materials and Supplies	10,800	7,622	7,622	0
Total Income Tax	240,387	244,368	244,214	154

(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, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Treasurer				
Personal Services	\$8,660	\$8,701	\$8,685	\$16
Travel and Transportation	80	0	0	0
Contractual Services	100	718	718	0
Total Treasurer	8,840	9,419	9,403	16
Law Director				
Personal Services	399,821	404,447	403,492	955
Travel and Transportation	250	0	0	0
Contractual Services	5,400	3,176	3,176	0
Materials and Supplies	2,500	2,500	2,128	372
Total Law Director	407,971	410,123	408,796	1,327
Safety Director				
Personal Services	227,435	228,992	228,535	457
Contractual Services	57,630	54,634	47,418	7,216
Materials and Supplies	5,000	3,775	3,775	0
Other	1,000	500	0	500
Total Safety Director	291,065	287,901	279,728	8,173
Service Director				
Personal Services	95,274	116,748	99,115	17,633
Civil Service				
Personal Services	5,235	5,540	5,340	200
Contractual Services	15,000	15,071	15,071	0
Materials and Supplies	1,000	0	0	0
Total Civil Service	21,235	20,611	20,411	200
Council				
Personal Services	160,619	160,879	160,576	303
Contractual Services	7,775	7,855	6,371	1,484
Materials and Supplies	1,000	386	386	0
Total Council	169,394	169,120	167,333	1,787
City Hall				
Personal Services	174,903	176,043	175,688	355
Contractual Services	392,820	346,963	344,992	1,971
Materials and Supplies	72,200	69,200	67,596	1,604
Total City Hall	639,923	592,206	588,276	3,930

(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, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Engineer				
Personal Services	\$279,096	\$293,396	\$291,468	\$1,928
Contractual Services	14,096	8,135	7,093	1,042
Materials and Supplies	6,100	3,527	3,427	100
Other	1,100	1,100	0	1,100
Total Engineer	300,392	306,158	301,988	4,170
Other General Government				
Contractual Services	125,535	74,734	74,734	0
Other	298,200	179,174	178,694	480
Total Other General Government	423,735	253,908	253,428	480
Total Other	3,276,948	3,085,990	3,047,260	38,730
Total General Government	4,236,498	4,056,167	4,011,873	44,294
Total Expenditures	6,370,668	6,153,508	6,086,182	67,326
Excess of Revenues Over Expenditures	5,112,011	5,822,092	5,579,887	(242,205)
<u>Other Financing Sources (Uses)</u>				
Advances In	41,000	176,496	204,410	27,914
Advances Out	0	(20,000)	(20,000)	0
Transfers Out	(5,730,268)	(5,833,964)	(5,594,428)	239,536
Total Other Financing Sources (Uses)	(5,689,268)	(5,677,468)	(5,410,018)	267,450
Changes in Fund Balance	(577,257)	144,624	169,869	25,245
Fund Balance Beginning of Year	2,322,038	2,322,038	2,322,038	0
Fund Balance End of Year	\$1,744,781	\$2,466,662	\$2,491,907	\$25,245

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, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	1,762	1,762	1,762	0
Fund Balance End of Year	<u>\$1,762</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, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,753,284	\$1,763,657	\$10,373
Charges for Services	2,800	2,800	2,400	(400)
Fees, Licenses, and Permits	19,000	19,000	14,600	(4,400)
Intergovernmental	1,326,523	1,348,503	1,258,023	(90,480)
Interest	200	340	358	18
Other	12,949	72,922	70,121	(2,801)
Total Revenues	2,736,050	3,196,849	3,109,159	(87,690)
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Streets				
Personal Services	1,358,745	1,433,081	1,406,140	26,941
Contractual Services	870,430	1,181,878	1,156,323	25,555
Materials and Supplies	523,000	337,554	337,554	0
Other	21,000	39,728	38,528	1,200
Total Expenditures	2,773,175	2,992,241	2,938,545	53,696
Excess of Revenues Over (Under) Expenditures	(37,125)	204,608	170,614	(33,994)
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	0	0	0
Changes in Fund Balance	162,875	204,608	170,614	(33,994)
Fund Balance Beginning of Year	1,291,231	1,291,231	1,291,231	0
Fund Balance End of Year	\$1,454,106	\$1,495,839	\$1,461,845	(\$33,994)

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, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$6,604,155	\$7,115,848	\$7,149,246	\$33,398
Intergovernmental	0	32,664	32,664	0
Other	0	127,287	127,287	0
Total Revenues	6,604,155	7,275,799	7,309,197	33,398
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police				
Police Department				
Personal Services	5,664,340	5,783,254	5,734,212	49,042
Travel and Transportation	4,000	9,750	9,402	348
Contractual Services	337,000	348,773	345,258	3,515
Materials and Supplies	93,750	109,296	108,936	360
Other	0	51,055	51,055	0
Total Police Department	6,099,090	6,302,128	6,248,863	53,265
Dispatch				
Personal Services	0	17	17	0
Contractual Services	538,418	538,418	538,418	0
Other	0	3,403	3,403	0
Total Dispatch	538,418	541,838	541,838	0
Total Police	6,637,508	6,843,966	6,790,701	53,265
Fire				
Fire Department				
Personal Services	4,944,909	5,329,873	5,204,795	125,078
Travel and Transportation	4,000	4,000	2,714	1,286
Contractual Services	399,035	339,826	335,069	4,757
Materials and Supplies	118,000	105,391	103,974	1,417
Other	0	64,665	64,665	0
Total Fire	5,465,944	5,843,755	5,711,217	132,538
Total Expenditures	12,103,452	12,687,721	12,501,918	185,803
Excess of Revenues Under Expenditures	(5,499,297)	(5,411,922)	(5,192,721)	219,201
<u>Other Financing Sources</u>				
Other Financing Sources	0	8	8	0
Transfers In	5,499,297	5,625,874	5,367,229	(258,645)
Total Other Financing Sources	5,499,297	5,625,882	5,367,237	(258,645)
Changes in Fund Balance	0	213,960	174,516	(39,444)
Fund Balance Beginning of Year	84,057	84,057	84,057	0
Fund Balance End of Year	\$84,057	\$298,017	\$258,573	(\$39,444)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,363,492	\$6,509,118	\$145,626
Bond Anticipation Notes Issued	1,958,740	2,222,240	263,500
OPWC Loans Issued	28,089	171,181	143,092
Grants	274,876	273,195	(1,681)
Other	46,843	62,041	15,198
Total Revenues	8,672,040	9,237,775	565,735
<u>Expenses</u>			
Personal Services			
Sewer	2,102,493	2,099,592	2,901
Contractual Services			
Sewage Replacement	140,002	131,191	8,811
Sewer	1,059,421	1,042,113	17,308
Sewage Improvement	197,304	91,873	105,431
Total Contractual Services	1,396,727	1,265,177	131,550
Materials and Supplies			
Sewer	390,214	386,749	3,465
Capital Outlay			
Sewage Replacement	99,389	99,389	0
Sewage Improvement	1,566,823	1,497,295	69,528
Total Capital Outlay	1,666,212	1,596,684	69,528
Debt Service:			
Principal Retirement	4,319,363	4,316,777	2,586
Interest Expense	478,085	467,374	10,711
Total Debt Service	4,797,448	4,784,151	13,297
Total Expenses	10,353,094	10,132,353	220,741
Changes in Fund Balance	(1,681,054)	(894,578)	786,476
Fund Balance Beginning of Year	5,815,617	5,815,617	0
Fund Balance End of Year	\$4,134,563	\$4,921,039	\$786,476

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,540,559	\$2,516,538	(\$24,021)
Other	36,646	36,659	13
Total Revenues	<u>2,577,205</u>	<u>2,553,197</u>	<u>(24,008)</u>
<u>Expenses</u>			
Personal Services			
Sanitation	1,329,194	1,232,955	96,239
Contractual Services			
Sanitation	792,504	776,910	15,594
Materials and Supplies			
Sanitation	<u>86,486</u>	<u>86,436</u>	<u>50</u>
Total Expenses	<u>2,208,184</u>	<u>2,096,301</u>	<u>111,883</u>
Changes in Fund Balance	369,021	456,896	87,875
Fund Balance Beginning of Year	<u>759,490</u>	<u>759,490</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,128,511</u></u>	<u><u>\$1,216,386</u></u>	<u><u>\$87,875</u></u>

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$153,000	\$143,000	(\$10,000)
Other	1,874	1,874	0
Total Revenues	<u>154,874</u>	<u>144,874</u>	<u>(10,000)</u>
<u>Expenses</u>			
Contractual Services			
Landfill	134,695	128,740	5,955
Materials and Supplies			
Landfill	13,500	7,186	6,314
Debt Service:			
Interest Expense	<u>6,344</u>	<u>6,344</u>	<u>0</u>
Total Expenses	<u>154,539</u>	<u>142,270</u>	<u>12,269</u>
Changes in Fund Balance	335	2,604	2,269
Fund Balance Beginning of Year	<u>10</u>	<u>10</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$345</u></u>	<u><u>\$2,614</u></u>	<u><u>\$2,269</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,753,117	\$1,785,239	(\$967,878)
Bond Anticipation Notes Issued	5,217,760	4,954,260	(263,500)
OPWC Loans Issued	12,307	150,046	137,739
Interest	300	0	(300)
Grants	314,679	312,998	(1,681)
Other	54,612	65,852	11,240
Total Revenues	<u>8,352,775</u>	<u>7,268,395</u>	<u>(1,084,380)</u>
<u>Expenses</u>			
Personal Services			
Storm Water Utility	<u>496,002</u>	<u>482,474</u>	<u>13,528</u>
Contractual Services			
Storm Water Utility	140,320	134,182	6,138
Storm Water Improvement	<u>186,681</u>	<u>85,856</u>	<u>100,825</u>
Total Contractual Services	<u>327,001</u>	<u>220,038</u>	<u>106,963</u>
Materials and Supplies			
Storm Water Utility	<u>91,550</u>	<u>87,394</u>	<u>4,156</u>
Other			
Storm Water Utility	<u>400</u>	<u>0</u>	<u>400</u>
Capital Outlay			
Storm Water Improvement	<u>1,587,297</u>	<u>1,538,984</u>	<u>48,313</u>
Debt Service:			
Principal Retirement	4,802,735	4,802,296	439
Interest Expense	<u>436,082</u>	<u>422,892</u>	<u>13,190</u>
Total Debt Service	<u>5,238,817</u>	<u>5,225,188</u>	<u>13,629</u>
Total Expenses	<u>7,741,067</u>	<u>7,554,078</u>	<u>186,989</u>
Changes in Fund Balance	611,708	(285,683)	(897,391)
Fund Balance Beginning of Year	<u>442,150</u>	<u>442,150</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,053,858</u>	<u>\$156,467</u>	<u>(\$897,391)</u>

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$186,854	\$182,112	(\$4,742)
Other	255,406	254,206	(1,200)
Total Revenues	<u>442,260</u>	<u>436,318</u>	<u>(5,942)</u>
<u>Expenses</u>			
Personal Services			
Aquatics Center	145,479	140,106	5,373
Contractual Services			
Aquatics Center	76,105	71,764	4,341
Materials and Supplies			
Aquatics Center	48,000	46,303	1,697
Capital Outlay			
Aquatics Center	9,300	9,276	24
Debt Service:			
Interest Expense	<u>143,669</u>	<u>143,669</u>	<u>0</u>
Total Expenses	<u>422,553</u>	<u>411,118</u>	<u>11,435</u>
Changes in Fund Balance	19,707	25,200	5,493
Fund Balance Beginning of Year	<u>254,897</u>	<u>254,897</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$274,604</u></u>	<u><u>\$280,097</u></u>	<u><u>\$5,493</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$130,367	\$121,377	(\$8,990)
Interest	372	393	21
Other	29,016	30,724	1,708
Total Revenues	159,755	152,494	(7,261)
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Senior Citizens			
Personal Services	92,342	86,127	6,215
Travel and Transportation	2,000	1,661	339
Contractual Services	19,636	19,382	254
Materials and Supplies	7,850	6,201	1,649
Capital Outlay	69,915	69,915	0
Total Expenditures	191,743	183,286	8,457
Excess of Revenues			
Under Expenditures	(31,988)	(30,792)	1,196
<u>Other Financing Sources</u>			
Transfers In	1,026	0	(1,026)
Changes in Fund Balance	(30,962)	(30,792)	170
Fund Balance Beginning of Year	316,818	316,818	0
Fund Balance End of Year	<u>\$285,856</u>	<u>\$286,026</u>	<u>\$170</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$2,191	\$2,191	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	2,191	2,191	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$2,191	\$2,191	\$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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$110,256	\$90,128	(\$20,128)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	65,533	65,470	63
Changes in Fund Balance	44,723	24,658	(20,065)
Fund Balance Beginning of Year	25,337	25,337	0
Fund Balance End of Year	\$70,060	\$49,995	(\$20,065)

