



**CITY OF MARION
MARION COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

**OHIO AUDITOR OF STATE
KEITH FABER**



**CITY OF MARION
MARION COUNTY
DECEMBER 31, 2018**

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FEDERAL GRANTOR <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-16-2CI-1	\$ 3,925
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-17-2CI-1	63,546
Total Community Development Grants / State's Program and Non-Entitlement Grants in Hawaii			<u>67,471</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>67,471</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Drug Court Discretionary Grant Program (Direct)	16.585	N/A	90,476
Bulletproof Vest Partnership Program (Direct)	16.607	N/A	800
<i>Passed Through Ohio Department of Public Safety / Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JG-B01-6412	50,000
Edward Byrne Memorial Justice Assistance Grant Program (Direct)	16.738	N/A	<u>12,515</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>153,791</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Airport Improvement Program (Direct)	20.106	N/A	92,989
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Rural Areas	20.509	110-RPTF-18-0100	392,205
Formula Grants for Rural Areas	20.509	110-INTC-18-0200	<u>2,025</u>
Total Formula Grants for Rural Areas			394,230
National Infrastructure Investments	20.933	103309	103,908
<i>Passed Through Ohio Department of Public Safety</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	IDEP/STEP-2018-Marion Police Dept.-00065	560
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2018-Marion Police Dept.-00065	<u>1,601</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>593,288</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	54,684
National Family Caregiver Support, Title III, Part E	93.052	N/A	<u>3,078</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>57,762</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 872,312</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, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Marion (the City's) under programs of the federal government for the year ended December 31, 2018. 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 reported for the Formula Grant for Rural Areas (CFDA #20.509) are presented on an accrual basis. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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, 2018 is \$14,027.

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

Federal expenditures totaling \$54 passed through the Ohio Department of Public Safety for the Minimal Penalties for Repeat Offenders for Driving While Intoxicated program (CFDA # 20.608) were inadvertently omitted by the City from the prior year's Schedule of Expenditures of Federal Awards but have been included in the current year's Schedule of Expenditures of Federal Awards.

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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, 2018, 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 19, 2019, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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*.

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.



Keith Faber
Auditor of State

Columbus, Ohio

June 19, 2019

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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 W. 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, 2018. 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.

Opinion on the Major Federal Program

In our opinion, the City of Marion complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

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 2018-001. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program'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 a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2018-001.

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Marion (the City) as of and for the year ended December 31, 2018, 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 19, 2019. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State

Columbus, Ohio

August 15, 2019

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA # 20.509 – Formula Grants for Rural Areas
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	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, 2018
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2018-001		
CFDA Title and Number	Formula Grants for Rural Areas (CFDA # 20.509)		
Federal Award Identification Number / Year	110-RPTF-18-0100 and 110-INTC-18-0200		
Federal Agency	U.S. Department of Transportation		
Compliance Requirement	Equipment and Real Property Management		
Pass-Through Entity	Ohio Department of Transportation		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	N/A

Material Weakness / Noncompliance

2 CFR § 1201.1 gives regulatory effect to the Department of Transportation for **2 CFR § 200.313(d)** which provides that procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Furthermore, the City's Fixed Asset Procedures, Annual Physical Inventory section, provides that each department or division is required to conduct an annual physical inventory. An inventory report as of June 30 will be supplied to each department when all purchases for the month of June have been entered into the Fixed Asset System. Each department will then have 60 days to conduct their physical inventory and submit the required certification to the Auditor's Office.

As of December 31, 2018, the City had not performed a physical inventory of capital assets within the prior two fiscal years. Additionally, the City's capital asset listing does not indicate the percentage of Federal participation in the project costs for the Federal award under which the property was acquired.

Failure to maintain appropriate capital asset records and have adequate internal controls over capital assets may result in the loss, misappropriation, theft, or diversion of assets and noncompliance with federal award requirements and Council policy.

CITY OF MARION
MARION COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018
(Continued)

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	2018-001 (Continued)
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Material Weakness / Noncompliance (Continued)

We recommend the City review their capital asset listing to ensure compliance with federal award requirements and Council policy. We further recommend the City perform the required physical inventory.

Officials' Response: See Corrective Action Plan

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
December 31, 2017

Finding Number	Finding Summary	Status	Additional Information
2017-001	Procurement, Suspension and Debarment	Fully Corrected	
2017-002	Cash Management	Fully Corrected	

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**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2018**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	The City of Marion will be implementing a supplemental inventory/asset form to include the required information to indicate the source of funding for the purchase of items. A physical inventory will be completed on or before September 30, 2019	09/30/2019	Jeff Marsh, Transit Cathy Chaffin, Deputy Auditor

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CITY OF MARION, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2018

**INTRODUCTORY
SECTION**

CITY OF MARION, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2018

Prepared By:

City Auditor

KELLY L. CARR

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CITY OF MARION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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June 19, 2019

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, 2018. This report provides a full and complete disclosure of the financial operations of the City of Marion. It is intended to inform elected officials, employees, bondholders, investment bankers, rating agencies, and all interested persons of the financial affairs of the City. The CAFR conforms to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Marion's financial statements for the year ended December 31, 2018. 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 35,997, is the largest municipality in Marion County and has an area of approximately 11.82 square miles. The City's land use is broken down as follows:

Real Property	
Residential	69.38%
Commercial	18.36
Industrial	3.20
Agricultural	.13
Public Utility Personal	8.89
Public Utility	.04

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 two hundred fifty 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 337,493 items available for checkout with a total circulation of 347,860. There is also a digital library with 58,229 downloads available.

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 is one private prison and one state prison within the City limits that are also large employers.

The unemployment rate remained unchanged from December 2017 to December 2018 at 4.8 percent.

City administration continues to work on retention and expansion with local businesses. Poet completed a \$125,000,000 expansion in 2018 and Nucor finished phase one of a \$85,000,000 project and phase two is currently underway.

Vancouver's Enterra Feeds will be putting in a Black Soldier Fly Larvae growing facility at 617 West Center Street. The larvae will be grown in Poet's dried distillery grain production (left over protein after carbs are turned into ethanol) with the addition of some waste food. They will harvest about 4,000 pounds a day.

Humble/Robinson will start construction of a 160,000 square foot building this year. The building is being designed for a distribution facility that could be modified for manufacturing.

Ohio Health completed its downtown facility and the Ohio Health Marion General expansion is currently getting ready to begin. This is a \$50,000,000 investment.

U.S. Yachiyo, Inc. is planning an expansion. The estimated investment is about \$35,000,000 and they will be adding two new fuel tank lines.

City administration completed the Kroger project annexation in 2016. Kroger will be building a new Market Place. They have requested and received a one-year extension on their development plan.

Amato's Pizza and North High Brewing Company are investing approximately \$1,500,000 in the downtown area. These projects are currently in progress.

The City continues to improve infrastructure to become more business friendly. In 2012, the Northwest Industrial Corridor, a road that creates a link to west side industry, was opened. Construction of an overpass on State Route 309 is currently underway. The overpass will enhance access to the intermodal facility and will become a CSX select site after completion.

The Street Construction Maintenance and Repair Fund receives a portion of the income tax to help with street improvements. City Council also approved increasing the permissive motor vehicle tax by \$10. The City completed fifteen resurfacing projects in 2018. In addition, the City coordinated with the Ohio Department of Transportation (ODOT) to resurface a portion of State Route 95 including Blaine Avenue, Center Street, Columbia Street, and Mt. Vernon Avenue. For 2019, the City will be spending approximately \$1,500,000 in resurfacing projects. The City will again be working with ODOT for resurfacing sections of State Route 739.

Health care costs to the City decreased 4.9 percent in 2019. The City continues to explore all possibilities to help with health care costs.

The City's finances are stable. Fund balance in the General Fund at year end was 26.8 percent percent of General Fund revenues for 2018. 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 of revenue.

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.

A CDBG grant project, totaling \$185,000, is the Sawyer Ludwig Park Trail Extension. This project will be completed in 2019. The City has also completed improvements at the Women's Club Home, demolition of blighted structures, new concrete for the picnic shelter, and demolition of Rose Cottage at Sawyer Ludwig Park.

The City received a Critical Infrastructure Grant from CDBG in 2019, in the amount of \$500,000. This will be used for necessary improvements to Fire Department Station 1. This project is anticipated to begin in 2019.

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 for design and a \$12.5 million low interest loan for construction enhancements to the Water Pollution Control Center. The design phase began in 2018 and construction is anticipated to begin in 2019.

In 2018, City Council passed a ten-year plan for retiring sanitary sewer debt. This will increase rates 8 percent for non-residential accounts beginning in February 2019 followed by a 5 percent increase for all sanitary sewer accounts annually thereafter for a period of nine years.

Two storm water/sanitary sewer projects will be completed in 2019, Uhler Road and Park Street. The estimated cost of these projects is \$2,856,000. The projects will be paid for by grants and available City resources.

The City received funding through the Ohio Department of Transportation Municipal Bridge Program to rehabilitate the existing arch bridge on South Greenwood Street. Construction will be completed in the fall of 2019.

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 and be completed in 2020. The funding for this project will include FAA grants, ODOT grants, and available City resources. The new terminal building is not designated as 100 percent public use. "Public" use areas, including the pilot's lounge, restroom facilities, and lobby areas are funded 90 percent by the FAA, with ODOT contributing 5 percent, and the City funding the remaining 5 percent. The City will need to fund the remainder of the building's "private" use areas including conference rooms and administrative offices. While project costs are not yet finalized, it is estimated that the FAA share of the project will be approximately \$600,000. City funding for the project will largely come from money earmarked from the sale of airport land and buildings. Project costs to the City is estimated to be approximately \$526,000.

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 2018 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

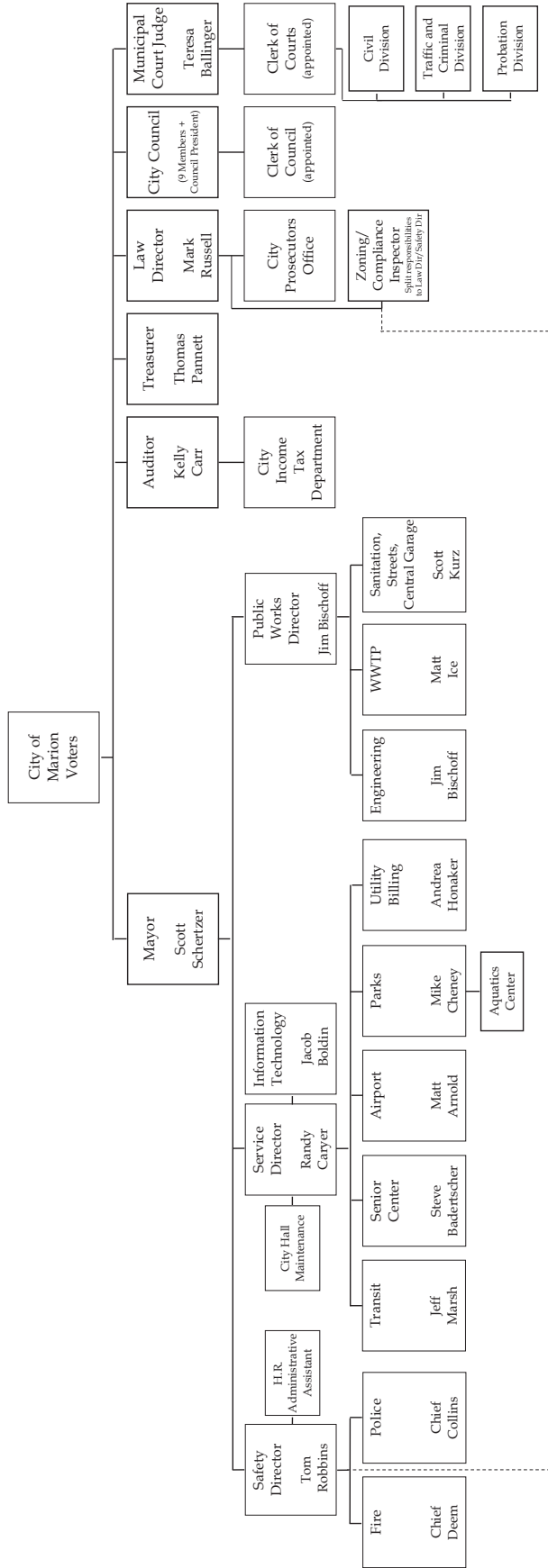
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

City of Marion Organizational Chart



CITY OF MARION

PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2018

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.....	Todd Schneider
Council Members.....	Robert Landon Ayers Ratliff, Jr. Jason Schaber Deborah Blevins Leslie Cunningham Rick Huddle Rebecca Gustin Kevin Norris Josh Daniels

APPOINTED OFFICIALS

Clerk of Council.....	Tarina Rose
Clerk of Courts.....	Amanda Fellows
Service Director	Randy Caryer
Safety Director	Thomas Robbins

FINANCIAL

SECTION

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CentralRegion@ohioauditor.gov

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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 19, 2019, 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State

Columbus, Ohio

June 19, 2019

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CITY OF MARION
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2018 are as follows:

In total, the City's net position decreased 10 percent from the prior year; a decrease of 17 percent for governmental activities and an increase of 2 percent for business-type activities.

General revenues made up 74 percent of the total revenues for governmental activities in 2018, and of this amount, 80 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 2018. 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
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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 2018 and 2017.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>						
Current and Other Assets	\$17,964,931	\$17,571,236	\$11,161,830	\$12,218,755	\$29,126,761	\$29,789,991
Net Pension Asset	27,833	0	14,989	0	42,822	0
Capital Assets, Net	51,227,590	52,528,668	43,875,972	43,096,031	95,103,562	95,624,699
Total Assets	<u>69,220,354</u>	<u>70,099,904</u>	<u>55,052,791</u>	<u>55,314,786</u>	<u>124,273,145</u>	<u>125,414,690</u>
<u>Deferred Outflows of Resources</u>						
Pension	5,137,023	7,772,796	796,844	1,729,046	5,890,612	9,501,842
OPEB	2,308,767	88,066	178,407	26,985	2,459,245	115,051
Total Deferred Outflows of Resources	<u>7,445,790</u>	<u>7,860,862</u>	<u>975,251</u>	<u>1,756,031</u>	<u>8,349,857</u>	<u>9,616,893</u>
<u>Liabilities</u>						
Current and Other Liabilities	1,005,326	2,849,422	1,334,566	9,023,087	2,339,892	11,872,509
<u>Long-Term Liabilities</u>						
Pension	25,663,517	28,678,116	3,014,787	4,270,075	28,678,304	32,948,191
OPEB	22,271,666	18,844,537	2,018,575	1,836,221	24,290,241	20,680,758
Other Amounts	8,533,395	7,641,568	37,097,660	30,420,703	45,631,055	38,062,271
Total Liabilities	<u>57,473,904</u>	<u>58,013,643</u>	<u>43,465,588</u>	<u>45,550,086</u>	<u>100,939,492</u>	<u>103,563,729</u>
<u>Deferred Inflows of Resources</u>						
Pension	2,160,375	131,723	761,959	116,760	2,879,079	248,483
OPEB	547,136	0	150,370	0	669,577	0
Other Amounts	1,467,597	1,653,414	0	0	1,467,597	1,653,414
Total Deferred Inflows of Resources	<u>4,175,108</u>	<u>1,785,137</u>	<u>912,329</u>	<u>116,760</u>	<u>5,016,253</u>	<u>1,901,897</u>
<u>Net Position</u>						
Net Investment in Capital Assets	47,651,565	47,939,722	10,513,916	9,153,560	58,165,481	57,093,282
Restricted	7,181,833	7,611,837	0	0	7,181,833	7,611,837
Unrestricted (Deficit)	(39,816,266)	(37,389,573)	1,136,209	2,250,411	(38,680,057)	(35,139,162)
Total Net Position	<u>\$15,017,132</u>	<u>\$18,161,986</u>	<u>\$11,650,125</u>	<u>\$11,403,971</u>	<u>\$26,667,257</u>	<u>\$29,565,957</u>

CITY OF MARION
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The net pension liability (asset) reported by the City at December 31, 2018, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For 2018, the City adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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 retirement system is responsible for the administration of the pension and OPEB plans.