City of Marion
Municipal Motor Vehicle License 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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$244,447	\$240,345	(\$4,102)
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	244,447	240,345	(4,102)
Fund Balance Beginning of Year	4,102	4,102	0
Fund Balance End of Year	\$248,549	\$244,447	(\$4,102)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$545,373	\$551,463	\$6,090
Interest	2,000	392	(1,608)
Total Revenues	<u>547,373</u>	<u>551,855</u>	<u>4,482</u>
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Streets			
Contractual Services	50,380	50,380	0
Capital Outlay	462,612	462,612	0
Total Expenditures	<u>512,992</u>	<u>512,992</u>	<u>0</u>
Changes in Fund Balance	34,381	38,863	4,482
Fund Balance Beginning of Year	<u>325,784</u>	<u>325,784</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$360,165</u></u>	<u><u>\$364,647</u></u>	<u><u>\$4,482</u></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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$180,945	\$165,737	(\$15,208)
Other	2,200	2,179	(21)
Total Revenues	183,145	167,916	(15,229)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	87,098	80,058	7,040
Travel and Transportation	6,995	6,995	0
Contractual Services	58,286	56,257	2,029
Materials and Supplies	13,000	7,391	5,609
Capital Outlay	11,000	10,154	846
Total Expenditures	176,379	160,855	15,524
Changes in Fund Balance	6,766	7,061	295
Fund Balance Beginning of Year	276,484	276,484	0
Fund Balance End of Year	\$283,250	\$283,545	\$295

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$106,695	\$101,689	(\$5,006)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Travel and Transportation	1,508	1,508	0
Contractual Services	42,472	42,472	0
Materials and Supplies	896	896	0
Capital Outlay	11,104	11,104	0
Total Expenditures	55,980	55,980	0
Changes in Fund Balance	50,715	45,709	(5,006)
Fund Balance Beginning of Year	206,048	206,048	0
Fund Balance End of Year	\$256,763	\$251,757	(\$5,006)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$20,220	\$20,220	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	9,750	9,750	0
Changes in Fund Balance	10,470	10,470	0
Fund Balance Beginning of Year	201	201	0
Fund Balance End of Year	\$10,671	\$10,671	\$0

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$41,796	\$41,796	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	39,129	39,129	0
Excess of Revenues Over Expenditures	2,667	2,667	0
<u>Other Financing Uses</u>			
Advances Out	(2,667)	(2,667)	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$239,389	\$239,389	\$0
Other	5,452	5,429	(23)
Total Revenues	244,841	244,818	(23)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	317,219	303,938	13,281
Travel and Transportation	5	5	0
Materials and Supplies	6,813	6,813	0
Capital Outlay	7,680	7,680	0
Total Expenditures	331,717	318,436	13,281
Excess of Revenues Under Expenditures	(86,876)	(73,618)	13,258
<u>Other Financing Sources</u>			
Transfers In	85,000	81,000	(4,000)
Changes in Fund Balance	(1,876)	7,382	9,258
Fund Balance Beginning of Year	8,902	8,902	0
Fund Balance End of Year	\$7,026	\$16,284	\$9,258

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$10,033	\$10,033	\$0
Intergovernmental	11,054	11,054	0
Total Revenues	21,087	21,087	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	7,271	7,271	0
Changes in Fund Balance	13,816	13,816	0
Fund Balance Beginning of Year	60,296	60,296	0
Fund Balance End of Year	\$74,112	\$74,112	\$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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$115,000	\$102,319	(\$12,681)
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Personal Services	91,210	91,059	151
Travel and Transportation	136	136	0
Contractual Services	9,260	7,515	1,745
Materials and Supplies	7,500	6,003	1,497
Capital Outlay	700	700	0
Total Expenditures	108,806	105,413	3,393
Changes in Fund Balance	6,194	(3,094)	(9,288)
Fund Balance Beginning of Year	114,995	114,995	0
Fund Balance End of Year	\$121,189	\$111,901	(\$9,288)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,589	\$1,589	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	1,589	1,589	0
Fund Balance Beginning of Year	9,996	9,996	0
Fund Balance End of Year	\$11,585	\$11,585	\$0

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$17,695	\$17,695	\$0
Intergovernmental	16,939	16,939	0
Total Revenues	34,634	34,634	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Other General Government			
Contractual Services	11,991	11,991	0
Changes in Fund Balance	22,643	22,643	0
Fund Balance Beginning of Year	195,938	195,938	0
Fund Balance End of Year	\$218,581	\$218,581	\$0

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, 2017

	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	64,125	64,125	0
Fund Balance End of Year	\$64,125	\$64,125	\$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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$9,631	\$9,566	(\$65)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	215	215	0
Changes in Fund Balance	9,416	9,351	(65)
Fund Balance Beginning of Year	39,695	39,695	0
Fund Balance End of Year	\$49,111	\$49,046	(\$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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$206,834	\$201,832	(\$5,002)
Intergovernmental	31,191	29,637	(1,554)
Total Revenues	238,025	231,469	(6,556)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	120,000	120,000	0
Fire			
Fire Department			
Personal Services	120,000	120,000	0
Contractual Services	6,188	6,188	0
Total Fire	126,188	126,188	0
Total Expenditures	246,188	246,188	0
Changes in Fund Balance	(8,163)	(14,719)	(6,556)
Fund Balance Beginning of Year	23,034	23,034	0
Fund Balance End of Year	\$14,871	\$8,315	(\$6,556)

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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$9,020	\$9,020	\$0
<u>Expenditures</u>			
Current:			
Community Environment Marion Land Bank Program Contractual Services	<u>9,306</u>	<u>9,306</u>	<u>0</u>
Changes in Fund Balance	(286)	(286)	0
Fund Balance Beginning of Year	<u>21,790</u>	<u>21,790</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$21,504</u></u>	<u><u>\$21,504</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$0	\$135,084	\$135,084
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	135,084	135,084
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$135,084	\$135,084

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$86,439	\$86,439	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Personal Services	86,439	86,439	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
Adult Drug 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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Adult Drug Court			
Personal Services	16,544	13,740	2,804
Excess of Revenues Under Expenditures	(16,544)	(13,740)	2,804
<u>Other Financing Sources</u>			
Advances In	20,000	20,000	0
Changes in Fund Balance	3,456	6,260	2,804
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$3,456</u>	<u>\$6,260</u>	<u>\$2,804</u>

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$4,750	\$4,750	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
ADAMH Grant			
Materials and Supplies	3,080	3,080	0
Changes in Fund Balance	1,670	1,670	0
Fund Balance Beginning of Year	2,962	2,962	0
Fund Balance End of Year	\$4,632	\$4,632	\$0

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$20	\$20	\$0
Interest	260	274	14
Total Revenues	280	294	14
<u>Expenditures</u>			
Current:			0
Community Environment			
Revolving Loan			
Travel and Transportation	656	656	0
Changes in Fund Balance	(376)	(362)	14
Fund Balance Beginning of Year	50,371	50,371	0
Fund Balance End of Year	\$49,995	\$50,009	\$14

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$116,000	\$98,540	(\$17,460)
Intergovernmental	894,881	724,396	(170,485)
Other	36,875	36,875	0
Total Revenues	1,047,756	859,811	(187,945)
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Personal Services	752,745	695,748	56,997
Travel and Transportation	500	53	447
Contractual Services	120,311	116,746	3,565
Materials and Supplies	97,956	96,093	1,863
Capital Outlay	13,831	13,831	0
Total Expenditures	985,343	922,471	62,872
Excess of Revenues Over (Under) Expenditures	62,413	(62,660)	(125,073)
<u>Other Financing Sources</u>			
Transfers In	122,461	110,000	(12,461)
Changes in Fund Balance	184,874	47,340	(137,534)
Fund Balance Beginning of Year	17,267	17,267	0
Fund Balance End of Year	\$202,141	\$64,607	(\$137,534)

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, 2017

	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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$36,878	\$36,852	(\$26)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	5,255	5,255	0
Materials and Supplies	13,683	13,683	0
Total Expenditures	18,938	18,938	0
Changes in Fund Balance	17,940	17,914	(26)
Fund Balance Beginning of Year	18,311	18,311	0
Fund Balance End of Year	\$36,251	\$36,225	(\$26)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$86,236	\$86,236	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	767,950	767,950	0
Interest and Fiscal Charges	108,099	108,099	0
Total Expenditures	876,049	876,049	0
Excess of Revenues Under Expenditures	(789,813)	(789,813)	0
<u>Other Financing Sources</u>			
General Obligation Bonds Issued	466	0	(466)
Transfers In	789,813	789,813	0
Total Other Financing Sources	790,279	789,813	(466)
Changes in Fund Balance	466	0	(466)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$466	\$0	(\$466)

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$8,902	\$6,656	(\$2,246)
Other	43,131	42,267	(864)
Total Revenues	52,033	48,923	(3,110)
<u>Expenditures</u>			
Debt Service:			
Interest and Fiscal Charges	9,372	9,372	0
Excess of Revenues Over Expenditures	42,661	39,551	(3,110)
<u>Other Financing Uses</u>			
Advances Out	(42,000)	(42,000)	0
Changes in Fund Balance	661	(2,449)	(3,110)
Fund Balance Beginning of Year	10,252	10,252	0
Fund Balance End of Year	<u>\$10,913</u>	<u>\$7,803</u>	<u>(\$3,110)</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$196,555	\$196,555	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
CDBG Formula Grant			
Contractual Services	254,575	284,575	(30,000)
Changes in Fund Balance	(58,020)	(88,020)	(30,000)
Fund Balance Beginning of Year	98,516	98,516	0
Fund Balance End of Year	\$40,496	\$10,496	(\$30,000)

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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$391,285	\$383,876	(\$7,409)
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Contractual Services	2,677	1,878	799
Debt Service:			
Principal Retirement	98,826	92,370	6,456
Interest and Fiscal Charges	4,794	4,745	49
Total Debt Service	103,620	97,115	6,505
Total Expenditures	106,297	98,993	7,304
Excess of Revenues Over Expenditures	284,988	284,883	(105)
<u>Other Financing Uses</u>			
Transfers Out	(110,933)	(109,942)	991
Changes in Fund Balance	174,055	174,941	886
Fund Balance Beginning of Year	1,855,402	1,855,402	0
Fund Balance End of Year	<u>\$2,029,457</u>	<u>\$2,030,343</u>	<u>\$886</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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$406,288	\$409,450	\$3,162
Other	15,452	15,452	0
Total Revenues	<u>421,740</u>	<u>424,902</u>	<u>3,162</u>
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Other	6,800	6,800	0
Capital Outlay	274,651	274,651	0
Total Expenditures	<u>281,451</u>	<u>281,451</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>140,289</u>	<u>143,451</u>	<u>3,162</u>
<u>Other Financing Sources (Uses)</u>			
Bond Anticipation Notes Issued	512,000	512,000	0
Transfers Out	(679,871)	(679,871)	0
Total Other Financing Sources (Uses)	<u>(167,871)</u>	<u>(167,871)</u>	<u>0</u>
Changes in Fund Balance	(27,582)	(24,420)	3,162
Fund Balance Beginning of Year	<u>112,356</u>	<u>112,356</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$84,774</u></u>	<u><u>\$87,936</u></u>	<u><u>\$3,162</u></u>