CITY OF MARION
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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 or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability, respectively, not accounted for as deferred outflows/inflows.

As a result of implementing GASB Statement No. 75, the City is reporting a net OPEB liability and deferred outflows/inflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$36,870,566 to \$18,161,986 for governmental activities and from \$13,261,098 to \$11,403,971 for business-type activities.

Pension/OPEB changes noted in the above table reflect a decrease in the net pension liability and increase in the net OPEB liability for the City's proportionate share of the unfunded benefits. The overall decrease in deferred outflows and overall increase in deferred inflows represent changes in benefits, contribution rates, return on investments, and actuarial assumptions.

Aside from the changes related to pension/OPEB, other changes for governmental activities reflect a sizable decrease in current and other liabilities. At the end of the prior year, there were significant payables outstanding related to street projects. Also, bond anticipation notes were retired in 2018 by the issuance of general obligation bonds (so short-term debt was exchanged for long-term debt); note the increase in other long-term liabilities.

For business-type activities, there was a decrease in current and other assets which was primarily cash and cash equivalents as resources were spent to retire debt and for projects. While the City continues to have payables outstanding at year end related to ongoing projects, there was a significant decrease in current and other liabilities as the prior year had a much larger liability at year end, particularly related to the George Street and Hane Avenue sewer and storm water projects. Other long-term liabilities increased due to the issuance of general obligation bonds and a new loan with the Ohio Water Development Authority for WPC treatment enhancements.

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Table 2 reflects the change in net position for 2018 and 2017.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$3,182,342	\$2,835,479	\$12,042,693	\$10,969,696	\$15,225,035	\$13,805,175
Operating Grants, Contributions, and Interest	2,929,819	3,016,232	0	0	2,929,819	3,016,232
Capital Grants and Contributions	1,453,864	1,084,220	19,200	570,852	1,473,064	1,655,072
Total Program Revenues	<u>7,566,025</u>	<u>6,935,931</u>	<u>12,061,893</u>	<u>11,540,548</u>	<u>19,627,918</u>	<u>18,476,479</u>
General Revenues						
Property Taxes Levied for General Purposes	1,124,347	1,092,591	0	0	1,124,347	1,092,591
Property Taxes Levied for Police and Fire Pension	204,618	199,790	0	0	204,618	199,790
Payment in Lieu of Taxes	434,523	383,876	0	0	434,523	383,876
Municipal Income Taxes Levied for General Purposes	8,446,373	7,808,668	0	0	8,446,373	7,808,668
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	644,420	618,417	0	0	644,420	618,417
Municipal Income Taxes Levied for Police and Fire	7,449,990	7,073,961	0	0	7,449,990	7,073,961
Municipal Income Taxes Levied for Capital Improvements	427,367	406,028	0	0	427,367	406,028
Grants and Entitlements not Restricted to Specific Programs	898,920	819,578	0	0	898,920	819,578
Franchise Taxes	333,694	292,236	0	0	333,694	292,236
Interest	218,065	134,977	0	0	218,065	134,977
Other	1,066,332	608,125	481,632	420,386	1,547,964	1,028,511
Total General Revenues	<u>21,248,649</u>	<u>19,438,247</u>	<u>481,632</u>	<u>420,386</u>	<u>21,730,281</u>	<u>19,858,633</u>
Total Revenues	<u>28,814,674</u>	<u>26,374,178</u>	<u>12,543,525</u>	<u>11,960,934</u>	<u>41,358,199</u>	<u>38,335,112</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	8,876,793	7,760,073	0	0	8,876,793	7,760,073
Fire	7,770,308	6,785,552	0	0	7,770,308	6,785,552
Other	264,532	262,241	0	0	264,532	262,241
Public Health	332,510	391,220	0	0	332,510	391,220
Leisure Time Activities	1,296,203	1,126,742	0	0	1,296,203	1,126,742
Community Environment	273,008	615,208	0	0	273,008	615,208
Transportation						
Transit	1,119,659	1,108,187	0	0	1,119,659	1,108,187
Other	6,646,985	6,870,206	0	0	6,646,985	6,870,206

(continued)

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Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Program Expenses (continued)</u>						
General Government						
Court	\$1,934,141	\$1,833,153	\$0	\$0	\$1,934,141	\$1,833,153
Other	3,924,587	4,020,092	0	0	3,924,587	4,020,092
Interest and Fiscal Charges	112,338	117,917	0	0	112,338	117,917
Sewer	0	0	7,450,382	6,735,102	7,450,382	6,735,102
Sanitation	0	0	2,390,970	2,527,701	2,390,970	2,527,701
Landfill	0	0	(19,200)	19,858	(19,200)	19,858
Storm Water	0	0	1,413,679	1,640,883	1,413,679	1,640,883
Aquatics Center	0	0	470,004	535,160	470,004	535,160
Total Expenses	<u>32,551,064</u>	<u>30,890,591</u>	<u>11,705,835</u>	<u>11,458,704</u>	<u>44,256,899</u>	<u>42,349,295</u>
Increase (Decrease) in Net Position						
Before Transfers	(3,736,390)	(4,516,413)	837,690	502,230	(2,898,700)	(4,014,183)
Transfers	591,536	6,410	(591,536)	(6,410)	0	0
Increase (Decrease) in Net Position	<u>(3,144,854)</u>	<u>(4,510,003)</u>	<u>246,154</u>	<u>495,820</u>	<u>(2,898,700)</u>	<u>(4,014,183)</u>
Net Position Beginning of Year	18,161,986	N/A	11,403,971	N/A	29,565,957	N/A
Net Position End of Year	<u>\$15,017,132</u>	<u>\$18,161,986</u>	<u>\$11,650,125</u>	<u>\$11,403,971</u>	<u>\$26,667,257</u>	<u>\$29,565,957</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB Statement No. 75 is not available. Therefore, 2017 program expenses still include OPEB expense of \$115,051 computed under GASB Statement No. 45. GASB Statement No. 45 required recognizing pension expense equal to contractually required contributions to the plan. Under GASB Statement No. 75, OPEB expense represents additional amounts earned adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB Statement No. 75, the 2018 financial statements report OPEB expense of \$1,977,224. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed.

	Governmental Activities	Business-Type Activities	Total
Total 2018 Program Expenses Under GASB Statement No. 75	\$32,551,064	\$11,705,835	\$44,256,899
OPEB Expense Under GASB Statement No. 75	(1,793,991)	(183,233)	(1,977,224)
2018 Contractually Required Contribution	40,427	1,931	42,358
Adjusted 2018 Program Expenses	<u>30,797,500</u>	<u>11,524,533</u>	<u>42,322,033</u>
Total 2017 Program Expenses Under GASB Statement No. 45	<u>30,890,591</u>	<u>11,458,704</u>	<u>42,349,295</u>
Increase (Decrease) in Program Expenses Not Related to OPEB	<u>(\$93,091)</u>	<u>\$65,829</u>	<u>(\$27,262)</u>

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The above table reflects the revenues and expenses for operating the City during 2018. For governmental activities, the increase in program revenues for charges for services is primarily EMS run charges and charges to residents for weed control; the increase in capital grants and contributions is related to resources from the Ohio Department of Transportation for street improvements. For general revenues, the increase in municipal income taxes reflects the improved economic conditions and the increase in other revenue is due to a reimbursement from the Bureau of Workers' Compensation. After factoring out the effect of expenses related to OPEB, there was very little change in total expenses from the prior year.

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. Rates were increased effective September 1, 2017, so 2018 realized a full year of collection at the new rates. Likewise for business-type activities, after factoring out the effect of expenses related to OPEB, there was very little change in total expenses from the prior year.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Security of Persons and Property				
Police	\$8,876,793	\$7,760,073	\$8,693,493	\$7,551,262
Fire	7,770,308	6,785,552	6,734,833	5,873,516
Other	264,532	262,241	264,532	262,241
Public Health	332,510	391,220	332,510	391,220
Leisure Time Activities	1,296,203	1,126,742	1,080,496	894,630
Community Environment	273,008	615,208	208,376	279,275
Transportation				
Transit	1,119,659	1,108,187	335,075	193,873
Other	6,646,985	6,870,206	3,470,496	4,372,937
General Government				
Court	1,934,141	1,833,153	361,015	355,007
Other	3,924,587	4,020,092	3,391,875	3,662,782
Interest and Fiscal Charges	112,338	117,917	112,338	117,917
Total Expenses	\$32,551,064	\$30,890,591	\$24,985,039	\$23,954,660

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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 24 percent of the costs of the community environment program. Charges for services and various grants and contributions provided for 51 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 7 percent increase in fund balance primarily due to the increase in municipal income taxes as indicated previously. There was little change in total expenditures from the prior year.

The increase in fund balance in the Street Construction, Maintenance, and Repair Fund is largely due to an increase in grant funding in 2018 as well as a much larger operating subsidy from the General Fund.

The increase in fund balance in the Police, Dispatch, and Fire Income Tax Fund is generally due to an increase in municipal income taxes as previously mentioned as well as a larger operating subsidy from the General Fund.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

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

There was a decrease in net position in the Sewer Fund despite a 21 percent increase in revenues (due to a full year of collection at the rate that became effective September 1, 2017) versus an 11 percent increase in expenses (largely related to salary and benefit costs). The decrease is primarily due to a transfer of assets to governmental activities.

There was very little change in net position (less than 1 percent) for the Sanitation Fund.

The Landfill Fund had an increase in net position for 2018; 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.

There was an increase in revenues in the Storm Water Fund due to receiving a full year of collection at the rate which took effect on September 1, 2017. The decrease in expenses was primarily due to staff reductions. The result was an increase in net position.

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The deficit net position for the Aquatics Center Fund increased approximately \$8,500 (1 percent). This fund has had a deficit net position since its inception in 2011. The fund had an operating income; however, interest on debt continues to increase 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, the increase from the original budget to the final budget was primarily due to improved municipal income tax projections. Changes for the final budget to actual revenues were not significant. 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, 2018, was \$51,227,590 and \$43,875,972, respectively (net of accumulated depreciation). The most significant additions for governmental activities were street improvements and vehicles. Disposals were buildings, vehicles and street replacements. The most significant additions for business-type activities were infrastructure improvements. Disposals were miscellaneous equipment and vehicles. For further information regarding the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2018, the City had a number of long-term obligations outstanding including \$29,211,121 in general obligation bonds, \$1,994,710 in Ohio Public Works Commission loans, and \$7,672,056 in Ohio Water Development Authority loans. Of this debt, \$35,412,453 will be paid from business-type activities. During 2018, the City issued general obligation bonds, in the amount of \$7,485,000; \$240,000 for City Hall improvements, \$265,000 for the purchase of an EMS vehicle, and \$6,980,000 sewer and storm water improvements. OPWC and OWDA loans were also issued for sewer and storm water replacement.

In addition, the City's long-term obligations also include the net pension liability, net OPEB liability, compensated absences, capital leases, 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, 19, and 20 to the basic financial statements.

CURRENT ISSUES

The City will continue to work with the Ohio EPA on the City's long-term control plan and to continue to identify sewer and storm water projects to meet the objectives of this plan.

The City will be working with the Ohio Department of Transportation (ODOT) again in 2019 on the South Greenwood Street bridge as well as several paving projects on State Route 95 and State Route 739. The City will also undertake other local paving projects.

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Plans are proceeding to build a new terminal at the airport. Final project costs are yet to be determined; however, a combination of FAA resources, ODOT resources, and City resources will be used to fund this construction.

Business expansion and development remains a focus for the City administration. Business expansion is occurring with OhioHealth, U.S. Yachiyo, Poet, Nucor, and Kroger and new development is occurring with Enterra Feeds, Humble/Robinson, Amato's Pizza, and North High Brewing Company.

Once completed, the overpass on State Route 309 that is being constructed by ODOT will enhance access to the intermodal facility on the City's west side and will become a CSX select site upon completion. This development, along with the Northwest Industrial Corridor constructed several years ago will only enhance development opportunities in the area.

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.

City of Marion
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total *
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$9,586,841	\$4,820,054	\$14,406,895
Cash and Cash Equivalents with Escrow Agent	47,530	0	47,530
Accounts Receivable	786,316	5,863,115	6,649,431
Accrued Interest Receivable	67,711	0	67,711
Due from Other Governments	1,384,056	450,124	1,834,180
Municipal Income Taxes Receivable	3,326,102	0	3,326,102
Other Local Taxes Receivable	19,790	0	19,790
Internal Balances	75,382	(75,382)	0
Prepaid Items	86,477	32,558	119,035
Materials and Supplies Inventory	216,556	71,361	287,917
Property Taxes Receivable	1,635,470	0	1,635,470
Payment in Lieu of Taxes Receivable	241,016	0	241,016
Notes Receivable	491,684	0	491,684
Net Pension Asset	27,833	14,989	42,822
Nondepreciable Capital Assets	9,757,103	2,607,388	12,364,491
Depreciable Capital Assets, Net	41,470,487	41,268,584	82,739,071
Total Assets	<u>69,220,354</u>	<u>55,052,791</u>	<u>124,273,145</u>
<u>Deferred Outflows of Resources</u>			
Pension	5,137,023	796,844	5,890,612
OPEB	2,308,767	178,407	2,459,245
Total Deferred Outflows of Resources	<u>7,445,790</u>	<u>975,251</u>	<u>8,349,857</u>
<u>Liabilities</u>			
Accrued Wages Payable	282,467	65,227	347,694
Accounts Payable	275,371	204,721	480,092
Contracts Payable	43,164	716,742	759,906
Due to Other Governments	331,409	113,335	444,744
Matured Compensated Absences Payable	21,468	0	21,468
Retainage Payable	0	146,074	146,074
Accrued Interest Payable	11,448	88,467	99,915
Unearned Revenue	39,999	0	39,999
Long-Term Liabilities			
Due Within One Year	869,615	3,029,031	3,898,646
Due in More Than One Year			
Net Pension Liability	25,663,517	3,014,787	28,678,304
Net OPEB Liability	22,271,666	2,018,575	24,290,241
Other Amounts Due in More Than One Year	7,663,780	34,068,629	41,732,409
Total Liabilities	<u>57,473,904</u>	<u>43,465,588</u>	<u>100,939,492</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,226,581	0	1,226,581
Payment in Lieu of Taxes	241,016	0	241,016
Pension	2,160,375	761,959	2,879,079
OPEB	547,136	150,370	669,577
Total Deferred Inflows of Resources	<u>4,175,108</u>	<u>912,329</u>	<u>5,016,253</u>

(continued)

City of Marion
Statement of Net Position
December 31, 2018
(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total *</u>
<u>Net Position</u>			
Net Investment in Capital Assets	\$47,671,157	\$10,513,916	\$58,185,073
Restricted for			
Capital Projects	2,798,306	0	2,798,306
Street Construction, Maintenance, and Repair	1,929,807	0	1,929,807
Court Operations	855,726	0	855,726
Economic Development	487,049	0	487,049
Senior Citizens	320,884	0	320,884
Other Purposes	790,061	0	790,061
Unrestricted (Deficit)	<u>(39,835,858)</u>	<u>1,136,209</u>	<u>(38,699,649)</u>
Total Net Position	<u>\$15,017,132</u>	<u>\$11,650,125</u>	<u>\$26,667,257</u>

* After deferred outflows and inflows related to the change in internal proportionate share of pension related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Activities
For the Year Ended December 31, 2018

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions, and Interest</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$8,876,793	\$57,452	\$125,848	\$0
Fire	7,770,308	1,014,138	21,337	0
Other	264,532	0	0	0
Public Health	332,510	0	0	0
Leisure Time Activities	1,296,203	21,487	194,220	0
Community Environment	273,008	0	257	64,375
Transportation				
Transit	1,119,659	93,591	690,993	0
Other	6,646,985	326,062	1,460,938	1,389,489
General Government				
Court	1,934,141	1,136,900	436,226	0
Other	3,924,587	532,712	0	0
Interest and Fiscal Charges	112,338	0	0	0
Total Governmental Activities	<u>32,551,064</u>	<u>3,182,342</u>	<u>2,929,819</u>	<u>1,453,864</u>
<u>Business-Type Activities</u>				
Sewer	7,450,382	7,404,686	0	9,600
Sanitation	2,390,970	2,364,716	0	0
Landfill	(19,200)	128,000	0	0
Storm Water	1,413,679	1,939,467	0	9,600
Aquatics Center	470,004	205,824	0	0
Total Business-Type Activities	<u>11,705,835</u>	<u>12,042,693</u>	<u>0</u>	<u>19,200</u>
Total	<u>\$44,256,899</u>	<u>\$15,225,035</u>	<u>\$2,929,819</u>	<u>\$1,473,064</u>

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 - Restated (Note 3)

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$8,693,493)	\$0	(\$8,693,493)
(6,734,833)	0	(6,734,833)
(264,532)	0	(264,532)
(332,510)	0	(332,510)
(1,080,496)	0	(1,080,496)
(208,376)	0	(208,376)
(335,075)	0	(335,075)
(3,470,496)	0	(3,470,496)
(361,015)	0	(361,015)
(3,391,875)	0	(3,391,875)
(112,338)	0	(112,338)
(24,985,039)	0	(24,985,039)
0	(36,096)	(36,096)
0	(26,254)	(26,254)
0	147,200	147,200
0	535,388	535,388
0	(264,180)	(264,180)
0	356,058	356,058
(24,985,039)	356,058	(24,628,981)
1,124,347	0	1,124,347
204,618	0	204,618
434,523	0	434,523
8,446,373	0	8,446,373
644,420	0	644,420
7,449,990	0	7,449,990
427,367	0	427,367
898,920	0	898,920
333,694	0	333,694
218,065	0	218,065
1,066,332	481,632	1,547,964
21,248,649	481,632	21,730,281
591,536	(591,536)	0
(3,144,854)	246,154	(2,898,700)
18,161,986	11,403,971	29,565,957
\$15,017,132	\$11,650,125	\$26,667,257

City of Marion
Balance Sheet
Governmental Funds
December 31, 2018

	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	\$2,581,775	\$549,481	\$1,058,525	\$5,369,591	\$9,559,372
Accounts Receivable	784,838	0	1,478	0	786,316
Accrued Interest Receivable	67,711	0	0	0	67,711
Due from Other Governments	407,305	602,034	37,008	337,163	1,383,510
Municipal Income Taxes Receivable	1,663,050	133,045	1,463,486	66,521	3,326,102
Other Local Taxes Receivable	0	0	0	19,790	19,790
Interfund Receivable	191,400	0	0	0	191,400
Prepaid Items	32,248	7,322	39,748	5,776	85,094
Materials and Supplies Inventory	18,284	52,519	8,436	244	79,483
<u>Restricted Assets</u>					
Cash and Cash Equivalents with Escrow Agent	47,530	0	0	0	47,530
Property Taxes Receivable	1,384,199	0	0	251,271	1,635,470
Payment in Lieu of Taxes Receivable	0	0	0	241,016	241,016
Notes Receivable	0	0	0	491,684	491,684
Total Assets	\$7,178,340	\$1,344,401	\$2,608,681	\$6,783,056	\$17,914,478
<u>Liabilities</u>					
Accrued Wages Payable	\$39,605	\$20,282	\$198,500	\$19,069	\$277,456
Accounts Payable	67,040	25,296	123,078	13,748	229,162
Contracts Payable	0	0	0	43,164	43,164
Due to Other Governments	89,579	25,352	197,335	15,248	327,514
Matured Compensated Absences Payable	0	0	21,468	0	21,468
Interfund Payable	1,523	25,669	13,255	91,106	131,553
Unearned Revenue	0	0	0	39,999	39,999
Total Liabilities	197,747	96,599	553,636	222,334	1,070,316
<u>Deferred Inflows of Resources</u>					
Property Taxes	1,038,320	0	0	188,261	1,226,581
Payment in Lieu of Taxes	0	0	0	241,016	241,016
Unavailable Revenue	2,367,397	425,468	845,020	321,466	3,959,351
Total Deferred Inflows of Resources	3,405,717	425,468	845,020	750,743	5,426,948
<u>Fund Balance</u>					
Nonspendable	77,132	59,841	48,184	6,020	191,177
Restricted	0	762,493	1,161,841	5,798,694	7,723,028
Committed	1,762	0	0	9,384	11,146
Assigned	606,351	0	0	0	606,351
Unassigned (Deficit)	2,889,631	0	0	(4,119)	2,885,512
Total Fund Balance	3,574,876	822,334	1,210,025	5,809,979	11,417,214
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$7,178,340	\$1,344,401	\$2,608,681	\$6,783,056	\$17,914,478

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, 2018

Total Governmental Fund Balance \$11,417,214

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	51,227,590	
Internal Service Fund	(1,353,703)	
		49,873,887

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	697,913	
Accrued Interest Receivable	45,709	
Due from Other Governments	955,807	
Municipal Income Taxes Receivable	1,851,033	
Delinquent Property Taxes Receivable	408,889	
		3,959,351

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

(56,018)

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

Accrued Interest Payable	(11,448)	
Accrued Interest Payable - Internal Service Fund	2,776	
General Obligation Bonds Payable	(3,439,792)	
General Obligation Bonds Payable - Internal Service Fund	862,500	
OPWC Loan Payable	(25,642)	
Capital Leases Payable	(492,467)	
Compensated Absences Payable	(4,575,494)	
Compensated Absences Payable - Internal Service Fund	53,594	
		(7,625,973)

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.

Net Pension Asset	27,833	
Net Pension Asset - Internal Service Fund	(1,286)	
Deferred Outflows - Pension	5,137,023	
Deferred Outflows - Pension - Internal Service Fund	(64,320)	
Deferred Inflows - Pension	(2,160,375)	
Deferred Inflows - Pension - Internal Service Fund	64,461	
Net Pension Liability	(25,663,517)	
Net Pension Liability - Internal Service Fund	258,411	
Deferred Outflows - OPEB	2,308,767	
Deferred Outflows - OPEB - Internal Service Fund	(12,899)	
Deferred Inflows - OPEB	(547,136)	
Deferred Inflows - OPEB - Internal Service Fund	13,627	
Net OPEB Liability	(22,271,666)	
Net OPEB Liability - Internal Service Fund	173,021	
		(42,738,056)

(continued)

City of Marion
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2018
(continued)

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.

\$186,727

Net Position of Governmental Activities

\$15,017,132

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, 2018

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$1,123,233	\$0	\$0	\$204,560	\$1,327,793
Payment in Lieu of Taxes	0	0	0	434,523	434,523
Municipal Income Taxes	8,432,662	643,322	7,437,924	426,819	16,940,727
Other Local Taxes	0	0	0	300,512	300,512
Charges for Services	1,256,169	2,350	0	93,591	1,352,110
Fees, Licenses, and Permits	391,020	23,200	0	0	414,220
Fines and Forfeitures	856,605	0	0	431,108	1,287,713
Intergovernmental	868,839	1,817,920	36,822	1,768,425	4,492,006
Interest	182,436	331	0	5,241	188,008
Other	218,720	44,854	514,096	205,190	982,860
Total Revenues	13,329,684	2,531,977	7,988,842	3,869,969	27,720,472
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	7,451,289	161,007	7,612,296
Fire	0	0	6,369,201	120,445	6,489,646
Other	264,532	0	0	0	264,532
Public Health	332,274	0	0	0	332,274
Leisure Time Activities	1,025,576	0	0	150,505	1,176,081
Community Environment	204,846	0	0	68,162	273,008
Transportation					
Transit	0	0	0	930,118	930,118
Other	223,119	3,511,699	0	601,366	4,336,184
General Government					
Court	998,603	0	0	737,949	1,736,552
Other	3,042,116	0	0	286,384	3,328,500
Debt Service:					
Principal Retirement	0	0	57,749	362,807	420,556
Interest and Fiscal Charges	0	0	0	111,266	111,266
Total Expenditures	6,091,066	3,511,699	13,878,239	3,530,009	27,011,013
Excess of Revenues Over (Under) Expenditures	7,238,618	(979,722)	(5,889,397)	339,960	709,459
<u>Other Financing Sources (Uses)</u>					
General Obligation Bonds Issued	0	0	0	505,000	505,000
Premium on Bonds Issued	0	0	0	19,592	19,592
Inception of Capital Lease	0	0	550,216	0	550,216
Sale of Capital Assets	0	3,500	8,475	159,250	171,225
Transfers In	20,367	1,406,851	5,956,643	1,016,341	8,400,202
Transfers Out	(7,015,696)	0	0	(792,970)	(7,808,666)
Total Other Financing Sources (Uses)	(6,995,329)	1,410,351	6,515,334	907,213	1,837,569
Changes in Fund Balance	243,289	430,629	625,937	1,247,173	2,547,028
Fund Balance Beginning of Year	3,331,587	391,705	584,088	4,562,806	8,870,186
Fund Balance End of Year	\$3,574,876	\$822,334	\$1,210,025	\$5,809,979	\$11,417,214

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, 2018

Changes in Fund Balance - Total Governmental Funds \$2,547,028

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	380,392	
Capital Outlay - Depreciable Capital Assets	1,621,346	
Capital Contributions	1,644,257	
Depreciation	(4,788,153)	
Depreciation - Internal Service Fund	<u>44,252</u>	(1,097,906)

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

Proceeds from Sale of Capital Assets	(171,225)	
Gain on Disposal of Capital Assets	165,975	
Loss on Disposal of Capital Assets	<u>(153,670)</u>	(158,920)

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

Delinquent Property Taxes	1,172	
Municipal Income Taxes	27,423	
Charges for Services	154,172	
Fees, Licenses, and Permits	7,309	
Intergovernmental	(354,239)	
Interest	<u>31,009</u>	(133,154)

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	318,500	
General Obligation Bonds Payable - Internal Service Fund	(57,500)	
ODOT DRIP TIF Payable	95,397	
OPWC Loan Payable	6,410	
Capital Leases Payable	<u>57,749</u>	420,556

The inception of a capital lease is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (550,216)

Bond proceeds are other financing sources in the governmental funds but the issuance increases long-term liabilities on the statement of net position. (505,000)

(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, 2018
(continued)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, this amount is deferred and amortized on the statement of activities.

Accrued Interest Payable	(\$940)	
Accrued Interest Payable - Internal Service Fund	(132)	
Unamortized Premium	(19,592)	
		(20,664)

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	(295,075)	
Compensated Absences Payable - Internal Service Fund	5,243	
		(289,832)

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

Pension Expense	(3,875,937)	
Pension Expense - Internal Service Fund	57,103	
OPEB Expense	(1,793,991)	
OPEB Expense - Internal Service Fund	14,276	
		(5,598,549)

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 - Pension	2,253,944	
Contractually Required Contributions - Pension - Internal Service Fund	(32,239)	
Contractually Required Contributions - OPEB	40,427	
Contractually Required Contributions - OPEB - Internal Service Fund	(166)	
		2,261,966

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.