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, 2017

	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, 2017

	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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$114,656	\$58,038	(\$56,618)
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Airport			
Capital Outlay	56,844	56,844	0
Excess of Revenues Over Expenditures	57,812	1,194	(56,618)
<u>Other Financing Sources (Uses)</u>			
Advances Out	(131,829)	(159,743)	(27,914)
Transfers In	1,873	36,199	34,326
Total Other Financing Sources (Uses)	(129,956)	(123,544)	6,412
Changes in Fund Balance	(72,144)	(122,350)	(50,206)
Fund Balance Beginning of Year	293,660	293,660	0
Fund Balance End of Year	<u>\$221,516</u>	<u>\$171,310</u>	<u>(\$50,206)</u>

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, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$958,988	\$954,147	(\$4,841)
Other	6,937	6,937	0
Total Revenues	<u>965,925</u>	<u>961,084</u>	<u>(4,841)</u>
<u>Expenses</u>			
Personal Services			
Central Garage	<u>339,721</u>	<u>333,075</u>	<u>6,646</u>
Contractual Services			
Central Garage	<u>59,092</u>	<u>53,569</u>	<u>5,523</u>
Materials and Supplies			
Central Garage	<u>521,576</u>	<u>520,491</u>	<u>1,085</u>
Debt Service:			
Principal Retirement	55,000	55,000	0
Interest Expense	<u>36,269</u>	<u>36,269</u>	<u>0</u>
Total Debt Service	<u>91,269</u>	<u>91,269</u>	<u>0</u>
Total Expenses	<u>1,011,658</u>	<u>998,404</u>	<u>13,254</u>
Changes in Fund Balance	(45,733)	(37,320)	8,413
Fund Balance Beginning of Year	<u>46,930</u>	<u>46,930</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,197</u></u>	<u><u>\$9,610</u></u>	<u><u>\$8,413</u></u>

**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.

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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-14

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

Debt Capacity..... S-52

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-61

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-64

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$47,939,722	\$50,948,369	\$54,707,860	\$57,981,379
Restricted for				
Capital Projects	2,338,998	2,141,229	2,136,499	1,752,457
Debt Service	0	0	0	0
Other Purposes	5,272,839	4,734,671	4,132,108	5,122,009
Unrestricted (Deficit)	<u>(18,680,993)</u>	<u>(16,443,700)</u>	<u>(14,340,021)</u>	<u>(15,921,607)</u>
Total Governmental Activities Net Position	<u>36,870,566</u>	<u>41,380,569</u>	<u>46,636,446</u>	<u>48,934,238</u>
Business-Type Activities				
Net Investment in Capital Assets	9,153,560	8,048,384	8,611,292	9,800,721
Unrestricted (Deficit)	<u>4,107,538</u>	<u>4,716,894</u>	<u>3,392,909</u>	<u>498,654</u>
Total Business-Type Activities Net Position	<u>13,261,098</u>	<u>12,765,278</u>	<u>12,004,201</u>	<u>10,299,375</u>
Primary Government				
Net Investment in Capital Assets	57,093,282	58,996,753	63,319,152	67,782,100
Restricted	7,611,837	6,875,900	6,268,607	6,874,466
Unrestricted (Deficit)	<u>(14,573,455)</u>	<u>(11,726,806)</u>	<u>(10,947,112)</u>	<u>(15,422,953)</u>
Total Primary Government Net Position	<u>\$50,131,664</u>	<u>\$54,145,847</u>	<u>\$58,640,647</u>	<u>\$59,233,613</u>

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$59,629,506	\$63,770,617	\$66,187,425	\$69,544,904	\$51,096,131	\$52,708,806
1,635,812	1,471,021	3,764,288	3,528,533	1,801,212	4,319,245
0	0	0	0	3,528	0
4,744,112	3,967,713	3,388,543	4,082,600	3,044,512	3,189,653
<u>(1,082,449)</u>	<u>(2,829,014)</u>	<u>(2,644,101)</u>	<u>(2,899,468)</u>	<u>656,797</u>	<u>1,842,861</u>
<u>64,926,981</u>	<u>66,380,337</u>	<u>70,696,155</u>	<u>74,256,569</u>	<u>56,602,180</u>	<u>62,060,565</u>
10,522,092	11,273,829	11,772,304	11,323,625	9,668,849	9,611,372
<u>1,241,798</u>	<u>501,707</u>	<u>(2,969,263)</u>	<u>(3,706,206)</u>	<u>872,040</u>	<u>3,145,811</u>
<u>11,763,890</u>	<u>11,775,536</u>	<u>8,803,041</u>	<u>7,617,419</u>	<u>10,540,889</u>	<u>12,757,183</u>
70,151,598	75,044,446	77,959,729	80,868,529	60,764,980	62,320,178
6,379,924	5,438,734	7,152,831	7,611,133	4,849,252	7,508,898
<u>159,349</u>	<u>(2,327,307)</u>	<u>(5,613,364)</u>	<u>(6,605,674)</u>	<u>1,528,837</u>	<u>4,988,672</u>
<u>\$76,690,871</u>	<u>\$78,155,873</u>	<u>\$79,499,196</u>	<u>\$81,873,988</u>	<u>\$67,143,069</u>	<u>\$74,817,748</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$7,760,073	\$7,704,885	\$6,937,590	\$5,937,127
Fire	6,785,552	6,917,973	6,001,795	5,608,955
Other	262,241	279,024	273,558	296,116
Public Health	391,220	475,974	450,276	391,194
Leisure Time Activities	1,126,742	1,024,675	932,334	933,611
Community Environment	615,208	675,217	686,208	803,809
Transportation				
Transit	1,108,187	1,121,255	976,397	1,065,270
Other	6,870,206	6,786,744	7,323,163	6,257,831
General Government				
Court	1,833,153	1,598,237	1,252,947	1,260,331
Other	4,020,092	3,872,566	3,122,100	3,399,848
Interest and Fiscal Charges	117,917	132,223	144,154	149,091
Total Governmental Activities Expenses	<u>30,890,591</u>	<u>30,588,773</u>	<u>28,100,522</u>	<u>26,103,183</u>
Business-Type Activities				
Sewer	6,735,102	6,024,098	6,088,099	6,150,351
Sanitation	2,527,701	2,278,028	1,936,929	1,992,690
Landfill	19,858	(18,644)	(58,216)	(49,243)
Storm Water	1,640,883	1,911,468	1,852,887	1,813,918
Aquatics Center	535,160	491,402	447,437	400,506
Total Business-Type Activities Expenses	<u>11,458,704</u>	<u>10,686,352</u>	<u>10,267,136</u>	<u>10,308,222</u>
Total Primary Government Expenses	<u>42,349,295</u>	<u>41,275,125</u>	<u>38,367,658</u>	<u>36,411,405</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$6,485,461	\$5,757,434	\$6,641,183	\$7,637,515	\$7,537,407	\$7,355,049
5,662,188	4,843,734	5,864,658	6,205,475	6,202,510	6,518,445
270,226	297,776	258,206	274,704	272,940	296,923
391,484	447,973	489,284	636,408	1,119,073	1,232,594
860,761	920,509	1,126,954	1,420,937	1,438,764	1,461,268
563,133	1,401,447	2,572,072	1,363,569	953,077	1,258,080
1,175,948	1,071,114	922,873	820,298	1,038,671	953,341
6,177,970	5,767,795	6,600,017	5,090,213	5,149,912	5,170,585
1,226,544	1,042,867	976,447	1,001,001	996,558	839,695
3,052,278	4,455,649	2,994,209	3,874,215	3,125,248	4,493,935
158,712	175,311	182,157	315,718	231,842	177,152
<u>26,024,705</u>	<u>26,181,609</u>	<u>28,628,060</u>	<u>28,640,053</u>	<u>28,066,002</u>	<u>29,757,067</u>
5,452,035	5,270,225	5,796,461	5,795,346	6,408,838	5,864,515
1,666,855	2,146,238	2,196,659	2,039,259	2,413,915	2,200,037
36,750	125,998	(5,259)	108,154	23,488	67,918
2,411,967	1,883,897	2,299,682	1,640,079	2,023,313	1,777,633
486,210	690,856	297,524	0	0	0
<u>10,053,817</u>	<u>10,117,214</u>	<u>10,585,067</u>	<u>9,582,838</u>	<u>10,869,554</u>	<u>9,910,103</u>
<u>36,078,522</u>	<u>36,298,823</u>	<u>39,213,127</u>	<u>38,222,891</u>	<u>38,935,556</u>	<u>39,667,170</u>

(continued)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	\$47,838	\$59,724	\$55,261	\$76,404
Fire	890,713	782,978	1,216,658	613,965
Public Health	0	0	0	4,022
Leisure Time Activities	24,175	20,522	18,340	23,138
Community Environment	20	120	0	0
Transportation				
Transit	98,872	95,924	103,810	112,973
Other	279,108	17,702	15,500	18,700
General Government				
Court	1,137,443	1,136,660	1,044,646	967,956
Other	357,310	293,158	313,424	292,603
Total Charges for Services	<u>2,835,479</u>	<u>2,406,788</u>	<u>2,767,639</u>	<u>2,109,761</u>
Operating Grants, Contributions, and Interest	3,016,232	3,211,132	3,569,668	4,002,743
Capital Grants and Contributions	<u>1,084,220</u>	<u>484,605</u>	<u>285,858</u>	<u>2,074,956</u>
Total Governmental Activities Program Revenues	<u>6,935,931</u>	<u>6,102,525</u>	<u>6,623,165</u>	<u>8,187,460</u>
Business-Type Activities				
Charges for Services				
Sewer	6,146,311	6,634,544	6,135,568	6,214,889
Sanitation	2,827,571	1,903,911	2,463,223	2,514,897
Landfill	143,000	94,374	273,968	271,000
Storm Water	1,670,702	1,702,935	1,404,306	1,110,075
Aquatics Center	182,112	202,439	169,444	127,156
Total Charges for Services	<u>10,969,696</u>	<u>10,538,203</u>	<u>10,446,509</u>	<u>10,238,017</u>
Operating Grants, Contributions, and Interest	0	0	0	0
Capital Grants and Contributions	<u>570,852</u>	<u>515,161</u>	<u>1,174,973</u>	<u>71,739</u>
Total Business-Type Activities Program Revenues	<u>11,540,548</u>	<u>11,053,364</u>	<u>11,621,482</u>	<u>10,309,756</u>
Total Primary Government Program Revenues	<u>18,476,479</u>	<u>17,155,889</u>	<u>18,244,647</u>	<u>18,497,216</u>
<u>Net Expense (Revenue)</u>				
Governmental Activities	23,954,660	24,486,248	21,477,357	17,915,723
Business-Type Activities	<u>(81,844)</u>	<u>(367,012)</u>	<u>(1,354,346)</u>	<u>(1,534)</u>
Total Primary Government Net Expense	<u>23,872,816</u>	<u>24,119,236</u>	<u>20,123,011</u>	<u>17,914,189</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$66,656	\$65,097	\$83,637	\$45,231	\$86,899	\$50,742
1,163,379	558,023	1,096,237	0	1,205,648	1,120,905
0	0	92,729	66,786	318,173	305,291
21,423	21,382	64,557	397,010	81,146	101,074
150	0	0	0	0	0
115,998	109,913	138,484	21,751	124,740	113,501
23,350	30,343	47,411	108,231	93,834	190,473
977,759	906,277	952,556	1,115,245	1,131,030	1,255,592
319,159	340,371	287,796	431,029	525,199	28,568
<u>2,687,874</u>	<u>2,031,406</u>	<u>2,763,407</u>	<u>2,185,283</u>	<u>3,566,669</u>	<u>3,166,146</u>
3,679,557	4,852,977	5,328,581	4,403,920	3,177,575	4,099,975
145,317	766,305	342,991	263,176	429,800	499,392
<u>6,512,748</u>	<u>7,650,688</u>	<u>8,434,979</u>	<u>6,852,379</u>	<u>7,174,044</u>	<u>7,765,513</u>
5,877,295	5,580,190	5,777,897	5,757,769	5,157,868	5,633,817
1,841,691	2,823,504	2,660,450	1,636,510	2,130,332	2,178,230
593,251	0	207,000	0	346,431	387,799
1,049,516	1,134,130	1,089,014	1,224,273	1,133,667	1,182,881
164,528	271,288	0	0	0	0
<u>9,526,281</u>	<u>9,809,112</u>	<u>9,734,361</u>	<u>8,618,552</u>	<u>8,768,298</u>	<u>9,382,727</u>
0	0	131,206	0	0	0
158,246	292,397	1,990,553	1,373,492	200,531	0
<u>9,684,527</u>	<u>10,101,509</u>	<u>11,856,120</u>	<u>9,992,044</u>	<u>8,968,829</u>	<u>9,382,727</u>
<u>16,197,275</u>	<u>17,752,197</u>	<u>20,291,099</u>	<u>16,844,423</u>	<u>16,142,873</u>	<u>17,148,240</u>
19,511,957	18,530,921	20,193,081	21,787,674	20,891,958	21,991,554
369,290	15,705	(1,271,053)	(409,206)	1,900,725	527,376
<u>19,881,247</u>	<u>18,546,626</u>	<u>18,922,028</u>	<u>21,378,468</u>	<u>22,792,683</u>	<u>22,518,930</u>