		(20,163)
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Change in Net Position of Governmental Activities		(\$3,144,854)
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See Accompanying Notes to the Basic Financial Statements

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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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>Revenues</u>				
Property Taxes	\$1,064,544	\$1,132,635	\$1,123,233	(\$9,402)
Municipal Income Taxes	7,208,809	7,617,756	7,474,803	(142,953)
Charges for Services	1,309,246	1,316,942	1,278,577	(38,365)
Fees, Licenses, and Permits	334,735	397,732	391,320	(6,412)
Fines and Forfeitures	851,100	867,218	855,159	(12,059)
Intergovernmental	844,478	848,505	867,882	19,377
Interest	100,000	148,600	183,126	34,526
Other	218,493	364,935	218,685	(146,250)
Total Revenues	11,931,405	12,694,323	12,392,785	(301,538)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other	290,000	266,000	265,988	12
Public Health	332,274	332,274	332,274	0
Leisure Time Activities	967,570	1,047,332	1,000,385	46,947
Community Environment	243,462	204,862	204,846	16
Transportation				
Other	252,160	249,960	221,260	28,700
General Government				
Court	1,063,248	1,054,863	990,723	64,140
Other	3,256,421	3,246,979	3,126,018	120,961
Total Expenditures	6,405,135	6,402,270	6,141,494	260,776
Excess of Revenues Over Expenditures	5,526,270	6,292,053	6,251,291	(40,762)
<u>Other Financing Sources (Uses)</u>				
Advances In	41,000	44,000	44,000	0
Transfers Out	(5,966,457)	(6,219,846)	(6,084,780)	135,066
Total Other Financing Sources (Uses)	(5,925,457)	(6,175,846)	(6,040,780)	135,066
Changes in Fund Balance	(399,187)	116,207	210,511	94,304
Fund Balance Beginning of Year	2,491,907	2,491,907	2,491,907	0
Fund Balance End of Year	<u>\$2,092,720</u>	<u>\$2,608,114</u>	<u>\$2,702,418</u>	<u>\$94,304</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,548,904	\$1,485,508	(\$63,396)
Charges for Services	2,800	2,800	2,350	(450)
Fees, Licenses, and Permits	19,000	24,000	23,000	(1,000)
Intergovernmental	1,326,523	1,876,556	1,666,220	(210,336)
Interest	200	309	331	22
Other	12,949	45,748	44,748	(1,000)
Total Revenues	2,736,050	3,498,317	3,222,157	(276,160)
<u>Expenditures</u>				
Current:				
Transportation				
Other	2,970,392	4,859,043	4,148,127	710,916
Excess of Revenues Under Expenditures	(234,342)	(1,360,726)	(925,970)	434,756
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	0	0	0
Sale of Capital Assets	0	3,500	3,500	0
Total Other Financing Sources	200,000	3,500	3,500	0
Changes in Fund Balance	(34,342)	(1,357,226)	(922,470)	434,756
Fund Balance Beginning of Year	1,461,845	1,461,845	1,461,845	0
Fund Balance End of Year	\$1,427,503	\$104,619	\$539,375	\$434,756

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, 2018

	<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	\$6,655,303	\$7,533,685	\$7,414,212	(\$119,473)
Intergovernmental	0	31,959	31,959	0
Other	<u>0</u>	<u>463,725</u>	<u>511,038</u>	<u>47,313</u>
Total Revenues	<u>6,655,303</u>	<u>8,029,369</u>	<u>7,957,209</u>	<u>(72,160)</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	6,903,472	7,415,733	7,274,465	141,268
Fire	<u>5,847,833</u>	<u>6,070,710</u>	<u>5,974,154</u>	<u>96,556</u>
Total Expenditures	<u>12,751,305</u>	<u>13,486,443</u>	<u>13,248,619</u>	<u>237,824</u>
Excess of Revenues Under Expenditures	<u>(6,096,002)</u>	<u>(5,457,074)</u>	<u>(5,291,410)</u>	<u>165,664</u>
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	8,475	8,475	0
Transfers In	<u>5,926,226</u>	<u>6,177,596</u>	<u>5,956,643</u>	<u>(220,953)</u>
Total Other Financing Sources	<u>5,926,226</u>	<u>6,186,071</u>	<u>5,965,118</u>	<u>(220,953)</u>
Changes in Fund Balance	(169,776)	728,997	673,708	(55,289)
Fund Balance Beginning of Year	<u>258,573</u>	<u>258,573</u>	<u>258,573</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$88,797</u></u>	<u><u>\$987,570</u></u>	<u><u>\$932,281</u></u>	<u><u>(\$55,289)</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,280,448	\$1,201,221	\$0	\$0
Accounts Receivable	1,928,469	3,249,336	0	685,310
Due from Other Governments	440,305	169	0	9,627
Interfund Receivable	20,595	0	0	105,062
Prepaid Items	19,687	6,143	340	5,152
Materials and Supplies Inventory	63,347	3,074	0	3,166
Total Current Assets	<u>5,752,851</u>	<u>4,459,943</u>	<u>340</u>	<u>808,317</u>
<u>Non-Current Assets</u>				
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	0	0	2,894	0
Net Pension Asset	9,421	4,282	0	857
Nondepreciable Capital Assets	2,338,534	0	162,571	106,283
Depreciable Capital Assets, Net	18,700,457	982,995	0	18,582,333
Total Non-Current Assets	<u>21,048,412</u>	<u>987,277</u>	<u>165,465</u>	<u>18,689,473</u>
Total Assets	<u>26,801,263</u>	<u>5,447,220</u>	<u>165,805</u>	<u>19,497,790</u>
<u>Deferred Outflows of Resources</u>				
Pension	705,969	211,653	0	47,401
OPEB	235,325	42,994	0	8,599
Total Deferred Outflows of Resources	<u>941,294</u>	<u>254,647</u>	<u>0</u>	<u>56,000</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	46,805	16,751	0	1,400
Accounts Payable	177,778	11,274	12,395	2,536
Contracts Payable	715,040	0	0	1,702
Due to Other Governments	49,271	61,445	248	1,950
Compensated Absences Payable	95,260	22,329	0	1,322
Interfund Payable	107,149	20,420	19,688	109,800
Retainage Payable	146,074	0	0	0
Accrued Interest Payable	31,223	0	529	44,743
General Obligation Bonds Payable	446,906	0	0	730,844
OWDA Loans Payable	1,450,287	0	0	0
OPWC Loans Payable	89,485	0	0	44,478
Postclosure Costs Payable	0	0	147,752	0
Total Current Liabilities	<u>3,355,278</u>	<u>132,219</u>	<u>180,612</u>	<u>938,775</u>

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$335,491	\$4,817,160	\$27,469
0	5,863,115	0
23	450,124	546
0	125,657	71,665
1,236	32,558	1,383
1,774	71,361	137,073
338,524	11,359,975	238,136
0	2,894	0
429	14,989	1,286
0	2,607,388	61,943
3,002,799	41,268,584	1,291,760
3,003,228	43,893,855	1,354,989
3,341,752	55,253,830	1,593,125
25,034	990,057	64,320
4,299	291,217	12,899
29,333	1,281,274	77,219
271	65,227	5,011
738	204,721	46,209
0	716,742	0
421	113,335	3,895
368	119,279	9,145
0	257,057	112
0	146,074	0
11,972	88,467	2,776
0	1,177,750	58,750
0	1,450,287	0
0	133,963	0
0	147,752	0
13,770	4,620,654	125,898

(continued)

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2018
(continued)

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Non-Current Liabilities</u>				
Compensated Absences Payable	\$341,355	\$52,453	\$0	\$12,410
General Obligation Bonds Payable	8,729,245	0	170,000	11,829,334
OWDA Loans Payable	6,221,769	0	0	0
OPWC Loans Payable	991,330	0	0	843,775
Postclosure Costs Payable	0	0	1,011,739	0
Net Pension Liability	1,895,010	861,366	0	172,273
Net OPEB Liability	1,268,818	576,735	0	115,348
Total Non-Current Liabilities	<u>19,447,527</u>	<u>1,490,554</u>	<u>1,181,739</u>	<u>12,973,140</u>
Total Liabilities	<u>22,802,805</u>	<u>1,622,773</u>	<u>1,362,351</u>	<u>13,911,915</u>
<u>Deferred Inflows of Resources</u>				
Pension	449,496	215,346	0	210,293
OPEB	94,518	45,423	0	82,160
Total Deferred Inflows of Resources	<u>544,014</u>	<u>260,769</u>	<u>0</u>	<u>292,453</u>
<u>Net Position</u>				
Net Investment in Capital Assets (Deficit)	3,502,550	982,995	162,571	6,275,270
Unrestricted (Deficit)	893,188	2,835,330	(1,359,117)	(925,848)
Total Net Position (Deficit)	<u>\$4,395,738</u>	<u>\$3,818,325</u>	<u>(\$1,196,546)</u>	<u>\$5,349,422</u>

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

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$219	\$406,437	\$44,449
3,865,000	24,593,579	803,750
0	6,221,769	0
0	1,835,105	0
0	1,011,739	0
86,138	3,014,787	258,411
57,674	2,018,575	173,021
4,009,031	39,101,991	1,279,631
4,022,801	43,722,645	1,405,529
80,037	955,172	64,461
41,079	263,180	13,627
121,116	1,218,352	78,088
(409,470)	10,513,916	491,203
(363,362)	1,080,191	(304,476)
(\$772,832)	11,594,107	\$186,727
	56,018	
	\$11,650,125	

City of Marion
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Operating Revenues</u>				
Charges for Services	\$7,404,686	\$2,364,716	\$128,000	\$1,939,467
Other	114,761	37,558	3,747	49,786
Total Operating Revenues	7,519,447	2,402,274	131,747	1,989,253
<u>Operating Expenses</u>				
Personal Services	2,996,505	1,339,093	0	148,451
Contractual Services	1,363,942	846,837	(25,668)	134,641
Materials and Supplies	515,071	108,894	124	88,252
Other	2,000	0	0	0
Depreciation	2,110,809	90,701	0	541,002
Total Operating Expenses	6,988,327	2,385,525	(25,544)	912,346
Operating Income	531,120	16,749	157,291	1,076,907
<u>Non-Operating Revenues (Expenses)</u>				
Gain on Disposal of Capital Assets	3,700	2,800	0	11,400
Loss on Disposal of Capital Assets	0	0	0	(10,767)
Interest Expense	(460,932)	0	(6,344)	(488,492)
Total Non-Operating Revenues (Expenses)	(457,232)	2,800	(6,344)	(487,859)
Income (Loss) before Contributions and Transfers	73,888	19,549	150,947	589,048
Capital Contributions	9,600	0	0	9,600
Transfers Out	(299,201)	0	0	(290,085)
Changes in Net Position	(215,713)	19,549	150,947	308,563
Net Position (Deficit) Beginning of Year - Restated (Note 3)	4,611,451	3,798,776	(1,347,493)	5,040,859
Net Position (Deficit) End of Year	<u>\$4,395,738</u>	<u>\$3,818,325</u>	<u>(\$1,196,546)</u>	<u>\$5,349,422</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 income of the internal service fund.

Change in Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$205,824	\$12,042,693	\$1,036,612
257,880	463,732	8,619
463,704	12,506,425	1,045,231
140,531	4,624,580	363,374
55,299	2,375,051	55,628
61,600	773,941	576,020
660	2,660	0
68,245	2,810,757	44,252
326,335	10,586,989	1,039,274
137,369	1,919,436	5,957
0	17,900	0
0	(10,767)	0
(143,669)	(1,099,437)	(34,762)
(143,669)	(1,092,304)	(34,762)
(6,300)	827,132	(28,805)
0	19,200	0
(2,250)	(591,536)	0
(8,550)	254,796	(28,805)
(764,282)		215,532
(\$772,832)		\$186,727
	(8,642)	
	\$246,154	

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	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	\$7,348,251	\$2,466,142	\$128,000	\$1,891,290
Cash Payments for Personal Services	(2,501,013)	(1,211,681)	0	(206,192)
Cash Payments for Contractual Services	(1,265,337)	(851,575)	(126,873)	(244,109)
Cash Payments to Vendors	(501,165)	(114,059)	(124)	(93,166)
Cash Received from Other Revenues	114,427	37,448	5,621	49,759
Cash Payments for Other Expenses	(2,000)	0	0	0
Net Cash Provided by Operating Activities	3,193,163	326,275	6,624	1,397,582
<u>Cash Flows from Noncapital Financing Activities</u>				
Interfund Loans	0	0	0	109,800
Transfers Out	(299,201)	0	0	(290,085)
Net Cash Used for Noncapital Financing Activities	(299,201)	0	0	(180,285)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital Grants	13,309	0	0	13,570
Principal Paid on Bond Anticipation Notes	(2,222,240)	0	0	(4,954,260)
Principal Paid on General Obligation Bonds	(370,702)	0	0	(575,798)
Principal Paid on OWDA Loans	(1,428,775)	0	0	0
Principal Paid on OPWC Loans	(83,621)	0	0	(39,896)
Interest Paid on Bond Anticipation Notes	(44,396)	0	0	(98,735)
Interest Paid on General Obligation Bonds	(316,939)	0	(6,344)	(401,485)
Interest Paid on OWDA Loans	(105,096)	0	0	0
General Obligation Bonds Issued	2,166,595	0	0	4,813,405
Premium on Bonds Issued	109,665	0	0	241,864
OWDA Loans Issued	1,308,201	0	0	0
OPWC Loans Issued	193,629	0	0	182,937
Sale of Capital Assets	3,700	2,800	0	11,400
Acquisition of Capital Assets	(3,473,467)	(163,357)	0	(442,299)
Net Cash Used for Capital and Related Financing Activities	(4,250,137)	(160,557)	(6,344)	(1,249,297)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,356,175)	165,718	280	(32,000)
Cash and Cash Equivalents Beginning of Year	4,636,623	1,035,503	2,614	32,000
Cash and Cash Equivalents End of Year	\$3,280,448	\$1,201,221	\$2,894	\$0

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$205,824	\$12,039,507	\$1,064,142
(143,559)	(4,062,445)	(317,635)
(55,269)	(2,543,163)	(56,066)
(63,002)	(771,516)	(591,353)
257,857	465,112	8,574
(660)	(2,660)	0
201,191	5,124,835	107,662
0	109,800	0
(2,250)	(591,536)	0
(2,250)	(481,736)	0
0	26,879	0
0	(7,176,500)	0
0	(946,500)	(57,500)
0	(1,428,775)	0
0	(123,517)	0
0	(143,131)	0
(143,669)	(868,437)	(34,894)
0	(105,096)	0
0	6,980,000	0
0	351,529	0
0	1,308,201	0
0	376,566	0
0	17,900	0
0	(4,079,123)	0
(143,669)	(5,810,004)	(92,394)
55,272	(1,166,905)	15,268
280,219	5,986,959	12,201
\$335,491	\$4,820,054	\$27,469

(continued)

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(continued)

	Business-Type Activities			
	Sewer	Sanitation	Landfill	Storm Water
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>				
Operating Income	\$531,120	\$16,749	\$157,291	\$1,076,907
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>				
Depreciation	2,110,809	90,701	0	541,002
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(40,203)	101,485	1,874	(48,069)
(Increase) Decrease in Due from Other Governments	(334)	(169)	0	(27)
(Increase) Decrease in Interfund Receivable	(16,232)	0	0	(105,062)
(Increase) Decrease in Prepaid Items	(3,546)	2,947	(114)	9,674
(Increase) Decrease in Materials and Supplies Inventory	24,486	(2,571)	0	(2,648)
Increase in Net Pension Asset	(4,331)	(2,231)	0	(737)
Decrease in Accrued Wages Payable	16,981	4,665	0	199
Increase (Decrease) in Accounts Payable	(13,959)	(1,746)	(26,241)	(6,606)
Increase (Decrease) in Due to Other Governments	1,374	7,731	0	183
Increase (Decrease) in Compensated Absences Payable	26,013	3,667	0	1,752
Increase (Decrease) Interfund Payable	105,449	(7,890)	16,025	0
Decrease in Postclosure Costs Payable	0	0	(142,211)	0
Increase in Net Pension Liability	41,214	18,735	0	3,748
Increase in Net OPEB Liability	68,810	31,276	0	6,256
Decrease in Deferred Outflows - Pension	456,697	154,814	0	78,897
Decrease in Deferred Outflows - OPEB	125,000	27,677	0	7,123
Decrease in Deferred Inflows - Pension	(212,555)	(107,648)	0	(127,689)
Decrease in Deferred Inflows - OPEB	(23,630)	(11,917)	0	(37,321)
Net Cash Provided by Operating Activities	\$3,193,163	\$326,275	\$6,624	\$1,397,582

Non-Cash Capital Financing Activities

At December 31, 2018, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$920,311. At December 31, 2017, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$1,165,219. In addition, receivables were recorded, in the amount of \$430,371 and \$9,600, for requested and approved reimbursements on OWDA and OPWC projects. In the prior year, receivables were recorded, in the amount of \$13,309 and \$76,460, for requested and approved reimbursements on OPWC projects.

At December 31, 2018, the Storm Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$1,702. At December 31, 2017, the Storm Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$234,452. In addition, receivables were recorded, in the amount of \$9,600, for requested and approved reimbursements on OPWC projects. In the prior year, receivables were recorded, in the amount of \$13,570 and \$83,642, for requested and approved reimbursements on OPWC projects.

See Accompanying Notes to the Basic Financial Statements

Aquatics Center	Total Enterprise	Governmental Activity Internal Service
\$137,369	1,919,436	\$5,957
68,245	2,810,757	44,252
0	15,087	0
(23)	(553)	2,923
0	(121,294)	24,562
518	9,479	977
(1,402)	17,865	(9,485)
(367)	(7,666)	(671)
50	21,895	200
62	(48,490)	(3,841)
171	9,459	(2,152)
(37)	31,395	5,243
0	113,584	52
0	(142,211)	0
1,872	65,569	5,620
3,128	109,470	9,383
47,420	737,828	51,358
3,561	163,361	8,302
(40,715)	(488,607)	(31,443)
(18,661)	(91,529)	(3,575)
\$201,191	\$5,124,835	\$107,662

City of Marion
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2018

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$45,430
Cash and Cash Equivalents in Segregated Accounts	80,475
Special Assessments Receivable	<u>7,396</u>
Total Assets	133,301
<u>Liabilities</u>	
Accounts Payable	<u>7,396</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$125,905</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2018

<u>Additions</u>	
Amounts Received as Fiscal Agent	\$9,024
Licenses, Permits, and Fees for Others	30,348
Fines and Forfeitures for Other Governments	1,660,323
Special Assessments Collections for Others	7,396
Miscellaneous Collections for Other Governments	24,962
Other	<u>6,929</u>
Total Additions	<u>1,738,982</u>
 <u>Deductions</u>	
Distributions as Fiscal Agent	9,829
Licenses, Permits, and Fees Distributions to Others	32,542
Fines and Forfeitures Distributions to Other Governments	1,647,135
Special Assessments Distributions to Others	7,396
Miscellaneous Distributions to Other Governments	24,962
Other	<u>6,590</u>
Total Deductions	<u>1,728,454</u>
Net Increase in Fiduciary Net Position	10,528
Net Position Beginning of Year - Restated (Note 3)	<u>115,377</u>
Net Position End of Year	<u><u>\$125,905</u></u>
See Accompanying Notes to the Basic Financial Statements	

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

A. The City

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

The City operates under a mayor-council form of government. Legislative power is vested in a nine-member council and a council president, each elected to two-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Safety Director, 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 2018.

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 three jointly-governed organizations, the Marion County General Health District, the Marion Port Authority, and the Marion Energy Special Improvement District (ESID). These organizations are presented in Notes 23 and 24 to the basic financial statements.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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.

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, 2018

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 (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for assessments levied by and remitted to the Marion Energy Special Improvement District, traffic fines remitted to the State of Ohio, 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 and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

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 OPEB and explained in Notes 14 and 15 to the basic financial statements.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 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 and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 14 and 15 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 custodial 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, 2018

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 2018, investments included nonnegotiable and negotiable certificates of deposit, federal agency securities, U.S. Treasury 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 2018 was \$182,436, which includes \$147,827 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, 2018, 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, 2018

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.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20-50 years	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, 2018

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, 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. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient to pay those benefits. General obligation bonds, long-term loans, and capital leases are recognized as liabilities on the fund financial statements when due.

N. Unamortized Bond Premiums

Bond premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

Under Ohio law, premiums on the original issuance of debt are to be deposited to a bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow for premiums on refunding debt to be used as part of the payment to a bond escrow agent.

O. 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.

P. 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).

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. The City Council has assigned fund balance to cover a gap between estimated resources and appropriations in the 2019 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.

Q. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Capital Contributions

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

S. 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.

T. Pension/Other Postemployment Benefits (OPEB)

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

U. Estimates

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

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

For 2018, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", Statement No. 84, "Fiduciary Activities", Statement No. 85, "Omnibus 2017", Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period", and related guidance from GASB Implementation Guide No. 2017-3, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

For 2018, the City also implemented GASB Implementation Guide No. 2017-1. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. The implementation of this statement had the following effect on net position as previously reported.

	Sewer	Sanitation	Landfill	Storm Sewer	Aquatics Center	Internal Service
Net Position (Deficit) at December 31, 2017	\$5,569,282	\$4,330,904	(\$1,347,493)	\$5,253,710	(\$657,856)	\$375,171
Net OPEB Liability	(972,117)	(540,065)	0	(216,026)	(108,013)	(162,020)
Deferred Outflows - Payment Subsequent to Measurement Date	14,286	7,937	0	3,175	1,587	2,381
Restated Net Position (Deficit) at December 31, 2017	<u>\$4,611,451</u>	<u>\$3,798,776</u>	<u>(\$1,347,493)</u>	<u>\$5,040,859</u>	<u>(\$764,282)</u>	<u>\$215,532</u>

	Governmental Activities	Business-Type Activities
Net Position December 31, 2017	\$36,870,566	\$13,261,098
Net OPEB Liability	(18,844,537)	(1,836,221)
Deferred Outflows - Payment Subsequent to Measurement Date	88,066	26,985
Internal Balances	47,891	(47,891)
Restated Net Position December 31, 2017	<u>\$18,161,986</u>	<u>\$11,403,971</u>

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

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the new fund classification of custodial funds is reporting a beginning net position of \$115,377. In addition, the City will no longer be reporting agency funds. At December 31, 2017, agency funds reported assets and liabilities of \$168,809.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits (OPEB)). These changes were incorporated in the City's 2018 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, 2018

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

GASB Statement No. 89 establishes accounting requirements for interest costs incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2018, the following funds had a deficit fund balance/net position:

<u>Fund Type/Fund</u>	<u>Deficit</u>
Nonmajor Special Revenue Fund	
Adult Drug Court	\$3,945
Enterprise Funds	
Landfill	1,196,546
Aquatics Center	772,832

The deficit fund balance in the Adult Drug Court special revenue 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 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 2018 and will begin to reduce the deficit as the debt gets paid down.

B. Compliance

At December 31, 2018, the Bond Retirement debt service fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$5,352. The City Auditor will review appropriations to ensure they are within available resources.

For the year ended December 31, 2018, the Capital Improvements capital projects fund had expenditures plus encumbrances in excess of appropriations, in the amount of \$5,127, for the Transfers Out account. The City Auditor will monitor budgetary transactions to ensure expenditures are within amounts appropriated.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
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	\$243,289	\$430,629	\$625,937
<u>Increases (Decreases) Due To</u>			
Revenue Accruals:			
Accrued 2017, Received in Cash 2018	896,490	155,649	625,319
Accrued 2018, Not Yet Received in Cash	(1,832,302)	534,731	(656,952)
Expenditure Accruals:			
Accrued 2017, Paid in Cash 2018	(207,940)	(1,313,330)	(377,425)
Accrued 2018, Not Yet Paid in Cash	186,488	649,202	427,392
			(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

	Changes in Fund Balance (continued)		
	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax
<u>Increases (Decreases) Due To</u> (continued)			
Cash Adjustments:			
Unrecorded Activity 2017	(\$42,427)	\$0	\$0
Unrecorded Activity 2018	(3,299)	(200)	0
Prepaid Items	9,117	3,561	29,727
Materials and Supplies Inventory	6,546	24,139	(290)
Advances In	44,000	0	0
Transfers In	(20,367)	(1,406,851)	0
Transfer Out	930,916	0	0
Budget Basis	\$210,511	(\$922,470)	\$673,708

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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 including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy 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. Except as noted above, an investment must mature within five years from the date of settlement, 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

	<u>Measurement Amount</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year to Two Years</u>	<u>More Than Two Years</u>
Fair Value - Level One Inputs					
Mutual Funds	\$59,543	\$59,543	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	4,982,537	1,755,679	1,223,287	1,279,601	723,970
Federal Farm Credit Bank Notes	743,895	0	743,895	0	0
Federal Home Loan Bank Notes	1,541,829	0	0	0	1,541,829
Federal Home Loan Mortgage Corporation Notes	2,220,325	0	0	237,355	1,982,970
Federal National Mortgage Association Notes	749,528	0	749,528	0	0
United States Treasury Bills	616,528	616,528	0	0	0
Total Fair Value - Level Two Inputs	<u>10,854,642</u>	<u>2,372,207</u>	<u>2,716,710</u>	<u>1,516,956</u>	<u>4,248,769</u>
Total Investments	<u>\$10,914,185</u>	<u>\$2,431,750</u>	<u>\$2,716,710</u>	<u>\$1,516,956</u>	<u>\$4,248,769</u>

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, 2018. 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, 2018

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 and United States Treasury 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	\$4,982,537	45.65%
Federal Farm Credit Bank	743,895	6.82
Federal Home Loan Bank	1,541,829	14.13
Federal Home Loan Mortgage Corporation	2,220,325	20.34
Federal National Mortgage Association	749,528	6.87
United States Treasury	616,528	5.65

NOTE 7 - RECEIVABLES

Receivables at December 31, 2018, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; 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, and notes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$424,127 will not be received within one year.

Notes receivable represent low interest loans for development projects granted to eligible City businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 2 percent to 5.473 percent and are to be repaid over periods ranging from six to twenty years. A summary of the changes in notes receivable during 2018 follows:

	Balance December 31, 2017	New Loans	Repayments	Balance December 31, 2018
Special Revenue Fund				
Revolving Loans	\$437,803	\$0	\$0	\$437,803
Debt Service Fund				
Harding Centre Loan	98,520	0	44,639	53,881
	\$536,323	\$0	\$44,639	\$491,684

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$79,207
Local Government	326,409
Cigarette Tax	824
Liquor Permits	305
State of Ohio	560
Total General Fund	407,305
Street Construction, Maintenance, and Repair	
Gasoline Tax	365,162
Motor Vehicle License Tax	236,678
State of Ohio	194
Total Street Construction, Maintenance, and Repair	602,034
Police, Dispatch, and Fire Income Tax	
Bulletproof Vest Grant	2,403
Department of Public Safety	3,360
Overtime Grant	24,787
School Resource Officer	4,878
State of Ohio	1,580
Total Police, Dispatch, and Fire Income Tax	37,008
Total Major Funds	1,046,347
Nonmajor Funds	
Senior Citizens	
Ohio District 5 Area on Aging	2,983
State of Ohio	20
Total Senior Citizens	3,003
Municipal Court Docket Specialist	
Municipal Court Docket Specialist	70,000
	(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
State Highway	
Gasoline Tax	\$29,608
Motor Vehicle License Tax	7,737
Ohio Department of Transportation	43,164
Total State Highway	80,509
MMC Assistance	
State of Ohio	52
Community Corrections	
Community Based Corrections	117,596
State of Ohio	39
Total Community Corrections	117,635
Indigent Alcohol Monitoring	
Department of Public Safety	1,006
Police and Fire Pension	
Homestead and Rollback	14,412
Marion Area Transit	
Fuel Tax	1,257
Ohio Department of Transportation	49,201
State of Ohio	88
Total Marion Area Transit	50,546
Total Nonmajor Funds	337,163
Internal Service Fund	
Marion City School District	501
State of Ohio	45
Total Internal Service Fund	546
Total Governmental Activities	\$1,384,056

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - RECEIVABLES (continued)

Business-Type Activities	
Sewer	
Ohio Public Works Commission	\$9,600
Ohio Water Development Authority	430,371
State of Ohio	334
Total Sewer	440,305
Sanitation	
State of Ohio	169
Storm Water	
Ohio Public Works Commission	9,600
State of Ohio	27
Total Storm Water	9,627
Aquatics Center	
State of Ohio	23
Total Business-Type Activities	\$450,124

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.

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 2018 represent the collection of 2017 taxes. Real property taxes received in 2018 were levied after October 1, 2017, on the assessed values as of January 1, 2017, 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 9 - PROPERTY TAXES (continued)

Public utility property tax revenues received in 2018 represent the collection of 2017 taxes. Public utility real and tangible personal property taxes received in 2018 became a lien on December 31, 2016, were levied after October 1, 2017, 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, 2018, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2018 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, 2018, was \$4.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Agricultural/Residential	\$267,590,050
Commercial/Industrial	83,028,370
Public Utility Real	153,370
Public Utility Personal	34,230,780
Total	<u><u>\$385,002,570</u></u>

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$8,327,406	\$0	\$0	\$8,327,406
Construction in Progress	487,253	1,441,773	(499,329)	1,429,697
Total Nondepreciable Capital Assets	<u>8,814,659</u>	<u>1,441,773</u>	<u>(499,329)</u>	<u>9,757,103</u>
Depreciable Capital Assets				
Land Improvements	2,507,889	59,058	0	2,566,947
Buildings and Building Improvements	26,126,358	20,367	(694,297)	25,452,428
Equipment	2,939,980	104,908	(156,254)	2,888,634
Vehicles	5,554,826	611,933	(495,261)	5,671,498
Streets	141,319,261	1,907,285	(1,404,353)	141,822,193
Total Depreciable Capital Assets	<u>178,448,314</u>	<u>2,703,551</u>	<u>(2,750,165)</u>	<u>178,401,700</u>
Less Accumulated Depreciation for				
Land Improvements	(847,428)	(119,477)	0	(966,905)
Buildings and Building Improvements	(7,281,995)	(378,751)	694,297	(6,966,449)
Equipment	(2,126,409)	(182,910)	156,254	(2,153,065)
Vehicles	(2,948,873)	(304,324)	427,301	(2,825,896)
Streets	(121,529,600)	(3,802,691)	1,313,393	(124,018,898)
Total Accumulated Depreciation	<u>(134,734,305)</u>	<u>(4,788,153)</u>	<u>2,591,245</u>	<u>(136,931,213)</u>
Total Depreciable Capital Assets, Net	<u>43,714,009</u>	<u>(2,084,602)</u>	<u>(158,920)</u>	<u>41,470,487</u>
Governmental Activities Capital Assets, Net	<u>\$52,528,668</u>	<u>(\$642,829)</u>	<u>(\$658,249)</u>	<u>\$51,227,590</u>

Governmental funds accepted contributions of capital assets from other governments with a fair value of \$1,061,381.