(continued)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	\$1,092,591	\$1,114,039	\$1,082,897	\$1,092,263
Property Taxes Levied for Police and Fire Pension	199,790	202,528	196,921	198,845
Payment in Lieu of Taxes	383,876	519,826	399,460	363,665
Municipal Income Taxes Levied for General Purposes	7,808,668	7,774,050	8,043,383	7,516,504
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	618,417	626,470	606,726	561,668
Municipal Income Taxes Levied for Police and Fire	7,073,961	6,871,565	7,067,946	6,586,927
Municipal Income Taxes Levied for Capital Improvements	406,028	389,641	404,006	377,378
Grants and Entitlements not Restricted to Specific Programs	819,578	922,016	728,315	873,541
Franchise Taxes	292,236	286,507	278,403	287,074
Interest	134,977	107,283	115,561	137,188
Other	608,125	406,036	255,947	673,618
Transfers	6,410	10,410	0	500
Total Governmental Activities	<u>19,444,657</u>	<u>19,230,371</u>	<u>19,179,565</u>	<u>18,669,171</u>
Business-Type Activities				
Interest	0	0	0	0
Other	420,386	404,475	350,480	340,678
Transfers	(6,410)	(10,410)	0	(500)
Total Business-Type Activities	<u>413,976</u>	<u>394,065</u>	<u>350,480</u>	<u>340,178</u>
Total Primary Government	<u>19,858,633</u>	<u>19,624,436</u>	<u>19,530,045</u>	<u>19,009,349</u>
<u>Changes in Net Position</u>				
Governmental Activities	(4,510,003)	(5,255,877)	(2,297,792)	753,448
Business-Type Activities	495,820	761,077	1,704,826	341,712
Total Primary Government	<u>(\$4,014,183)</u>	<u>(\$4,494,800)</u>	<u>(\$592,966)</u>	<u>\$1,095,160</u>

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,044,608	\$1,039,593	\$1,081,136	\$1,138,506	\$1,153,111	\$1,219,923
191,397	190,451	196,399	207,376	209,572	221,481
339,296	375,340	366,126	361,716	357,782	0
11,876,892	12,233,801	11,166,623	11,831,522	11,865,486	13,131,320
595,076	369,225	279,941	377,602	526,254	592,725
1,396,953	0	0	0	0	0
332,204	370,907	317,767	377,602	277,777	288,150
1,318,417	1,273,569	2,146,727	1,936,793	2,313,482	2,472,533
307,730	312,562	297,964	288,289	272,225	171,252
105,396	78,660	166,410	333,457	184,976	392,497
514,059	213,899	252,278	137,018	388,661	273,752
36,573	(2,242,904)	361,296	1,643,729	395,394	273,379
<u>18,058,601</u>	<u>14,215,103</u>	<u>16,632,667</u>	<u>18,633,610</u>	<u>17,944,720</u>	<u>19,037,012</u>
0	0	0	0	49,182	124,191
394,217	745,296	275,865	296,571	30,643	90,551
(36,573)	2,242,904	(361,296)	(1,643,729)	(395,394)	(273,379)
<u>357,644</u>	<u>2,988,200</u>	<u>(85,431)</u>	<u>(1,347,158)</u>	<u>(315,569)</u>	<u>(58,637)</u>
<u>18,416,245</u>	<u>17,203,303</u>	<u>16,547,236</u>	<u>17,286,452</u>	<u>17,629,151</u>	<u>18,978,375</u>
(1,453,356)	(4,315,818)	(3,560,414)	(3,154,064)	(2,947,238)	(2,954,542)
(11,646)	2,972,495	1,185,622	(937,952)	(2,216,294)	(586,013)
<u>(\$1,465,002)</u>	<u>(\$1,343,323)</u>	<u>(\$2,374,792)</u>	<u>(\$4,092,016)</u>	<u>(\$5,163,532)</u>	<u>(\$3,540,555)</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved (Deficit)	0	0	0	0
Nonspendable	119,795	158,412	175,653	211,891
Committed	1,762	1,762	1,762	1,713
Assigned	674,902	803,464	735,720	541,532
Unassigned (Deficit)	<u>2,535,128</u>	<u>1,957,415</u>	<u>1,825,622</u>	<u>1,246,057</u>
Total General Fund	<u>3,331,587</u>	<u>2,921,053</u>	<u>2,738,757</u>	<u>2,001,193</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	175,853	174,757	118,704	212,130
Restricted	5,788,540	5,638,046	5,790,423	5,671,537
Committed	8,723	7,948	7,079	6,130
Assigned	0	0	0	0
Unassigned (Deficit)	<u>(434,517)</u>	<u>(418,551)</u>	<u>(361,421)</u>	<u>(207,369)</u>
Total All Other Governmental Funds	<u>5,538,599</u>	<u>5,402,200</u>	<u>5,554,785</u>	<u>5,682,428</u>
Total Governmental Funds	<u><u>\$8,870,186</u></u>	<u><u>\$8,323,253</u></u>	<u><u>\$8,293,542</u></u>	<u><u>\$7,683,621</u></u>

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$0	\$0	\$0	\$422,439	\$480,799	\$452,612
0	0	0	(1,247,645)	917,957	2,756,095
298,172	58,799	333,735	n/a	n/a	n/a
1,416	464	159,519	n/a	n/a	n/a
211,336	170,522	158,086	n/a	n/a	n/a
865,934	(791,952)	(1,365,380)	n/a	n/a	n/a
<u>1,376,858</u>	<u>(562,167)</u>	<u>(714,040)</u>	<u>(825,206)</u>	<u>1,398,756</u>	<u>3,208,707</u>
0	0	0	1,977,893	1,240,387	2,187,819
0	0	0	504,426	713,644	709,112
0	0	0	742,483	1,161,949	1,353,949
0	0	0	(385,823)	3,528	0
0	0	0	2,916,582	1,507,327	(412,672)
144,841	149,341	82,256	n/a	n/a	n/a
5,554,752	4,777,943	7,075,213	n/a	n/a	n/a
5,110	0	0	n/a	n/a	n/a
0	0	1,372	n/a	n/a	n/a
(1,491,256)	(1,075,648)	(1,103,141)	n/a	n/a	n/a
<u>4,213,447</u>	<u>3,851,636</u>	<u>6,055,700</u>	<u>5,755,561</u>	<u>4,626,835</u>	<u>3,838,208</u>
<u>\$5,590,305</u>	<u>\$3,289,469</u>	<u>\$5,341,660</u>	<u>\$4,930,355</u>	<u>\$6,025,591</u>	<u>\$7,046,915</u>

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

	2017	2016	2015	2014
<u>Revenues</u>				
Property Taxes	\$1,306,974	\$1,259,812	\$1,263,885	\$1,270,829
Payment in Lieu of Taxes	383,876	519,826	399,460	363,665
Municipal Income Taxes	15,865,055	15,882,193	16,072,587	14,853,318
Other Local Taxes	262,108	4,102	0	0
Charges for Services	1,487,429	1,222,509	1,190,348	1,294,317
Fees, Licenses, and Permits	361,911	356,898	342,233	343,397
Fines and Forfeitures	1,260,450	1,260,652	1,157,497	1,110,859
Intergovernmental	4,534,327	4,506,210	4,663,703	6,742,967
Interest	158,041	95,893	96,990	137,753
Other	682,731	461,082	354,653	666,356
Total Revenues	26,302,902	25,569,177	25,541,356	26,783,461
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	7,002,332	6,854,807	6,673,542	6,001,812
Fire	5,926,163	6,002,927	5,927,259	5,641,142
Other	262,241	279,024	273,558	296,116
Public Health	390,984	475,738	447,537	390,859
Leisure Time Activities	1,044,269	946,093	880,589	901,399
Community Environment	615,208	705,212	686,208	803,809
Transportation				
Transit	915,956	1,069,843	1,134,617	992,516
Other	4,208,921	3,756,286	4,191,048	4,694,570
General Government				
Court	1,593,391	1,558,747	1,247,813	1,252,603
Other	3,329,432	3,435,843	3,102,998	3,256,433
Debt Service:				
Principal Retirement	354,730	343,050	336,462	393,015
Interest and Fiscal Charges	118,752	132,981	144,844	154,340
Total Expenditures	25,762,379	25,560,551	25,046,475	24,778,614
Excess of Revenues Over (Under) Expenditures	540,523	8,626	494,881	2,004,847
<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	0	10,675	115,040	87,969
Transfers In	6,759,003	6,374,072	6,290,774	6,386,264
Transfers Out	(6,752,593)	(6,363,662)	(6,290,774)	(6,385,764)
Total Other Financing Sources (Uses)	6,410	21,085	115,040	88,469
Changes in Fund Balance	\$546,933	\$29,711	\$609,921	\$2,093,316
Debt Service as a Percentage of Noncapital Expenditures	1.99%	1.98%	2.08%	2.51%

2013	2012	2011	2010	2009	2008
\$1,232,257	\$1,213,171	\$1,221,951	\$1,306,032	\$1,316,619	\$1,401,185
339,296	375,340	366,126	361,716	345,570	338,367
14,324,676	12,679,571	12,740,356	11,743,061	12,640,346	14,113,112
0	0	0	0	0	0
1,178,391	1,242,226	1,198,228	1,676,046	1,827,413	1,360,963
382,259	366,646	351,163	326,653	363,818	279,947
1,129,885	1,059,463	1,124,168	1,249,299	1,214,293	1,297,980
5,594,429	6,623,132	7,670,115	6,299,197	5,636,142	6,917,210
136,337	95,821	192,345	374,695	247,914	416,423
607,434	292,905	955,275	474,041	451,298	314,710
<u>24,924,964</u>	<u>23,948,275</u>	<u>25,819,727</u>	<u>23,810,740</u>	<u>24,043,413</u>	<u>26,439,897</u>
6,426,618	5,492,807	6,778,386	7,552,410	7,671,074	7,397,210
5,920,835	4,812,830	5,526,469	6,125,357	6,261,289	6,195,101
270,226	297,776	258,206	274,704	272,940	296,923
391,149	447,638	488,966	636,090	1,194,396	1,231,500
805,801	932,545	1,114,921	1,403,075	1,385,622	1,471,093
623,338	1,401,447	2,572,072	1,363,569	1,000,594	1,351,027
1,171,823	1,578,161	1,197,923	807,806	1,001,456	1,117,012
2,448,841	2,793,121	3,354,214	4,682,823	3,565,728	3,172,806
1,200,327	1,014,527	976,173	997,407	973,975	824,660
2,790,803	4,349,368	3,081,972	4,066,325	3,376,243	4,188,079
407,701	397,628	634,053	3,905,795	338,086	346,898
161,905	175,472	192,662	296,264	226,984	190,754
<u>22,619,367</u>	<u>23,693,320</u>	<u>26,176,017</u>	<u>32,111,625</u>	<u>27,268,387</u>	<u>27,783,063</u>
<u>2,305,597</u>	<u>254,955</u>	<u>(356,290)</u>	<u>(8,300,885)</u>	<u>(3,224,974)</u>	<u>(1,343,166)</u>
0	0	0	2,650,000	0	1,580,000
0	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)
0	0	0	(790,010)	0	0
3,850	23,400	0	2,300	3,650	8,700
1,353,929	1,551,743	2,029,580	3,585,003	1,701,215	1,732,944
(1,362,540)	(3,882,289)	(1,663,985)	(1,941,274)	(1,701,215)	(1,732,944)
<u>(4,761)</u>	<u>(2,307,146)</u>	<u>365,595</u>	<u>7,434,369</u>	<u>2,203,650</u>	<u>8,700</u>
<u>\$2,300,836</u>	<u>(\$2,052,191)</u>	<u>\$9,305</u>	<u>(\$866,516)</u>	<u>(\$1,021,324)</u>	<u>(\$1,334,466)</u>
2.58%	2.67%	3.30%	14.16%	2.24%	2.08%

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			
2017	\$267,962,400	\$82,697,930	\$1,001,886,657	\$33,446,790	\$38,007,716
2016	262,477,660	80,394,660	979,635,200	30,764,640	34,959,818
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

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 has been phased out. During the phase out period, the assessment percentage was 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.