Governmental funds accepted contributions of capital assets from the Sewer and Storm Water enterprise funds, with a fair value of \$295,996 and \$286,880, respectively.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 11 - CAPITAL ASSETS (continued)

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$593,000	\$69,633	\$0	\$662,633
Construction in Progress	3,620,874	3,255,841	(4,931,960)	1,944,755
Total Nondepreciable Capital Assets	<u>4,213,874</u>	<u>3,325,474</u>	<u>(4,931,960)</u>	<u>2,607,388</u>
Depreciable Capital Assets				
Buildings	28,033,642	0	0	28,033,642
Equipment	5,015,388	53,437	(380,518)	4,688,307
Vehicles	2,466,749	222,554	(368,276)	2,321,027
Sewer and Storm Water Lines	47,064,941	4,931,960	(98,077)	51,898,824
Total Depreciable Capital Assets	<u>82,580,720</u>	<u>5,207,951</u>	<u>(846,871)</u>	<u>86,941,800</u>
Less Accumulated Depreciation for				
Buildings	(19,691,304)	(1,674,631)	0	(21,365,935)
Equipment	(3,854,596)	(192,922)	380,518	(3,667,000)
Vehicles	(1,216,964)	(131,724)	368,276	(980,412)
Sewer and Storm Water Lines	(18,935,699)	(811,480)	87,310	(19,659,869)
Total Accumulated Depreciation	<u>(43,698,563)</u>	<u>(2,810,757)</u>	<u>836,104</u>	<u>(45,673,216)</u>
Total Depreciable Capital Assets, Net	<u>38,882,157</u>	<u>2,397,194</u>	<u>(10,767)</u>	<u>41,268,584</u>
Business-Type Activities Capital Assets, Net	<u>\$43,096,031</u>	<u>\$5,722,668</u>	<u>(\$4,942,727)</u>	<u>\$43,875,972</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$115,069
Security of Persons and Property - Fire	114,434
Public Health	236
Leisure Time Activities	51,063
Transportation - Transit	61,011
Transportation - Other	4,040,504
General Government - Court	11,903
General Government - Other	393,933
Total Depreciation Expense - Governmental Activities	<u>\$4,788,153</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at December 31, 2018, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental	\$81,600
Storm Water	109,800
Total General Fund	\$191,400

Due to Sewer Fund from:

General	\$429
Police, Dispatch, and Fire Income Tax	293
Other Governmental	73
Landfill	19,688
Internal Service	112
Total Sewer Fund	\$20,595

Due to Storm Water from:

Sewer	\$105,062
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Due to Internal Service Fund from:

General	\$1,094
Street Construction, Maintenance, and Repair	25,669
Police, Dispatch, and Fire Income Tax	12,962
Other Governmental	9,433
Sewer	2,087
Sanitation	20,420
Total Internal Service Fund	\$71,665

The balance due to the General Fund consists of loans made to provide working capital for operations or projects. Of this amount, \$26,600 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 Storm Water 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, 2018

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 2018, 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	5,000,000	5,000
Automobile Liability	5,000,000	500/1,000
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 2018, 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

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent a liability to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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 these estimates 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 and OPEB.

GASB Statements No. 68 and No. 75 assume 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 pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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 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 combination cost-sharing multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 and combined plans 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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
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 Traditional Plan 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	Public Safety and Law Enforcement Traditional Plan 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	Public Safety and Law Enforcement Traditional Plan 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.

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 traditional plan 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. Members retiring under the combined plan receive a cost of living adjustment on the defined benefit portion of their pension benefit. 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.

Defined contribution plan benefits are established in the plan documents which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed plan participants must have attained the age of fifty-five, have money on deposit in the defined contribution plan, and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the member's contributions, vested employer contributions, and investment gains or losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five year period at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS account. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance net of taxes withheld, or a combination of these options.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
 2018 Actual Contribution Rates			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** 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.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2018, the City's contractually required contribution was \$1,054,289 for the traditional plan, \$20,317 for the combined plan, and \$13,795 for the member-directed plan. Of these amounts, \$100,960 is reported as an intergovernmental payable for the traditional plan, \$1,948 for the combined plan, and \$1,325 for the member-directed plan.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit. (See the 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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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, 2018

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
2018 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2018 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 \$1,555,451 for 2018. Of this amount, \$163,075 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability (asset) 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 Traditional Plan	OPERS Combined Plan	OPF	Total
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.05490600%	0.03145600%	0.32692100%	
Prior Measurement Date	0.05530600%	0.02670000%	0.32190500%	
Change in Proportionate Share	0.00040000%	0.00475600%	0.00501600%	
Proportionate Share				
Net Pension Liability	\$8,613,687	\$0	\$20,064,617	\$28,678,304
Net Pension Asset	\$0	\$42,822	\$0	\$42,822
Pension Expense	\$1,928,217	(\$24,744)	\$2,655,701	\$4,559,174

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Pension expense for the member-directed defined contribution plan was \$13,795 for 2018.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Deferred Outflows of Resources				
Difference Between Expected and Actual Experience	\$8,797	\$0	\$304,495	\$313,292
Changes of Assumptions	1,029,393	3,742	874,321	1,907,456
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	27,402	0	1,012,405	1,039,807
City Contributions Subsequent to the Measurement Date	<u>1,054,289</u>	<u>20,317</u>	<u>1,555,451</u>	<u>2,630,057</u>
Total Deferred Outflows of Resources	<u>\$2,119,881</u>	<u>\$24,059</u>	<u>\$3,746,672</u>	<u>\$5,890,612</u>
Deferred Inflows of Resources				
Difference Between Expected and Actual Experience	\$169,749	\$12,757	\$36,298	\$218,804
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,849,245	6,756	694,082	2,550,083
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	<u>107,885</u>	<u>2,307</u>	<u>0</u>	<u>110,192</u>
Total Deferred Inflows of Resources	<u>\$2,126,879</u>	<u>\$21,820</u>	<u>\$730,380</u>	<u>\$2,879,079</u>

\$2,630,057 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 or increase in the net pension asset in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Year Ending December 31,				
2019	\$716,729	(\$2,426)	\$770,379	\$1,484,682
2020	(203,823)	(2,610)	587,899	381,466
2021	(814,309)	(4,121)	(131,003)	(949,433)
2022	(759,884)	(3,960)	(109,313)	(873,157)
2023	0	(1,589)	278,050	276,461
Thereafter	<u>0</u>	<u>(3,372)</u>	<u>64,829</u>	<u>61,457</u>
Total	<u>(\$1,061,287)</u>	<u>(\$18,078)</u>	<u>\$1,460,841</u>	<u>\$381,476</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 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 2.15 percent simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	individual entry age	individual entry age

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

During 2017, OPERS managed investments in three investment portfolios; the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. 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 16.82 percent for 2017.

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 plans. The table below displays the board approved asset allocation policy for 2017 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 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability (asset) 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 (asset) 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 (Asset)			
OPERS Traditional Plan	\$15,295,713	\$8,613,687	\$3,042,891
OPERS Combined Plan	(\$23,277)	(\$42,822)	(\$56,306)

Changes between the Measurement Date and the Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	entry age normal	entry age normal
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent	Inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increases based on lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

For the January 1, 2017, valuation, mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

For the January 1, 2016, valuation, rates of death were 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 for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

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, 2018

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, 2017, 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 Securities*	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 - For 2017, the total pension liability was calculated using the discount rate of 8 percent. The discount rate used for 2016 was 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 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, 2018

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 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 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$27,814,822	\$20,064,617	\$13,743,618

NOTE 15 - POSTEMPLOYMENT BENEFITS

See Note 14 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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. 75. See OPERS' CAFR referenced below for additional information.

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

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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. When funding is approved by the OPERS Board of Trustees, 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 2018, 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 calendar year 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. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2018.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$5,518 for 2018. Of this amount, \$530 is reported as an intergovernmental payable.

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

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 a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium reimbursement 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 GASB Statement No. 75.

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.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B premium reimbursements. A separate health care trust accrual account is maintained for health care benefits under an IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OPF was \$36,840 for 2018. Of this amount, \$3,862 is reported as an intergovernmental payable.

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

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Current Measurement Date	0.05311000%	0.32692100%	
Prior Measurement Date	0.05347000%	0.32190500%	
Change in Proportionate Share	<u>0.00036000%</u>	<u>0.00501600%</u>	
Proportionate Share of the Net OPEB Liability	\$5,767,355	\$18,522,886	\$24,290,241
OPEB Expense	\$475,883	\$1,501,341	\$1,977,224

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference Between Expected and Actual Experience	\$4,493	\$1,807,440	\$1,811,933
Changes of Assumptions	419,925	0	419,925
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	185,029	185,029
City Contributions Subsequent to the Measurement Date	<u>5,518</u>	<u>36,840</u>	<u>42,358</u>
Total Deferred Outflows of Resources	<u>\$429,936</u>	<u>\$2,029,309</u>	<u>\$2,459,245</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$0	\$93,422	\$93,422
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	429,629	121,926	551,555
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	<u>24,600</u>	<u>0</u>	<u>24,600</u>
Total Deferred Inflows of Resources	<u>\$454,229</u>	<u>\$215,348</u>	<u>\$669,577</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

\$42,358 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Year Ending December 31,	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2019	\$83,745	\$247,157	\$330,902
2020	83,745	247,157	330,902
2021	(89,892)	247,157	157,265
2022	(107,409)	247,157	139,748
2023	0	277,639	277,639
Thereafter	0	510,854	510,854
Total	<u>(\$29,811)</u>	<u>\$1,777,121</u>	<u>\$1,747,310</u>

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.85 percent
Prior Measurement Date	4.23 percent
Investment Rate of Return	6.5 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent initial 3.25 percent ultimate in 2028
Actuarial Cost Method	individual entry age

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care 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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. 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 Health Care portfolio was 15.2 percent for 2017.

The allocation of investment assets with the Health Care 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 continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the board approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00 %	

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Discount Rate - A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6.5 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.85 percent) or one percentage point higher (4.85 percent) than the current rate.

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's Proportionate Share of the Net OPEB Liability	\$7,662,180	\$5,767,355	\$4,234,460

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$5,518,129	\$5,767,355	\$6,024,798

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Changes between the Measurement Date and the Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions - OPF

OPF's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Single Discount Rate:	
Current Measurement Date	3.24 percent
Prior Measurement Date	3.79 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 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 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017, and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond Twenty Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to all projected costs through 2025 and the municipal bond rate was applied to all health care costs after that date.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent) or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City’s Proportionate Share of the Net Pension Liability	\$23,153,831	\$18,522,886	\$14,959,544

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per capita costs are assumed to change by the following percentages each year.

Year	Non-Medicare	Non-AARP	AARP	RX Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current health care cost trend rates as outlined in the table above, a one percent decrease in the trend rates, and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City’s Proportionate Share of the Net OPEB Liability	\$14,388,911	\$18,522,886	\$24,094,085

Changes between the Measurement Date and the Report Date

In March 2018, the OPF Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend based health care model. A stipend funded by OPF will be placed in individual health reimbursement accounts that retirees will use to be reimbursed for health care expenses. The impact to the City’s net OPEB liability is not known.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 one hundred 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 2018 were as follows:

	Interest Rate	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018
<u>Governmental Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2017 Various Purpose	2.00%	\$512,000	\$0	\$512,000	\$0
 <u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2017 Various Purpose	2.00%	\$7,176,500	\$0	\$7,176,500	\$0

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 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 matured on September 6, 2018, and were partially retired with the proceeds of general obligation bonds issued.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2018, was as follows:

	Interest Rate	Restated Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2010 Police and Fire Pension Refunding						
(Original Amount \$794,300)	2-4.3%	\$241,800	\$0	\$78,000	\$163,800	\$80,600
2010 Street Improvement						
(Original Amount \$1,598,850)	2-4.3	1,092,300	0	66,000	1,026,300	69,300
2010 Computer Equipment						
(Original Amount \$775,200)	2-4.3	529,600	0	32,000	497,600	33,600
2010 City Hall Roof						
(Original Amount \$110,000)	2-3.75	75,000	0	5,000	70,000	5,000
2010 Generator						
(Original Amount \$225,000)	2-3.75	155,000	0	10,000	145,000	10,000
2010 Fire Truck						
(Original Amount \$320,000)	2-3.75	105,000	0	35,000	70,000	35,000
2010 Police Records						
(Original Amount \$355,000)	2-3.75	115,000	0	35,000	80,000	40,000
2010 Central Garage						
(Original Amount \$1,376,250)	1.75-4	920,000	0	57,500	862,500	58,750
2018 City Hall HVAC						
(Original Amount \$240,000)	2.5-4	0	240,000	0	240,000	10,000
Premium		0	12,233	0	12,233	0
2018 EMS Vehicle						
(Original Amount \$265,000)	2.5-4	0	265,000	0	265,000	20,000
Premium		0	7,359	0	7,359	0
Total General Obligation Bonds		3,233,700	524,592	318,500	3,439,792	362,250
Other Long-Term Obligations						
ODOT DRIP TIF						
(Original Amount \$2,105,884)	0.00	95,397	0	95,397	0	0
OPWC Loan						
#CP10D Marion Williamsport Road Improvements						
(Original Amount \$128,202)	0.00	32,052	0	6,410	25,642	6,410
Net Pension Liability						
Ohio Public Employees Retirement System						
		8,288,976	0	2,690,076	5,598,900	0
Ohio Police and Fire						
		20,389,140	0	324,523	20,064,617	0
Total Net Pension Liability		28,678,116	0	3,014,599	25,663,517	0
Net OPEB Liability						
Ohio Public Employees Retirement System						
		3,564,431	184,349	0	3,748,780	0
Ohio Police and Fire						
		15,280,106	3,242,780	0	18,522,886	0
Total Net OPEB Liability		18,844,537	3,427,129	0	22,271,666	0
Compensated Absences Payable						
		4,280,419	634,835	339,760	4,575,494	436,691
Capital Leases						
		0	550,216	57,749	492,467	64,264
Total Other Long-Term Obligations		51,930,521	4,612,180	3,513,915	53,028,786	507,365
Total Governmental Activities		\$55,164,221	\$5,136,772	\$3,832,415	\$56,468,578	\$869,615

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose A						
(Original Amount \$7,786,650)	2-4.3%	\$3,306,300	\$0	\$624,000	\$2,682,300	\$646,500
2010 Various Purpose B						
(Original Amount \$7,183,750)	1.75-4	4,945,000	0	302,500	4,642,500	316,250
2012 Various Purpose						
(Original Amount \$11,235,000)	2-4	11,135,000	0	20,000	11,115,000	20,000
2018 Various Purpose						
(Original Amount \$6,980,000)	2.5-4	0	6,980,000	0	6,980,000	195,000
Premium		0	351,529	0	351,529	0
Total General Obligation Bonds		19,386,300	7,331,529	946,500	25,771,329	1,177,750
Other Long-Term Obligations						
OWDA Loans						
#3397 WRRSP						
(Original Amount \$5,366,955)	1.50%	1,495,649	0	290,257	1,205,392	294,627
#3398 WWTP Upgrade						
(Original Amount \$20,784,201)	1.50	5,866,610	0	1,138,518	4,728,092	1,155,660
#7912 WPC Treatment Enhancement						
(Original Amount \$1,738,572)	0.00	0	1,738,572	0	1,738,572	0
Total OWDA Loans		7,362,259	1,738,572	1,428,775	7,672,056	1,450,287
OPWC Loans						
#CP06G Mary St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$29,232)	0.00	11,689	0	1,461	10,228	1,461
#CP10F Uncapher Ave/ Florence St Sanitary Sewer and Storm Water Replacement						
(Original Amount \$268,990)	0.00	80,703	0	13,450	67,253	13,450
#CP16E Avondale Ave/ Catalina Dr Storm Water Replacement						
(Original Amount \$119,185)	0.00	26,811	0	5,960	20,851	5,960
#CP33E Water Pollution Control Upgrade						
(Original Amount \$1,070,800)	0.00	348,010	0	53,540	294,470	53,540