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	\$384,107,120	\$1,039,894,373	36.94%	\$4.20
0	0	373,636,960	1,014,595,018	36.83	4.20
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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</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	40.7700	41.1200	41.1200	41.1200
Elgin Local School District	43.3100	44.8600	44.8600	44.8600
Pleasant Local School District	45.4500	46.5300	46.5300	46.5300
Ridgedale Local School District	44.4400	44.7000	44.7000	44.7000
River Valley Local School District	38.4300	38.6200	38.6200	38.6200
Tri-Rivers Joint Vocational School District	4.4000	4.4000	4.4000	4.4000
Marion Township	12.1500	12.1500	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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</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	11.1700	11.1700	11.5500	11.5500
41.2200	41.2500	40.3600	40.3600	40.3600	40.7500
45.7500	45.7800	46.1700	46.1700	37.6800	38.2600
47.1300	47.1300	47.5900	47.5900	47.5900	47.7700
45.6900	45.7000	46.5200	46.5200	46.5200	47.6800
38.8900	38.8900	38.4100	38.4100	38.4100	43.5000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
10.1000	10.1000	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
2017	\$1,487,155	\$147,083	\$1,634,238	\$1,456,683	97.95%
2016	1,487,097	186,857	1,673,954	1,415,851	95.21
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

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>
\$116,611	\$1,573,294	96.27%	\$407,717	24.95%
115,613	1,531,464	91.49	422,310	25.23
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

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
2017	\$0	\$0	\$0	\$0	0.00%
2016	0	0	0	0	0.00
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

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%	\$0	0.00%
0	0	0.00	0	0.00
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

City of Marion
Principal Taxpayers
Current Year and Six Years Ago

Taxpayer	Type of Business	2017		
		Real Property Assessed Valuation	Rank	Percentage of Total City Assessed Valuation (2016 Collection Year)
Aqua Ohio	Utility	\$17,211,930	1	4.48%
Ohio Edison Company	Utility	9,173,490	2	2.39
Marion General Hospital	Hospital	8,344,700	3	2.17
Columbia Gas	Utility	4,782,180	4	1.25
American Transmission	Manufacturing	3,011,980	5	0.78
DOFASCO Marion, Inc.	Real Estate	2,808,020	6	0.73
KND Real Estate 16	Real Estate	2,450,000	7	0.64
Marion Plaza Association	Real Estate	2,209,270	8	0.58
Nucor Steel	Manufacturing	1,744,260	9	0.45
Maynard, Michael	Real Estate	1,539,910	10	0.40
Kinman Real Estate	Real Estate			
HCRA Properties	Real Estate			
Ohio American Water	Utility			
Clinic Investment	Medical			
John and Judy Curr	Real Estate			
MV/ALG Mallard Landing	Real Estate			
	Total	53,275,740		13.87
	All Other Taxpayers	330,831,380		86.13
	Total Assessed Valuation	\$384,107,120		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
<u>1,312,500</u>	<u>9</u>	<u>0.35</u>
34,052,390		9.12
<u>339,428,760</u>		<u>90.88</u>
<u><u>\$373,481,150</u></u>		<u><u>100.00%</u></u>

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City of Marion
Income Tax Revenue Base and Collections
Last Ten 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>
2017	2.00%	\$15,907,074	\$13,201,215	82.99%	\$1,546,874	9.72%	\$1,158,985	7.29%
2016	2.00	15,661,726	13,100,797	83.65	1,423,323	9.09	1,137,606	7.26
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

Source: City Records

City of Marion
Sewer Utility Statistics
Last Nine Years

Type of Customer	2017			2016		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits						
Through 8/31/2017	421,420	\$1,701,185	\$2.78	637,300	\$2,566,928	\$2.78
After 8/31/2017	208,449	993,664	3.72	n/a	n/a	n/a
Outside City Limits						
Through 8/31/2017	17,714	83,281	3.24	26,821	125,697	3.24
After 8/31/2017	9,080	49,662	4.21	n/a	n/a	n/a
Commercial						
Inside City Limits						
Through 8/31/2017	427,733	1,280,408	2.92	1,085,911	1,524,005	2.92
After 8/31/2017	189,398	720,449	3.91	n/a	n/a	n/a
Outside City Limits	52,119	<u>179,244</u>	4.21	42,488	<u>141,353</u>	3.09
Subtotal		<u>5,007,893</u>			<u>4,357,983</u>	
Residential Well						
Well	n/a	39	12.19	n/a	475	12.19
Sewer Well 1 Person	n/a	2,017	12.19	n/a	2,075	12.19
Sewer Well 2 People	n/a	5,604	18.68	n/a	5,245	18.68
Sewer Well 3 People	n/a	1,412	23.54	n/a	1,695	23.54
Sewer Well 4 People	n/a	964	26.78	n/a	964	26.78
Sewer Well 5 People	n/a	74	28.40	n/a	0	28.40
Sewer Well 8 People	n/a	<u>978</u>	46.58	n/a	<u>559</u>	46.58
Subtotal		<u>11,088</u>			<u>11,013</u>	
Grand Total		<u><u>\$5,018,981</u></u>			<u><u>\$4,368,996</u></u>	

2015			2014			2013		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
664,495	\$2,635,043	\$2.78	713,152	\$2,845,852	\$2.78	726,914	\$2,978,103	\$2.61
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27,779	127,694	3.24	28,458	129,996	3.24	28,822	130,399	3.09
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
554,110	1,667,994	2.92	475,506	1,381,162	2.92	504,307	1,506,463	2.77
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59,465	<u>196,272</u>	3.09	45,779	<u>151,697</u>	3.09	41,271	<u>138,412</u>	3.09
	<u>4,627,003</u>			<u>4,508,707</u>			<u>4,753,377</u>	
n/a	2,187	12.19	n/a	5,619	12.19	n/a	197,102	23.03
n/a	4,269	12.19	n/a	2,202	12.19	n/a	2,004	23.03
n/a	1,153	18.68	n/a	4,202	18.68	n/a	3,763	33.42
n/a	902	23.54	n/a	1,552	23.54	n/a	1,265	43.82
n/a	902	26.78	n/a	796	26.78	n/a	922	54.21
n/a	404	28.40	n/a	0	28.40	n/a	258	64.61
n/a	<u>0</u>	28.40	n/a	<u>0</u>	28.40	n/a	<u>0</u>	64.61
	<u>9,817</u>			<u>14,371</u>			<u>205,314</u>	
	<u>\$4,636,820</u>			<u>\$4,523,078</u>			<u>\$4,958,691</u>	

(continued)

City of Marion
Sewer Utility Statistics
Last Nine Years
(continued)

Type of Customer	2012			2011		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits						
Through 8/31/2017	588,011	\$2,283,210	\$2.61	761,031	\$2,760,144	\$2.35
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Outside City Limits						
Through 8/31/2017	20,076	116,242	3.09	30,567	129,469	2.83
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Commercial						
Inside City Limits						
Through 8/31/2017	443,243	1,271,528	2.77	545,917	1,509,213	2.50
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Outside City Limits	34,498	<u>116,509</u>	3.09	41,147	<u>133,335</u>	2.83
Subtotal		<u>3,787,489</u>			<u>4,532,161</u>	
Residential Well						
Well	n/a	36,202	23.03	n/a	21,013	20.82
Sewer Well 1 Person	n/a	1,668	23.03	n/a	1,703	20.82
Sewer Well 2 People	n/a	2,877	33.42	n/a	3,540	30.22
Sewer Well 3 People	n/a	1,271	43.82	n/a	1,748	39.62
Sewer Well 4 People	n/a	597	54.21	n/a	815	49.02
Sewer Well 5 People	n/a	258	64.61	n/a	0	58.42
Sewer Well 8 People	n/a	<u>0</u>	64.61	n/a	<u>0</u>	58.42
Subtotal		<u>42,873</u>			<u>28,819</u>	
Grand Total		<u>\$3,830,362</u>			<u>\$4,560,980</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

2010			2009		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
n/a	\$2,295,334	\$2.30	n/a	\$2,271,940	\$2.16
n/a	n/a	n/a	n/a	n/a	n/a
n/a	116,865	2.77	n/a	119,811	2.66
n/a	n/a	n/a	n/a	n/a	n/a
n/a	1,296,241	2.45	n/a	1,260,115	2.34
n/a	n/a	n/a	n/a	n/a	n/a
n/a	<u>125,528</u>	2.77	n/a	<u>123,196</u>	2.66
	<u>3,833,968</u>			<u>3,775,062</u>	
n/a	17,618	20.60	n/a	1,182	20.05
n/a	1,379	20.60	n/a	3,027	20.05
n/a	2,947	29.70	n/a	75	28.68
n/a	1,482	38.97	n/a	629	37.32
n/a	861	48.16	n/a	423	45.95
n/a	0	57.34	n/a	137	54.58
n/a	<u>0</u>	57.34	n/a	<u>0</u>	54.58
	<u>24,287</u>			<u>5,473</u>	
	<u>\$3,858,255</u>			<u>\$3,780,535</u>	

City of Marion
Sanitation Utility Statistics
Last Eight Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Number of Accounts	13,111	13,112	13,258	12,293
Total Billed	\$3,159,209	\$3,022,373	\$3,591,083	\$3,443,328
Flat Rate Bi-Monthly				
Residential				
Residential Through 4/30/13	n/a	n/a	n/a	n/a
Residential 5/1/13 Through 3/17/14	n/a	n/a	n/a	42.66
Residential After 3/18/14	22.00	22.00	22.00	22.00
Senior Residential Through 4/30/13	n/a	n/a	n/a	n/a
Senior Residential 5/1/13 Through 3/17/14	n/a	n/a	n/a	21.33
Senior Residential After 3/18/14	11.00	11.00	11.00	11.00

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
12,439	11,930	10,002	10,002
\$3,189,987	\$2,717,722	\$2,227,749	\$1,761,468

40.66	38.50	38.50	38.50
42.66	n/a	n/a	n/a
n/a	n/a	n/a	n/a
20.33	24.25	24.25	24.25
21.33	n/a	n/a	n/a
n/a	n/a	n/a	n/a

(continued)

City of Marion
Sanitation Utility Statistics
Last Eight Years
(continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commerical				
Commercial Bi-Monthly Pickup Through 4/30/13	n/a	n/a	n/a	n/a
Commercial Bi-Monthly Pickup 5/1/13 Through 3/17/14	n/a	n/a	n/a	\$38.46
Commercial Bi-Monthly Pickup After 3/18/14	\$39.13	\$39.13	\$39.13	39.13
5 Bags 1 Pickup Monthly Through 4/30/13	n/a	n/a	n/a	n/a
5 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	n/a	n/a	n/a	26.33
5 Bags 1 Pickup Monthly After 3/18/14	27.00	27.00	27.00	27.00
5 Bags 2 Pickup Monthly Through 4/30/13	n/a	n/a	n/a	n/a
5 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	n/a	n/a	n/a	52.66
5 Bags 2 Pickup Monthly After 3/18/14	27.00	27.00	27.00	27.00
6 Bags 1 Pickup Monthly Through 4/30/13	n/a	n/a	n/a	n/a
6 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	n/a	n/a	n/a	38.48
6 Bags 1 Pickup Monthly After 3/18/14	39.15	39.15	39.15	39.15
6 Bags 2 Pickup Monthly Through 4/30/13	n/a	n/a	n/a	n/a
6 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	n/a	n/a	n/a	76.99
6 Bags 2 Pickup Monthly After 3/18/14	77.66	77.66	77.66	77.66
6 Bags 3 Pickup Monthly Through 4/30/13	n/a	n/a	n/a	n/a
6 Bags 3 Pickup Monthly 5/1/13 Through 3/17/14	n/a	n/a	n/a	112.36
6 Bags 3 Pickup Monthly After 3/18/14	113.03	113.03	113.03	113.03
Trailer Park Flat Rate	280.24	280.24	280.24	280.24

Source: City Utility Department

Note: Information prior to 2010 is not available.

n/a - not applicable

2013	2012	2011	2010
\$37.46	n/a	n/a	n/a
38.46	n/a	n/a	n/a
n/a	n/a	n/a	n/a
25.33	\$24.25	\$24.25	\$24.25
26.33	n/a	n/a	n/a
n/a	n/a	n/a	n/a
50.66	48.50	48.50	48.50
52.66	n/a	n/a	n/a
n/a	n/a	n/a	n/a
37.48	36.40	36.40	36.40
38.48	n/a	n/a	n/a
n/a	n/a	n/a	n/a
74.96	72.80	72.80	72.80
76.99	n/a	n/a	n/a
n/a	n/a	n/a	n/a
111.36	109.20	109.20	109.20
112.36	n/a	n/a	n/a
n/a	n/a	n/a	n/a
279.57	279.57	279.57	279.57

City of Marion
Storm Water Utility Statistics
Last Nine Years

Type of Customer	2017		2016		2015	
	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
Residential						
Bi-Monthly Through 3/18/14	n/a	n/a	n/a	n/a	n/a	n/a
Monthly 3/18/14 Through 4/30/15	n/a	n/a	n/a	n/a	\$186,999	\$4.16
Monthly 4/30/15 Through 8/31/17	\$566,516	\$6.14	\$835,885	\$6.14	553,963	6.14
Monthly After 8/31/17	330,194	7.20	n/a	n/a	n/a	n/a
Senior Bi-Monthly Discount Through 3/18/14	n/a	n/a	n/a	n/a	n/a	n/a
Senior Monthly Discount 3/18/14 Through 4/30/15	n/a	n/a	n/a	n/a	6,011	2.08
Senior Monthly Discount 4/30/15 Through 8/31/17	10,089	3.07	22,655	3.07	16,634	3.07
Senior Monthly Discount After 8/31/17	1,395	3.60	n/a	n/a	n/a	n/a
Commercial						
Bi-Monthly	n/a	n/a	n/a	n/a	n/a	n/a
Monthly Through 4/30/15	n/a	n/a	n/a	n/a	166,203	4.16
Monthly 4/30/15 Through 8/31/17	502,296	6.14	750,120	6.14	499,488	6.14
Monthly After 8/31/17	<u>285,373</u>	7.20	<u>n/a</u>	n/a	<u>n/a</u>	n/a
Grand Total	<u>\$1,695,863</u>		<u>\$1,608,660</u>		<u>\$1,429,298</u>	

2014		2013		2012		2011	
Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
n/a	n/a	\$613,527	\$8.32	\$503,850	\$8.32	\$626,222	\$8.32
\$565,870	\$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	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	21,838	4.16	15,866	4.16	17,790	4.16
18,430	2.08	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	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	355,578	8.32	276,382	8.32	219,952	8.32
554,353	4.16	243,879	4.16	191,854	4.16	352,789	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
<u>\$1,138,653</u>		<u>\$1,234,822</u>		<u>\$987,952</u>		<u>\$1,216,753</u>	

(continued)

City of Marion
Storm Water Utility Statistics
Last Nine Years
(continued)

Type of Customer	2010		2009	
	Billings	Flat Rate	Billings	Flat Rate
Residential				
Bi-Monthly Through 3/18/14	\$542,317	\$8.32	\$565,208	\$8.32
Monthly 3/18/14 Through 4/30/15	n/a	n/a	n/a	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a
Monthly After 8/31/17	n/a	n/a	n/a	n/a
Senior Bi-Monthly Discount Through 3/18/14	14,925	4.16	15,520	4.16
Senior Monthly Discount 3/18/14 Through 4/30/15	n/a	n/a	n/a	n/a
Senior Monthly Discount 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a
Senior Monthly Discount After 8/31/17	n/a	n/a	n/a	n/a
Commercial				
Bi-Monthly	232,566	8.32	278,291	8.32
Monthly Through 4/30/15	268,344	4.16	249,876	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a
Monthly After 8/31/17	n/a	n/a	n/a	n/a
Grand Total	<u>\$1,058,152</u>		<u>\$1,108,895</u>	

Source: City Utility Department

Note: In 2014, the billing cycle was changed to a monthly cycle.

Information prior to 2009 is not available.

City of Marion
Aquatics Center Statistics
Last Two Years

	<u>2017</u>	<u>2016</u>
Scheduled Operating Days	89	89
Early Closure for Weather, Attendance, or Technical Issues	16	n/a
Closed for Weather	8	n/a
Actual Operating Days (Includes Early Closures)	81	89
Average High Temperature	81	80
Average Median Temperature	71	74
Average Low Temperature	61	64
Days With a Rain Event	31	42
General Admissions	12,331	15,111
Member Check-Ins	9,684	9,306
Total Attendance	22,015	24,417
Number of Members	1,921	n/a
Average Number of Member Check-Ins Per Season	5	n/a
Average Daily General Admissions	152	170
Average Daily Member Check-Ins	120	105
Total Average Daily Attendance	272	274
Number of Children Receiving Swimming Lessons	40	n/a
Revenue from General Admissions	\$76,033	\$94,439
Revenue from Memberships	\$49,669	\$41,336
Concession Sales	\$52,338	\$56,629
Rental Revenue	\$3,922	\$5,181
Total Number of Transactions	20,798.00	25,841.00
Average Revenue per Transaction	\$8.75	\$7.65
Average Daily Revenue from General Admissions	\$938.68	\$1,061.11
Average Daily Revenue from Memberships	\$613.20	\$464.45
Average Daily Concession Sales	\$646.15	\$636.28
Average Daily Rental Revenue	\$48.42	\$58.21
Total Average Daily Revenue	\$2,246.44	\$2,220.06

Source: City Recreation Department

Note: Information prior to 2016 is not available.

n/a - not available

City of Marion
Principal Sewer Customers
Last Nine Years

Customer	2017			2016		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$528,163	1	10.53%	\$527,133	1	12.07%
North Central Correctional Institute	504,735	2	10.06	310,918	2	7.12
Nucor Steel	37,158	3	0.74	27,487	7	0.63
Sika Corporation	33,513	4	0.67	28,539	5	0.65
HCR Manor Care	31,433	5	0.63	19,908	9	0.46
Kinman Real Estate	24,756	6	0.49	23,118	8	0.53
Nachurs	23,767	7	0.47	27,881	6	0.64
Multi County Correctional Institute	21,562	8	0.43	17,565	10	0.40
Fairview 1	18,786	9	0.37			
Mark Kamann	14,736	10	0.29			
Dale Hamm				144,351	3	3.30
North Central Correctional Facility				50,370	4	1.15
Marion Village Apartments						
Community Nursing						
Silverline Building Products						
Arcelormittal Tubular						
Chartwell Group						
TSM Management						
CSX Transportation, Inc.						
John Curry						
Rotary Towers						
US Yachiyo						
Total	1,238,609		24.68	1,177,270		26.95
Balance from Other Customers	3,780,372		75.32	3,191,726		73.05
Total Billed	<u>\$5,018,981</u>		<u>100.00%</u>	<u>\$4,368,996</u>		<u>100.00%</u>

2015			2014			2013		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$546,322	1	11.77%	\$617,240	1	13.65%	\$624,814	1	12.60%
342,787	2	7.39	363,053	2	8.03	304,596	2	6.14
23,634	6	0.51	22,611	6	0.50			
22,248	7	0.48	32,993	3	0.73			
24,851	4	0.54	23,713	5	0.52	24,170	3	0.49
24,465	5	0.53	17,214	9	0.38	18,785	6	0.38
15,291	9	0.33	15,565	10	0.34	17,876	7	0.36
			18,115	8	0.40	14,455	9	0.29
			31,188	4	0.69	22,721	4	0.46
48,189	3	1.04						
16,087	8	0.35						
14,868	10	0.32	21,057	7	0.47	20,907	5	0.42
						14,850	8	0.30
						14,176	10	0.29
<u>1,078,742</u>		<u>23.26</u>	<u>1,162,749</u>		<u>25.71</u>	<u>1,077,350</u>		<u>21.73</u>
<u>3,558,078</u>		<u>76.74</u>	<u>3,360,329</u>		<u>74.29</u>	<u>3,881,341</u>		<u>78.27</u>
<u>\$4,636,820</u>		<u>100.00%</u>	<u>\$4,523,078</u>		<u>100.00%</u>	<u>\$4,958,691</u>		<u>100.00%</u>

(continued)

City of Marion
Principal Sewer Customers
Last Nine Years
(continued)

Customer	2012			2011		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$453,378	1	11.84%	\$547,820	1	12.02%
North Central Correctional Institute	244,885	2	6.39	349,098	2	7.65
Nucor Steel						
Sika Corporation						
Kinman Real Estate	24,870	3	0.65	26,131	4	0.57
Nachurs	24,159	4	0.63	26,144	3	0.57
Multi County Correctional Institute	13,348	10	0.35	15,819	8	0.35
Fairview 1						
Mark Kamann						
North Central Correctional Facility						
Marion Village Apartments						
Community Nursing	18,070	6	0.47	18,651	6	0.41
Silverline Building Products	20,955	5	0.55	15,387	9	0.34
Arcelormittal Tubular						
Chartwell Group	16,246	7	0.42			
TSM Management	14,569	8	0.38	16,531	7	0.36
CSX Transportation, Inc.	13,520	9	0.35			
John Curry				24,919	5	0.55
Rotary Towers				12,985	10	0.28
US Yachiyo						
Total	844,000		22.03	1,053,485		23.10
Balance from Other Customers	2,986,362		77.97	3,507,495		76.90
Total Billed	\$3,830,362		100.00%	\$4,560,980		100.00%

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.

2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage
\$414,838	1	10.76%	\$359,510	1	9.51%
308,287	2	7.99	270,915	2	7.17
60,630	3	1.57	87,340	3	2.31
24,708	5	0.64	22,958	5	0.61
26,219	4	0.68			
14,805	9	0.38	15,051	8	0.40
15,229	8	0.39	15,175	7	0.40
15,684	7	0.41	12,986	10	0.34
23,771	6	0.62	29,378	4	0.78
12,487	10	0.32	16,344	6	0.43
			14,515	9	0.38
916,658		23.76	844,172		22.33
2,941,597		76.24	2,936,363		77.67
<u>\$3,858,255</u>		<u>100.00%</u>	<u>\$3,780,535</u>		<u>100.00%</u>

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City of Marion
Principal Sanitation Customers
Last Eight Years

Customer	2017			2016			2015		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Villas at Center Park	\$15,840	1	0.51%	\$8,272	3	0.27%	\$2,112	5	0.06%
Kinman Real Estate	11,235	2	0.36	11,235	1	0.37	11,235	1	0.31
Hampton Woods	9,705	3	0.31	9,705	2	0.32	9,705	2	0.27
Lakes of Marion	7,923	4	0.25	7,920	4	0.26	7,920	3	0.22
USWA Local 1949	1,807	5	0.06	1,807	7	0.06	1,807	7	0.05
Melinda Fishpaw	1,617	6	0.05	1,620	8	0.05			
CWA Local 4371	1,225	7	0.04						
Larry Short	1,092	8	0.03						
M & H Construction	1,092	9	0.03						
Diane Caldwell	1,092	10	0.03						
Larry Isles				2,039	5	0.07			
Alan Gale				1,872	6	0.06	1,857	6	0.05
William Hesson				1,394	9	0.05			
Marry Jolly-Fletcher				1,392	10	0.05			
John Osborne							2,352	4	0.07
James Troy							1,418	8	0.04
Gretchen Haley							1,282	9	0.04
Myrtle Zornes							1,238	10	0.03
David Delauder									
Michael Gamble									
Bryan Timmon									
Vernie Williams									
Ethel Cochroan									
Carola Woodrum									
Sonja Troutman									
Reginald Blair									
Michael Cox									
Rebecca Lyons									
Mary Houston									
N & L Rentals									
Bobby May									
Janeth Watkins									
Harold Large									
Lois Partipilo									
Rocky Bradford									
Charles Levings									
Rose Ann Seiter									
Martis Bracy									
Fairpark Baptist Church									
Mobile Meals									
Church of Nazarene									
Marion Public Library									
The Bainbridge Firm									
Debra Haire									
J & D Properties									
Total	52,628		1.67	47,256		1.56	40,926		1.14
Balance from Other Customers	<u>3,106,581</u>		<u>98.33</u>	<u>2,975,117</u>		<u>98.44</u>	<u>3,550,157</u>		<u>98.86</u>
Total Billed	<u>\$3,159,209</u>		<u>100.00%</u>	<u>\$3,022,373</u>		<u>100.00%</u>	<u>\$3,591,083</u>		<u>100.00%</u>