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
OPWC Loans (continued)						
#CP14L Franconia Avenue Sanitary Sewer and Storm Water Replacement (Original Amount \$107,827)	0.00%	\$84,466	\$0	\$3,594	\$80,872	\$3,594
#CP05K Oakgrove and Waterloo Sanitary Sewer and Storm Water Replacement (Original Amount \$211,153)	0.00	142,526	0	10,558	131,968	10,558
#CP04M Woodrow and Henry Sanitary Sewer and Storm Water Replacement (Original Amount \$60,993)	0.00	48,789	0	2,034	46,755	2,034
#CP04N Milburn Sanitary Sewer and Storm Water Replacement (Original Amount \$73,189)	0.00	65,871	0	2,440	63,431	2,439
#CP12R Latourette Sanitary Sewer and Storm Water Replacement (Original Amount \$27,199)	0.00	25,840	0	907	24,933	906
#CP22Q North Greenwood Sanitary Sewer and Storm Water Replacement (Original Amount \$166,000)	0.00	157,700	0	5,534	152,166	5,533
#CP18S Ballentine Sanitary Sewer and Storm Water Replacement (Original Amount \$114,170)	0.00	110,365	0	3,806	106,559	3,805
#CP23S Main/State Sanitary Sewer and Storm Water Replacement (Original Amount \$119,499)	0.00	119,499	0	3,984	115,515	3,983
#CP26T South Greenwood Sanitary Sewer and Storm Water Replacement (Original Amount \$125,000)	0.00	125,000	0	2,083	122,917	4,166

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Restated Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations (continued)						
OPWC Loans (continued)						
#CP37T Belmont Sanitary Sewer and Storm Water Replacement (Original Amount \$375,000)	0.00%	\$368,750	\$0	\$12,500	\$356,250	\$12,500
#CP06T George Street Sanitary Sewer and Storm Water Replacement (Original Amount \$100,000)	0.00	100,000	0	1,666	98,334	3,334
#CP17U Hane Avenue Sanitary Sewer and Storm Water Replacement (Original Amount \$200,985)	0.00	60,102	140,883	0	200,985	6,700
#CP13V Sharpless Court Sanitary Sewer and Storm Water Replacement (Original Amount \$75,581)	0.00	0	75,581	0	75,581	0
Total OPWC Loans		<u>1,876,121</u>	<u>216,464</u>	<u>123,517</u>	<u>1,969,068</u>	<u>133,963</u>
Net Pension Liability						
Ohio Public Employees Retirement System		4,270,075	0	1,255,288	3,014,787	0
Net OPEB Liability						
Ohio Public Employees Retirement System		1,836,221	333,371	151,017	2,018,575	0
Compensated Absences Payable		494,321	36,830	5,435	525,716	119,279
Postclosure Costs Payable		1,301,702	0	142,211	1,159,491	147,752
Total Other Long-Term Obligations		<u>17,140,699</u>	<u>2,325,237</u>	<u>3,106,243</u>	<u>16,359,693</u>	<u>1,851,281</u>
Total Business-Type Activities		<u>\$36,526,999</u>	<u>\$9,656,766</u>	<u>\$4,052,743</u>	<u>\$42,131,022</u>	<u>\$3,029,031</u>

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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, 2018, all of the proceeds had been spent and \$425,040 was spent on items which were not capitalized.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

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

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

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

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

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

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

As of December 31, 2018, all of the proceeds had been spent and \$837,731 was spent on items which were not capitalized.

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

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

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

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:

Year	Amount
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.

On September 5, 2018, the City issued unvoted general obligation bonds, in the amount of \$7,485,000, to retire notes previously issued for City Hall improvements, the purchase of an EMS vehicle, and sewer and storm water improvements. The bonds were issued at a premium of \$371,121. The bonds were issued for a twenty year period with final maturity in 2038. The bonds will be retired through the Bond Retirement debt service fund and the Sewer and Storm Water enterprise funds.

As of December 31, 2018, all of the proceeds had been spent and \$929,287 was spent on items which were not capitalized.

The bonds maturing on or after December 1, 2029, are subject to optional redemption prior to maturity, on December 1, 2028, either in whole or in part, in such order as the City shall determine, on any date on or after December 1, 2028, at a redemption price equal 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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 fully retired in 2018.

Net Pension/OPEB Liability - There is no repayment schedule for the net pension/OPEB 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; 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.

Capital Leases Payable - Capital lease obligations will be paid from the fund that maintains custody of the related asset.

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.

OWDA monies spent on items which were not capitalized were \$1,205,392 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 (on completed projects for which amortization schedules are available) are \$5,933,484 and \$202,000, respectively, and total principal to be paid on the OPWC loans (on completed projects for which amortization schedules are available) is \$1,893,487. Principal and interest paid in the Sewer enterprise fund for the current year was \$1,617,492 and \$39,896 in the Storm Water enterprise fund. Total net revenues for the Sewer enterprise fund was \$2,641,929 and \$1,617,909 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 \$37,005,070 at December 31, 2018.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2018, were as follows:

Year	Governmental Activities		
	General Obligation Bonds		OPWC Loan
	Principal	Interest	Principal
2019	\$362,250	\$133,523	\$6,410
2020	373,550	118,041	6,410
2021	222,750	105,596	6,411
2022	231,400	97,211	6,411
2023	233,850	88,481	0
2024-2028	1,328,900	300,100	0
2029-2033	602,500	55,212	0
2034-2037	65,000	6,800	0
	\$3,420,200	\$904,964	\$25,642

The OWDA loan #7912 WPC Treatment Enhancement and OPWC loan #CP13V Sharpless Court 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.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018, from the enterprise funds were as follows:

Year	Business-Type Activities				
	General Obligation Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2019	\$1,177,750	\$1,002,480	\$1,450,287	\$83,584	\$133,963
2020	1,276,450	905,853	1,472,123	61,748	133,967
2021	1,397,250	863,884	1,494,288	39,583	133,965
2022	1,448,600	818,817	1,516,786	17,085	130,977
2023	1,506,150	771,063	0	0	128,005
2024-2028	8,351,100	3,024,641	0	0	327,458
2029-2033	8,007,500	1,359,224	0	0	271,376
2034-2038	2,255,000	277,000	0	0	244,985
2039-2043	0	0	0	0	231,899
2044-2048	0	0	0	0	156,892
	\$25,419,800	\$9,022,962	\$5,933,484	\$202,000	\$1,893,487

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 19 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into a capitalized lease for vehicles. New capital leases are reflected in the accounts “Security of Persons and Property - Police”, “Security of Persons and Property - Fire”, and “Inception of Capital Lease” in the funds which will be making the lease payments. The City paid for a portion of the vehicles with City resources, in the amount of \$39,455. Principal payments in 2018 were \$57,749 for governmental activities.

	Governmental Activities
Vehicles	\$589,671
Less Accumulated Depreciation	0
Carrying Value, December 31, 2018	\$589,671

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2018.

Year	Governmental Activities	
	Principal	Interest
2019	\$64,264	\$24,976
2020	68,082	21,159
2021	72,131	17,110
2022	18,677	12,815
2023	19,508	11,984
2024-2028	111,361	46,099
2029-2033	138,444	19,017
Total	\$492,467	\$153,160

NOTE 20 - 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 \$1,159,491 reported as landfill postclosure costs at December 31, 2018, 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, 2018, liability decreased from the prior year by \$142,211 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, 2018

NOTE 21 - 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	\$26,600	\$0	\$0	\$0
Materials and Supplies Inventory	18,284	52,519	8,436	244
Prepaid Items	32,248	7,322	39,748	5,776
Total Nonspendable	77,132	59,841	48,184	6,020
Restricted for:				
Airport Improvements	0	0	0	290,455
Court Operations	0	0	0	1,205,531
Economic Development and Rehabilitation	0	0	0	502,752
Park Improvements	0	0	0	1,363
Permanent Improvements	0	0	0	2,468,639
Police and Fire Operations	0	0	1,161,841	82,916
Railroad Crossing Improvements	0	0	0	64,125
Senior Citizen Activities	0	0	0	320,803
Street Maintenance and Construction	0	762,493	0	804,239
Transit Operations	0	0	0	52,428
Youth Activities	0	0	0	5,443
Total Restricted	0	762,493	1,161,841	5,798,694
Committed for:				
Debt Retirement	0	0	0	9,384
Termination Benefits	1,762	0	0	0
Total Committed	1,762	0	0	9,384
Assigned for:				
Airport Improvements	156,163	0	0	0
Parking Meters	2,356	0	0	0
Projected Budget Shortage	329,493	0	0	0
Recreation	65,792	0	0	0
Safety Patrol	395	0	0	0
Softball Field Improvements	12,225	0	0	0
Underground Storage Tank	11,000	0	0	0
Wellness	28,927	0	0	0
Total Assigned	606,351	0	0	0
Unassigned (Deficit)	2,889,631	0	0	(4,119)
Total Fund Balance	\$3,574,876	\$822,334	\$1,210,025	\$5,809,979

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 22 - INTERNAL BALANCES AND TRANSFERS

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB 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/OPEB deferred outflows/inflows of resources 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 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 total column of the government-wide statement of net position include deferred outflows of resources - pension for the business-type activities and deferred inflows of resources - pension for the governmental activities, in the amount of \$43,255.

Eliminations made in the total column of the government-wide statement of net position include deferred outflows of resources - OPEB for the business-type activities and deferred inflows of resources - OPEB for the governmental activities, in the amount of \$27,929.

Eliminations made in the business-type activities column related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of \$193,213.

Balances related to the internal proportionate share for pension at December 31, 2018, were as follows.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Business-Type Activities		
Sewer	\$0	\$192,845
Sanitation	6,101	59
Storm Water	128,387	174
Aquatics Center	58,725	135
Total	<u>\$193,213</u>	<u>\$193,213</u>

Eliminations made in the business-type activities column related to OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$112,810.

Balances related to the internal proportionate share for pension at December 31, 2018, were as follows.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Business-Type Activities		
Sewer	\$0	\$112,810
Sanitation	2,460	0
Storm Water	73,537	0
Aquatics Center	36,783	0
Total	<u>\$112,810</u>	<u>\$112,810</u>

NOTE 22 - INTERNAL BALANCES AND TRANSFERS (continued)

During 2018, 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 \$844,342, \$5,956,643, and \$214,711, respectively, to subsidize operations in those funds.

Other governmental funds made transfers to other governmental funds, in the amount of \$792,970, 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 \$3,205 and \$3,205, respectively, to make debt payments as they come due.

The Aquatics Center enterprise fund made transfers to other governmental funds, in the amount of \$2,250, to reimburse those funds for expenditures made on behalf of the Aquatics Center.

The Sewer enterprise fund made transfers to the General Fund and the Street Construction, Maintenance, and Repair special revenue fund, in the amount of \$20,367 and \$275,629, respectively, for the acquisition of capital assets.

The Storm Water enterprise fund made transfers to the Street Construction, Maintenance, and Repair special revenue fund, in the amount of \$286,880, for the acquisition of capital assets.

NOTE 23 - 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 23 - 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 24 - 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.

C. Marion Energy Special Improvement District

The City participates in the Marion Energy Special Improvement District, Inc. (ESID), a 501(c)(3) not-for-profit corporation established under Chapter 1710 of the Ohio Revised Code. The ESID was created to encourage property owners to undertake special energy improvement projects. The ESID is governed by at least three representatives of one or more property owners who have voluntarily included their properties in the ESID, one representative appointed by the City Council, and one representative appointed by the Mayor. Financial information can be obtained from the Marion Energy Special Improvement District, 233 West Center Street, Marion, Ohio 43302.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 25 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2018, to December 31, 2018, 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
 Last Five Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.05490600%	0.05530600%	0.05679900%	0.05233800%	0.05233800%
City's Proportionate Share of the Net Pension Liability	\$8,613,687	\$12,559,051	\$9,838,302	\$6,312,547	\$6,169,968
City's Covered Payroll	\$7,255,854	\$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	118.71%	175.93%	139.34%	98.38%	98.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	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.

See Accompanying Notes to the Required Supplementary Information

City of Marion
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Asset
 Ohio Public Employees Retirement System - Combined
 2018 (1)

	2018
City's Proportion of the Net Pension Asset	0.03145600%
City's Proportionate Share of the Net Pension Asset	\$42,822
City's Covered Payroll	\$128,831
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See Accompanying Notes to the Required Supplementary Information

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 Five Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.32692100%	0.32190500%	0.31309600%	0.29544000%	0.29544000%
City's Proportionate Share of the Net Pension Liability	\$20,064,617	\$20,389,140	\$20,141,685	\$15,305,024	\$14,388,855
City's Covered Payroll	\$7,136,374	\$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	281.16%	295.44%	320.36%	263.23%	252.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	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.

See Accompanying Notes to the Required Supplementary Information

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.05311000%	0.05347000%
City's Proportionate Share of the Net OPEB Liability	\$5,767,355	\$5,400,652
City's Covered Payroll	\$7,522,735	\$7,378,233
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	76.67%	73.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 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.

See Accompanying Notes to the Required Supplementary Information

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.32692100%	0.32190500%
City's Proportionate Share of the Net OPEB Liability	\$18,522,886	\$15,280,106
City's Covered Payroll	\$7,136,374	\$6,901,362
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	259.56%	221.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 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.

See Accompanying Notes to the Required Supplementary Information

City of Marion
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Six Years (1) (2)

	2018	2017	2016	2015
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,054,289	\$943,261	\$856,633	\$847,285
Contributions in Relation to the Contractually Required Contribution	<u>(1,054,289)</u>	<u>(943,261)</u>	<u>(856,633)</u>	<u>(847,285)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,530,636	\$7,255,854	\$7,138,608	\$7,060,707
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$20,317	\$16,748	\$12,441	\$13,243
Contributions in Relation to the Contractually Required Contribution	<u>(20,317)</u>	<u>(16,748)</u>	<u>(12,441)</u>	<u>(13,243)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$145,121	\$128,831	\$103,675	\$110,358
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$5,518	\$79,369	\$150,284	
Contributions in Relation to the Contractually Required Contribution	<u>(5,518)</u>	<u>(79,369)</u>	<u>(150,284)</u>	
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
City Covered Payroll (3)	\$7,813,707	\$7,522,735	\$7,378,233	
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>1.02%</u>	<u>2.04%</u>	

(1) Information prior to 2013 is not available.