(continued)

City of Marion
Principal Sanitation Customers
Last Eight Years
(continued)

Customer	2014			2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Villas at Center Park	\$2,621	5	0.08%	\$1,984	7	0.06%	\$1,952	8	0.07%
Kinman Real Estate	11,233	2	0.37	12,163	1	0.40	10,292	1	0.38
Hampton Woods	12,938	1	0.37	9,397	2	0.29	9,245	2	0.34
Lakes of Marion	8,480	3	0.25	7,439	3	0.23	7,319	3	0.27
USWA Local 1949	1,654	8	0.05						
Melinda Fishpaw									
CWA Local 4371									
Larry Short									
M & H Construction									
Diane Caldwell									
Larry Isles									
Alan Gale	1,424	10	0.04						
William Hesson									
Marry Jolly-Fletcher									
John Osborne							2,028	7	0.07
James Troy									
Gretchen Haley									
Myrtle Zornes									
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							2,297	4	0.08
N & L Rentals							2,087	5	0.08
Bobby May							2,083	6	0.08
Janeth Watkins							1,917	9	0.07
Harold Large							1,788	10	0.07
Lois Partipilo									
Rocky Bradford									
Charles Levings									
Rose Ann Seiter									
Martis Bracy									
Fairpark Baptist Church									
Mobile Meals									
Church of Nazarene									
Marion Public Library									
The Bainbridge Firm									
Debra Haire									
J & D Properties									
Total	47,597		1.38	42,987		1.35	41,008		1.51
Balance from Other Customers	<u>3,395,731</u>		<u>98.62</u>	<u>3,147,000</u>		<u>98.65</u>	<u>2,676,714</u>		<u>98.49</u>
Total Billed	<u>\$3,443,328</u>		<u>100.00%</u>	<u>\$3,189,987</u>		<u>100.00%</u>	<u>\$2,717,722</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.

2011			2010		
Amount	Rank	Percentage	Amount	Rank	Percentage
\$1,896	4	0.09%			
10,981	1	0.50	\$10,632	1	0.61%
8,982	2	0.40			
7,110	3	0.32			
			728	5	0.04
			486	7	0.03
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
			437	8	0.02
			385	9	0.02
			323	10	0.02
38,786		1.74	16,765		0.95
<u>2,188,963</u>		<u>98.26</u>	<u>1,744,703</u>		<u>99.05</u>
<u><u>\$2,227,749</u></u>		<u><u>100.00%</u></u>	<u><u>\$1,761,468</u></u>		<u><u>100.00%</u></u>

City of Marion
Principal Storm Water Customers
Last Nine Years

Customer	2017			2016		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$33,765	1	1.99%	\$32,368	1	2.01%
Nucor Steel	32,543	2	1.92	31,196	2	1.94
GPS LLC	30,668	3	1.81	29,398	3	1.83
Marion Medical Center	25,303	4	1.49	24,160	5	1.50
Central Ohio Farmers Coop	25,256	5	1.49	24,211	4	1.51
Graphic Packaging	20,967	6	1.24	20,100	6	1.25
North Central Correctional Facility	18,838	7	1.11	18,059	7	1.12
North Central Correctional Institute	15,065	8	0.89	14,441	8	0.90
Sims Brothers, Inc.	13,904	9	0.82			
Marion City School District	13,435	10	0.79	12,879	9	0.80
General Machine and Saw				11,246	10	0.70
General Recycling						
Bunge North American Granary						
Kinman Real Estate						
Clinic Investment						
Ohio Department of Youth Services						
Total	229,744		13.55	218,058		13.56
Balance from Other Customers	1,466,119		86.45	1,390,602		86.44
Total Billed	<u>\$1,695,863</u>		<u>100.00%</u>	<u>\$1,608,660</u>		<u>100.00%</u>

City of Marion
Principal Storm Water Customers
Last Nine Years
(continued)

Customer	2012			2011		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$18,275	2	1.85%	\$21,930	2	1.80%
Nucor Steel	38,750	1	3.92	42,096	1	3.44
GPS LLC	18,258	3	1.85	19,918	3	1.64
Marion Medical Center						
Central Ohio Farmers Coop						
Graphic Packaging	12,483	5	1.26	13,618	6	1.12
North Central Correctional Facility						
North Central Correctional Institute	9,177	7	0.93	12,236	7	1.01
Sims Brothers, Inc.						
Marion City School District	7,999	8	0.81	8,726	9	0.72
General Machine and Saw						
General Recycling	7,525	9	0.76	10,536	8	0.87
Bunge North American Granary	12,365	6	1.25	16,404	4	1.35
Kinman Real Estate	6,608	10	0.67	7,208	10	0.59
Clinic Investment	15,005	4	1.52	16,369	5	1.35
Ohio Department of Youth Services						
Total	146,445		14.82	169,041		13.89
Balance from Other Customers	841,507		85.18	1,047,712		86.11
Total Billed	<u>\$987,952</u>		<u>100.00%</u>	<u>\$1,216,753</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.

2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage
\$21,930	1	2.07%	\$21,930	1	1.98%
17,613	3	1.67	21,136	2	1.90
19,918	2	1.88	19,918	3	1.80
13,618	6	1.29	13,618	6	1.23
12,235	7	1.16	12,235	7	1.10
7,525	9	0.71	9,407	9	0.85
16,404	4	1.55	16,472	5	1.49
7,208	10	0.68	7,208	10	0.65
16,369	5	1.55	16,846	4	1.52
9,784	8	0.92	9,784	8	0.88
142,604		13.48	148,554		13.40
915,548		86.52	960,341		86.60
<u>\$1,058,152</u>		<u>100.00%</u>	<u>\$1,108,895</u>		<u>100.00%</u>

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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)
2017	3,738	Ammonia	94.4	871
		Biochemical Oxygen Demand	98.2	10,395
		Total Suspended Solids	97.4	10,729
		Phosphorus	65.5	229
2016	3,068	Ammonia	95.6	722
		Biochemical Oxygen Demand	98.8	10,700
		Total Suspended Solids	97.5	9,938
		Phosphorus	76.0	220
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

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
2017	\$0	\$3,233,700	\$95,397	\$32,052	\$0	\$0
2016	0	3,544,650	187,767	38,462	0	0
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

Source: City Records

(1) See Schedule on S-61 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)
\$19,386,300	\$7,362,259	\$1,876,121	\$0	\$31,985,829	\$868.31	2.49%
20,305,350	8,769,841	1,646,881	0	34,492,951	939.84	2.82
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

City of Marion
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Bonded Debt Per Capita	Bonded Debt to Estimated Actual Value
2017	36,837	\$1,039,894,373	\$22,620,000	\$614.06	2.18%
2016	36,701	1,014,595,018	23,850,000	649.85	2.35
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

Source: City Records
Marion County Auditor

City of Marion
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2017

Political Subdivision	Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
City of Marion	\$3,361,149	100%	\$3,361,149
Marion County	8,115,000	32.67	2,651,171
Marion City School District	6,566,024	95.03	6,239,693
Elgin Local School District	11,040,000	0.33	36,432
Pleasant Local School District	220,000	19.48	42,856
River Valley Local School District	7,635,000	2.87	219,125
Total Overlapping Debt	33,576,024		9,189,277
Total	\$36,937,173		\$12,550,426

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 2017 collection year.

City of Marion
Computation of Legal Debt Margin
Last Ten Years

	2017	2016	2015	2014
Total Assessed Valuation	<u>\$384,107,120</u>	<u>\$373,636,960</u>	<u>\$373,206,700</u>	<u>\$371,695,800</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	40,331,248	39,231,881	39,186,704	39,028,059
Gross Indebtedness	39,674,329	41,681,451	44,133,600	43,259,359
Less Debt Outside Limitation				
Bond Anticipation Notes	7,176,500	6,676,500	6,613,500	2,588,500
General Obligation Bonds	19,386,300	20,305,350	21,213,150	22,093,450
OWDA Loans	7,362,259	8,769,841	10,243,963	11,977,694
OPWC Loans	1,908,173	1,685,343	1,210,930	1,139,256
ODOT DRIP TIF	<u>95,397</u>	<u>187,767</u>	<u>277,207</u>	<u>363,809</u>
Net Indebtedness	3,745,700	4,056,650	4,574,850	5,096,650
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>3,745,700</u>	<u>4,056,650</u>	<u>4,574,850</u>	<u>5,096,650</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$36,585,548</u>	<u>\$35,175,231</u>	<u>\$34,611,854</u>	<u>\$33,931,409</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	90.71%	89.66%	88.33%	86.94%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$21,125,892	\$20,550,033	\$20,526,369	\$20,443,269
Gross Indebtedness	39,674,329	41,681,451	44,133,600	43,259,359
Less Debt Outside Limitation				
Bond Anticipation Notes	7,176,500	6,676,500	6,613,500	2,588,500
General Obligation Bonds	19,386,300	20,305,350	21,213,150	22,093,450
OWDA Loans	7,362,259	8,769,841	10,243,963	11,977,694
OPWC Loans	1,908,173	1,685,343	1,210,930	1,139,256
ODOT DRIP TIF	<u>95,397</u>	<u>187,767</u>	<u>277,207</u>	<u>363,809</u>
Net Indebtedness	3,745,700	4,056,650	4,574,850	5,096,650
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>3,745,700</u>	<u>4,056,650</u>	<u>4,574,850</u>	<u>5,096,650</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$17,380,192</u>	<u>\$16,493,383</u>	<u>\$15,951,519</u>	<u>\$15,346,619</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	82.27%	80.26%	77.71%	75.07%

Source: City Records

2013	2012	2011	2010	2009	2008
<u>\$370,998,990</u>	<u>\$371,313,240</u>	<u>\$373,481,150</u>	<u>\$394,826,690</u>	<u>\$396,830,630</u>	<u>\$415,720,020</u>
38,954,894	38,987,890	39,215,521	41,456,802	41,667,216	43,650,602
48,994,440	47,205,158	47,054,573	48,978,622	44,174,859	43,761,441
5,680,000	1,030,000	9,400,000	5,900,000	10,600,000	8,625,000
22,950,050	23,794,200	13,362,750	14,150,650	5,022,850	5,360,689
13,675,355	15,337,917	16,966,329	18,561,506	20,124,330	21,578,955
1,247,071	1,351,036	1,493,521	1,459,350	1,327,573	1,453,872
447,664	528,859	607,478	683,602	757,312	929,716
4,994,300	5,163,146	5,224,495	8,223,514	6,342,794	5,813,209
0	0	1,372	0	3,528	0
<u>4,994,300</u>	<u>5,163,146</u>	<u>5,223,123</u>	<u>8,223,514</u>	<u>6,339,266</u>	<u>5,813,209</u>
<u>\$33,960,594</u>	<u>\$33,824,744</u>	<u>\$33,992,398</u>	<u>\$33,233,288</u>	<u>\$35,327,950</u>	<u>\$37,837,393</u>
87.18%	86.76%	86.68%	80.16%	84.79%	86.68%
\$20,404,944	\$20,422,228	\$20,541,463	\$21,715,468	\$21,825,685	\$22,864,601
48,994,440	47,205,158	47,054,573	48,978,622	44,174,859	43,761,441
5,680,000	1,030,000	9,400,000	5,900,000	10,600,000	8,625,000
22,950,050	23,794,200	13,362,750	14,150,650	5,022,850	5,360,689
13,675,355	15,337,917	16,966,329	18,561,506	20,124,330	21,578,955
1,247,071	1,351,036	1,493,521	1,459,350	1,327,573	1,453,872
447,664	1,286,934	1,423,009	1,382,428	1,247,446	1,367,335
4,994,300	4,405,071	4,408,964	7,524,688	5,852,660	5,375,590
0	0	1,372	0	3,528	0
<u>4,994,300</u>	<u>4,405,071</u>	<u>4,407,592</u>	<u>7,524,688</u>	<u>5,849,132</u>	<u>5,375,590</u>
<u>\$15,410,644</u>	<u>\$16,017,157</u>	<u>\$16,133,871</u>	<u>\$14,190,780</u>	<u>\$15,976,553</u>	<u>\$17,489,011</u>
75.52%	78.43%	78.54%	65.35%	73.20%	76.49%

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	
2017	\$6,208,372	\$4,175,569	\$2,032,803	\$1,484,523	\$126,289	\$1,610,812	1.26
2016	6,690,096	3,453,944	3,236,152	1,545,529	147,130	1,692,659	1.91
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

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

Note: Includes OWDA and OPWC loans.

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	
2017	\$146,748	\$13,514	\$133,234	\$0	\$0	\$0	0.00
2016	109,371	(24,988)	109,371	0	0	0	0.00
2015	277,716	(71,071)	277,716	198,563	6,511	205,074	1.35
2014	274,747	(70,452)	274,747	190,209	14,865	205,074	1.34
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

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
2017	\$1,736,574	\$671,870	\$1,064,704	\$32,590	32.67
2016	1,758,664	943,273	815,391	24,848	32.82
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

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)
2017	36,837	\$1,286,790,084	\$34,932	4,206	4.80%
2016	36,701	1,224,528,865	33,365	4,203	5.00
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

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

		<u>December 31, 2017</u>		
<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Marion General Hospital	Hospital	1,625	1	11.57%
Marion City School District	School District	930	2	6.61
Marion County	Government	641	3	4.56
Marion Industries	Manufacturing	548	4	3.90
North Central Correctional Institute	Correctional Facility	523	5	3.72
Marion Correctional Institute	Correctional Facility	446	6	3.17
Marion Area Physicians	Medical	387	7	2.75
City of Marion	Government	376	8	2.67
Nucor Steel	Manufacturing	276	9	1.96
US Yachiyo	Manufacturing	149	10	1.06
Frederick C Smith Clinic	Medical			
Marion Independent Physicians	Medical			
	Total	<u>5,901</u>		<u>41.97%</u>
	Total City Employment	<u>14,061</u>		

Source: City Auditor

December 31, 2008

<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
1,146	1	7.68%
790	3	5.28
621	4	4.15
220	8	1.47
949	2	6.35
411	6	2.75
405	7	2.71
220	9	1.47
432	5	2.89
<u>107</u>	10	<u>0.71</u>
<u>5,301</u>		<u>35.46%</u>
<u>14,949</u>		

City of Marion
 Full-Time City Government Employees by Program/Department
 Last Eight Years

Program/Department	2017	2016	2015
Security of Persons and Property			
Police	56	58	65
Fire	58	56	56
Leisure Time Activities	18	18	17
Transportation			
Transit	19	19	19
Other	17	17	17
Basic Utility Services			
Sewer	32	31	30
Solid Waste	14	17	16
Billing Services	3	4	4
General Government			
Court	28	22	21
Other	51	54	51
Totals	<u>296</u>	<u>296</u>	<u>296</u>

Source: City Auditor

Method: Only full-time employees are included as of December 31.

Note: Information prior to 2010 is not available.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
63	57	52	69	75
57	53	49	51	59
19	19	22	28	29
19	20	20	21	19
17	22	21	22	26
28	29	28	32	32
16	16	13	18	15
4	4	4	4	4
20	21	21	19	19
<u>49</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>49</u>
<u><u>292</u></u>	<u><u>285</u></u>	<u><u>275</u></u>	<u><u>310</u></u>	<u><u>327</u></u>

City of Marion
Operating Indicators by Program/Department
Last Ten Years

Program/Department	2017	2016	2015
Security of Persons and Property - Police			
Total Calls for Services	38,472	36,737	43,822
Number of Traffic Citations Issued	1,570	1,380	922
Number of Felony Criminal Arrests	560	606	687
Number of Accident Reports Completed	964	963	975
DUI Arrests	204	154	89
Motor Vehicle Accidents	496	498	793
Gasoline Costs of Fleet	\$61,303	\$53,191	\$55,195
Gasoline Usage in Gallons	29,890	25,888	23,572
Community Policing Auxillary Hours	4,500	4,148	4,783
Security of Persons and Property - Fire			
Structure Fires	64	62	66
Fires with Loss	48	45	45
Fires with Losses Exceeding \$10,000	29	23	35
Total Fire Losses	\$1,628,963	\$621,301	\$916,886
Number of EMS Calls	6,168	6,948	6,755
Leisure Time Activities			
Swimming Pool Receipts	\$182,112	\$202,439	\$144,549
Aquatics Center Seasonal Admissions	22,015	24,417	23,999
Park Shelter Rentals	\$8,900	\$10,206	\$9,405
Concession Receipts	\$52,338	\$56,629	\$40,848
Basic Utility Services			
Refuse Disposal per Year (in tons)	12,811	12,120	12,048
Yard Waste per Year (in tons)	336	344	398
Leaf Pickup (in yards)	2,351	3,000	3,122
Salt Usage (in tons)	1,926	1,842	2,262
Sanitary Sewer Customers	13,341	13,310	13,289
Sanitation Customers	13,111	13,112	13,258
Storm Water Customers	13,694	13,635	13,716
Sanitary Sewer Inspections	8,635	8,982	8,736
Storm Water Inspections	3,521	684	236
Sanitary Blockage	85	323	398
Odor Complaints	38	61	75
Sanitary Lines Cleaned or Jetted (in feet)	535,254	672,908	679,970
Storm Water Lines Cleaned or Jetted (in feet)	148,541	97,994	26,000
Excavations	38	20	56
Manhole Repairs	25	22	17
Catch Basins Repaired	105	169	95
Degreased (in feet)	12,500	15,000	10,000
Root Cut or Control in Feet	6,610	61,761	1,100
Sanitary Lines Televised (in feet)	2,000	3,500	4,702
Storm Water Lines Televised (in feet)	2,546	1,500	1,419
Percentage of Biosolides Suspended or Removed	97%	98%	98%
Biosolids Land Applied	4,217	2,060	2,883
Gallons of Wastewater Treated (in millions)	3,738	3,068	3,480
Gallons of Wastewater ByPass (in millions)	67	24	84

2014	2013	2012	2011	2010	2009	2008
37,828	39,106	36,711	38,481	43,162	42,050	45,968
915	594	319	1,838	3,780	3,473	3,237
2,789	565	593	635	536	526	498
605	887	732	743	821	748	812
62	39	60	110	118	141	149
1,037	1,149	2,142	2,115	2,377	621	644
\$113,449	\$122,394	\$105,178	\$104,028	\$120,043	\$74,715	\$127,309
36,295	38,043	31,614	n/a	45,357	45,944	42,319
1,000	2,790	2,553	2,608	3,222	n/a	n/a
69	69	48	48	50	46	54
50	63	47	42	43	41	46
22	33	7	19	20	21	28
\$779,776	\$979,720	\$304,100	\$900,880	\$650,206	\$836,600	\$994,550
5,902	6,140	6,041	5,916	4,529	4,363	4,600
\$94,789	\$122,778	\$195,061	n/a	\$16,209	n/a	\$17,486
16,920	18,038	40,979	n/a	n/a	n/a	n/a
\$16,075	\$11,631	\$15,575	\$8,056	\$10,220	n/a	\$10,665
\$44,327	\$41,777	\$78,363	n/a	\$465	n/a	\$111
11,847	12,240	12,277	13,362	12,543	12,647	13,305
315	554	533	521	703	847	1,336
3,081	1,320	2,280	2,550	3,562	5,938	4,296
2,226	1,526	1,016	2,738	2,282	2,152	2,354
12,206	12,298	12,526	12,598	12,618	12,700	13,202
12,293	12,439	11,930	10,002	10,002	10,104	10,606
12,316	12,660	12,779	12,871	12,891	12,973	12,475
7,696	5,497	3,841	3,525	3,528	3,404	4,018
190	145	111	180	144	289	339
390	369	238	208	243	274	444
75	65	85	127	156	101	152
521,096	373,540	336,880	453,767	498,878	501,906	461,500
17,000	6,800	8,800	4,748	5,622	6,716	11,615
51	44	40	50	79	40	57
17	18	13	41	34	33	45
82	235	203	232	290	343	462
19,000	600	500	n/a	1,100	2,500	19,191
9,139	5,299	5,060	6,088	5,520	10,721	16,979
11,054	8,539	8,297	3,484	10,933	19,924	13,561
3,877	946	4,743	585	1,969	1,155	5,989
87%	97%	98%	96%	98%	97%	97%
1,362	1,160	1,305	269	n/a	3,055	3,117
3,234	3,651	3,273	4,641	3,792	3,039	3,733
50	106	28	179	n/a	10	59

(continued)

City of Marion
 Operating Indicators by Program/Department
 Last Ten Years
 (continued)

Program/Department	2017	2016	2015
Transportation			
Total Transit Ridership	119,457	149,094	167,680
Hot Mix Asphalt (in tons)	1,039	603	367
Cold Mix Asphalt (in tons)	201	165	361
Tack Used (in gallons)	772	356	64
Aggregate Used (in tons)	217	1,032	1,368
General Government			
Council and Clerk			
Number of Ordinances Passed	66	86	95
Number of Resolutions Passed	20	27	20
Engineering Excavation Permits Issued	802	660	667

Source: City Records

n/a - not available

2014	2013	2012	2011	2010	2009	2008
177,000	195,139	193,283	190,480	184,068	180,054	185,072
196	786	211	486	90	83	895
359	184	209	276	250	250	530
185	738	339	816	591	427	1,305
905	0	12	590	70	132	132
81	91	84	99	119	99	133
27	24	26	27	21	27	25
779	694	721	708	656	660	677

City of Marion
Capital Assets by Program/Department
Last Ten Years

Program/Department	2017	2016	2015	2014
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	27	27	30	30
Security of Persons and Property-Fire				
Stations	3	3	3	3
Vehicles	14	15	14	13
Public Health				
Buildings	1	1	1	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	12	10	9	9
Transportation - Transit				
Bus Terminal	1	1	1	1
Vehicles	15	15	18	15
Transportation - Other				
Airport Buildings	3	3	3	3
Other Buildings	3	3	3	3
Streets (miles)	311	311	311	311
Vehicles	27	27	24	22
General Government - Court				
Buildings	1	1	1	1
Vehicles	2	2	0	0
General Government - Other				
Buildings	4	4	4	4
Vehicles	2	2	3	1
Sewer				
Sewer Lines (miles)	134	134	134	134
Vehicles	19	19	17	16
Sanitation				
Vehicles	21	21	18	13
Storm Water				
Storm Water Lines (miles)	135	135	135	135
Vehicles	14	14	15	15

Source: City Records

2013	2012	2011	2010	2009	2008
1 30	1 33	1 38	1 36	1 36	1 34
3 13	3 13	3 14	3 14	3 14	3 13
2	2	2	2	2	2
7 19 12 1 8	7 19 12 1 8	7 19 12 1 10	7 19 12 1 10	7 19 12 1 9	7 18 11 1 9
1 16	1 16	1 19	1 15	1 16	1 17
3 3 311 21	3 3 311 21	3 3 311 21	3 3 311 21	3 3 311 20	3 3 311 20
1 1	1 1	1 1	1 1	1 1	1 1
4 1	4 1	4 2	4 2	4 1	4 1
134 15	134 14	134 16	132 16	128 16	127 15
13	13	14	14	14	14
135 15	135 15	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
AUGUST 7, 2018