(2) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

<u>2014</u>	<u>2013</u>
\$770,008	\$817,601
<u>(770,008)</u>	<u>(817,601)</u>
<u>\$0</u>	<u>\$0</u>
\$6,416,733	\$6,289,238
<u>12.00%</u>	<u>13.00%</u>
\$9,490	\$16,907
<u>(9,490)</u>	<u>(16,907)</u>
<u>\$0</u>	<u>\$0</u>
\$79,083	\$130,054
<u>12.00%</u>	<u>13.00%</u>

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

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	\$1,555,451	\$1,509,035	\$1,456,886	\$1,335,461
Contributions in Relation to the Contractually Required Contribution	<u>(1,555,451)</u>	<u>(1,509,035)</u>	<u>(1,456,886)</u>	<u>(1,335,461)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,367,840	\$7,136,374	\$6,901,362	\$6,287,176
Contributions as a Percentage of Covered Payroll	21.11%	21.15%	21.11%	21.24%
Net OPEB Liability				
Contractually Required Contribution	\$36,840	\$35,682	\$34,507	\$31,436
Contributions in Relation to the Contractually Required Contribution	<u>(36,840)</u>	<u>(35,682)</u>	<u>(34,507)</u>	<u>(31,436)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,367,840	\$7,136,374	\$6,901,362	\$6,287,176
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

Note: The City's Covered payroll is the same for pension and OPEB.

See Accompanying Notes to the Required Supplementary Information

2014	2013	2012	2011	2010	2009
\$1,236,397	\$1,031,887	\$828,535	\$965,813	\$1,054,068	\$1,009,826
<u>(1,236,397)</u>	<u>(1,031,887)</u>	<u>(828,535)</u>	<u>(965,813)</u>	<u>(1,054,068)</u>	<u>(1,009,826)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,814,402	\$5,699,689	\$5,496,253	\$6,487,763	\$7,080,192	\$6,779,997
21.26%	18.10%	15.07%	14.89%	14.89%	14.89%
\$29,072	\$206,139	\$370,997	\$437,924	\$477,913	\$457,650
<u>(29,072)</u>	<u>(206,139)</u>	<u>(370,997)</u>	<u>(437,924)</u>	<u>(477,913)</u>	<u>(457,650)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,814,402	\$5,699,689	\$5,496,253	\$6,487,763	\$7,080,192	\$6,779,997
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

City of Marion
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions - OPERS Pension

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.

	2017	2016 and Prior
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 improvement 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 improvement 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 are determined by applying the MP-2015 mortality improvement 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.

City of Marion
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions - OPF Pension

Amounts reported for 2018 incorporate changes in assumptions used by OPF in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below.

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	entry age normal	entry age normal
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent	Inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increases based on lesser of the increase in CPI and 3 percent

Amounts reported for 2018 use valuation, mortality for nondisabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 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.

City of Marion
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions - OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions - OPF OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

**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:

Insurance Proceeds

To account for insurance proceeds from structures destroyed by fires restricted to assure the property is appropriately remediated. When properly remediated by the property owner, the insurance proceeds are released to the property owner; otherwise, the resources are used by the City to remediate the property. This fund is not included in the entity for which the appropriated budget is adopted; therefore, no budgetary statement is presented.

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 and other resources 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 and other resources 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.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

School Resource Officer

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

Community Corrections

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

Indigent Alcohol Monitoring

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

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 and other resources 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.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Clean Ohio Assistance

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

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.

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.

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 and maintaining 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, 2018

	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	\$2,624,072	\$9,103	\$2,736,416	\$5,369,591
Due from Other Governments	337,163	0	0	337,163
Municipal Income Taxes Receivable	0	0	66,521	66,521
Other Local Taxes Receivable	19,790	0	0	19,790
Prepaid Items	5,776	0	0	5,776
Materials and Supplies Inventory	244	0	0	244
Property Taxes Receivable	251,271	0	0	251,271
Payment in Lieu of Taxes Receivable	0	0	241,016	241,016
Notes Receivable	437,803	53,881	0	491,684
Total Assets	<u>\$3,676,119</u>	<u>\$62,984</u>	<u>\$3,043,953</u>	<u>\$6,783,056</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$19,069	\$0	\$0	\$19,069
Accounts Payable	9,117	0	4,631	13,748
Contracts Payable	43,164	0	0	43,164
Due to Other Governments	15,248	0	0	15,248
Interfund Payable	37,506	53,600	0	91,106
Unearned Revenue	39,999	0	0	39,999
Total Liabilities	<u>164,103</u>	<u>53,600</u>	<u>4,631</u>	<u>222,334</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	188,261	0	0	188,261
Payment in Lieu of Taxes	0	0	241,016	241,016
Unavailable Revenue	284,446	0	37,020	321,466
Total Deferred Inflows of Resources	<u>472,707</u>	<u>0</u>	<u>278,036</u>	<u>750,743</u>
<u>Fund Balance</u>				
Nonspendable	6,020	0	0	6,020
Restricted	3,037,408	0	2,761,286	5,798,694
Committed	0	9,384	0	9,384
Unassigned (Deficit)	(4,119)	0	0	(4,119)
Total Fund Balance	<u>3,039,309</u>	<u>9,384</u>	<u>2,761,286</u>	<u>5,809,979</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$3,676,119</u>	<u>\$62,984</u>	<u>\$3,043,953</u>	<u>\$6,783,056</u>

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Insurance Proceeds	Senior Citizens	Municipal Court Docket Specialist	Municipal Motor Vehicle License
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$39,999	\$330,177	\$1,097	\$546,932
Due from Other Governments	0	3,003	70,000	0
Other Local Taxes Receivable	0	0	0	19,790
Prepaid Items	0	261	128	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>\$39,999</u>	<u>\$333,441</u>	<u>\$71,225</u>	<u>\$566,722</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$1,419	\$0	\$0
Accounts Payable	0	931	0	0
Contracts Payable	0	0	0	0
Due to Other Governments	0	1,054	631	0
Interfund Payable	0	8,443	0	0
Unearned Revenue	39,999	0	0	0
Total Liabilities	<u>39,999</u>	<u>11,847</u>	<u>631</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	530	70,000	0
Total Deferred Inflows of Resources	<u>0</u>	<u>530</u>	<u>70,000</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	0	261	128	0
Restricted	0	320,803	466	566,722
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>0</u>	<u>321,064</u>	<u>594</u>	<u>566,722</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$39,999</u>	<u>\$333,441</u>	<u>\$71,225</u>	<u>\$566,722</u>

<u>State Highway</u>	<u>MMC Assistance</u>	<u>Court Computerization</u>	<u>Police Continuing Training</u>	<u>Community Corrections</u>	<u>Indigent Alcohol Monitoring</u>
\$228,667	\$272,795	\$352,782	\$3,813	\$6,316	\$92,795
80,509	52	0	0	117,635	1,006
0	0	0	0	0	0
0	187	0	0	522	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$309,176</u>	<u>\$273,034</u>	<u>\$352,782</u>	<u>\$3,813</u>	<u>\$124,473</u>	<u>\$93,801</u>
\$0	\$1,994	\$0	\$0	\$5,182	\$0
0	432	0	0	0	0
43,164	0	0	0	0	0
0	1,379	0	0	3,615	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>43,164</u>	<u>3,805</u>	<u>0</u>	<u>0</u>	<u>8,797</u>	<u>0</u>
0	0	0	0	0	0
28,495	0	0	0	58,798	0
<u>28,495</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,798</u>	<u>0</u>
0	187	0	0	522	0
237,517	269,042	352,782	3,813	56,356	93,801
0	0	0	0	0	0
<u>237,517</u>	<u>269,229</u>	<u>352,782</u>	<u>3,813</u>	<u>56,878</u>	<u>93,801</u>
<u>\$309,176</u>	<u>\$273,034</u>	<u>\$352,782</u>	<u>\$3,813</u>	<u>\$124,473</u>	<u>\$93,801</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018
(continued)

	Probation Services	Enforcement and Education	Indigent Alcohol Driver	Railroad Grade Crossing Improvement
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$127,145	\$13,229	\$236,509	\$64,125
Due from Other Governments	0	0	0	0
Other Local Taxes Receivable	0	0	0	0
Prepaid Items	195	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>\$127,340</u>	<u>\$13,229</u>	<u>\$236,509</u>	<u>\$64,125</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$1,837	\$0	\$0	\$0
Accounts Payable	290	0	2,048	0
Contracts Payable	0	0	0	0
Due to Other Governments	1,290	0	0	0
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>3,417</u>	<u>0</u>	<u>2,048</u>	<u>0</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	195	0	0	0
Restricted	123,728	13,229	234,461	64,125
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>123,923</u>	<u>13,229</u>	<u>234,461</u>	<u>64,125</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$127,340</u>	<u>\$13,229</u>	<u>\$236,509</u>	<u>\$64,125</u>

Special Project Treatment Court	Police and Fire Pension	Marion Land Bank Program	Adult Drug Court	ADAMH Grant	Revolving Loans
\$54,963	\$12,078	\$14,874	\$17,636	\$19,932	\$49,246
0	14,412	0	0	0	0
0	0	0	0	0	0
0	0	0	174	0	0
0	0	0	0	0	0
0	251,271	0	0	0	0
0	0	0	0	0	437,803
<u>\$54,963</u>	<u>\$277,761</u>	<u>\$14,874</u>	<u>\$17,810</u>	<u>\$19,932</u>	<u>\$487,049</u>
\$0	\$0	\$0	\$998	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	757	0	0
0	0	0	20,000	0	0
0	0	0	0	0	0
0	0	0	21,755	0	0
0	188,261	0	0	0	0
0	77,422	0	0	0	0
0	265,683	0	0	0	0
0	0	0	174	0	0
54,963	12,078	14,874	0	19,932	487,049
0	0	0	(4,119)	0	0
54,963	12,078	14,874	(3,945)	19,932	487,049
<u>\$54,963</u>	<u>\$277,761</u>	<u>\$14,874</u>	<u>\$17,810</u>	<u>\$19,932</u>	<u>\$487,049</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018
(continued)

	Marion Area Transit	Youth Recreation	Law Enforcement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$79,264	\$5,443	\$54,255	\$2,624,072
Due from Other Governments	50,546	0	0	337,163
Other Local Taxes Receivable	0	0	0	19,790
Prepaid Items	4,309	0	0	5,776
Materials and Supplies Inventory	244	0	0	244
Property Taxes Receivable	0	0	0	251,271
Notes Receivable	0	0	0	437,803
Total Assets	<u>\$134,363</u>	<u>\$5,443</u>	<u>\$54,255</u>	<u>\$3,676,119</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$7,639	\$0	\$0	\$19,069
Accounts Payable	4,957	0	459	9,117
Contracts Payable	0	0	0	43,164
Due to Other Governments	6,522	0	0	15,248
Interfund Payable	9,063	0	0	37,506
Unearned Revenue	0	0	0	39,999
Total Liabilities	<u>28,181</u>	<u>0</u>	<u>459</u>	<u>164,103</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	188,261
Unavailable Revenue	49,201	0	0	284,446
Total Deferred Inflows of Resources	<u>49,201</u>	<u>0</u>	<u>0</u>	<u>472,707</u>
<u>Fund Balance</u>				
Nonspendable	4,553	0	0	6,020
Restricted	52,428	5,443	53,796	3,037,408
Unassigned (Deficit)	0	0	0	(4,119)
Total Fund Balance (Deficit)	<u>56,981</u>	<u>5,443</u>	<u>53,796</u>	<u>3,039,309</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$134,363</u>	<u>\$5,443</u>	<u>\$54,255</u>	<u>\$3,676,119</u>

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	<u>CDBG</u>	<u>Tax Incremental Financing</u>	<u>Capital Improvements</u>	<u>Quarry Park</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$829	\$2,247,433	\$196,336	\$909
Municipal Income Taxes Receivable	0	0	66,521	0
Payment in Lieu of Taxes Receivable	0	241,016	0	0
Total Assets	<u>\$829</u>	<u>\$2,488,449</u>	<u>\$262,857</u>	<u>\$909</u>
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$4,631	\$0
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	241,016	0	0
Unavailable Revenue	0	0	37,020	0
Total Deferred Inflows of Resources	0	241,016	37,020	0
<u>Fund Balance</u>				
Restricted	829	2,247,433	221,206	909
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$829</u>	<u>\$2,488,449</u>	<u>\$262,857</u>	<u>\$909</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018
(continued)

	Busby Downtown Park	Airport Improvement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$454	\$290,455	\$2,736,416
Municipal Income Taxes Receivable	0	0	66,521
Payment in Lieu of Taxes Receivable	0	0	241,016
Total Assets	<u>\$454</u>	<u>\$290,455</u>	<u>\$3,043,953</u>
<u>Liabilities</u>			
Accounts Payable	\$0	\$0	\$4,631
<u>Deferred Inflows of Resources</u>			
Payment in Lieu of Taxes	0	0	241,016
Unavailable Revenue	0	0	37,020
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>278,036</u>
<u>Fund Balance</u>			
Restricted	<u>454</u>	<u>290,455</u>	<u>2,761,286</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$454</u>	<u>\$290,455</u>	<u>\$3,043,953</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$204,560	\$0	\$0	\$204,560
Payment in Lieu of Taxes	0	0	434,523	434,523
Municipal Income Taxes	0	0	426,819	426,819
Other Local Taxes	300,512	0	0	300,512
Charges for Services	93,591	0	0	93,591
Fines and Forfeitures	431,108	0	0	431,108
Intergovernmental	1,636,512	0	131,913	1,768,425
Interest	957	4,284	0	5,241
Other	184,713	0	20,477	205,190
Total Revenues	<u>2,851,953</u>	<u>4,284</u>	<u>1,013,732</u>	<u>3,869,969</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	161,007	0	0	161,007
Fire	120,445	0	0	120,445
Leisure Time Activities	150,505	0	0	150,505
Community Environment	9,651	0	58,511	68,162
Transportation				
Transit	930,118	0	0	930,118
Other	497,985	0	103,381	601,366
General Government				
Court	737,949	0	0	737,949
Other	122,977	0	163,407	286,384
Debt Service:				
Principal Retirement	0	261,000	101,807	362,807
Interest and Fiscal Charges	0	102,335	8,931	111,266
Total Expenditures	<u>2,730,637</u>	<u>363,335</u>	<u>436,037</u>	<u>3,530,009</u>
Excess of Revenues Over (Under) Expenditures	<u>121,316</u>	<u>(359,051)</u>	<u>577,695</u>	<u>339,960</u>
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	505,000	0	505,000
Premium on Bonds Issued	0	19,592	0	19,592
Sale of Capital Assets	5,250	0	154,000	159,250
Transfers In	128,137	357,332	530,872	1,016,341
Transfers Out	0	(522,212)	(270,758)	(792,970)
Total Other Financing Sources (Uses)	<u>133,387</u>	<u>359,712</u>	<u>414,114</u>	<u>907,213</u>
Changes in Fund Balance	254,703	661	991,809	1,247,173
Fund Balance Beginning of Year	<u>2,784,606</u>	<u>8,723</u>	<u>1,769,477</u>	<u>4,562,806</u>
Fund Balance End of Year	<u>\$3,039,309</u>	<u>\$9,384</u>	<u>\$2,761,286</u>	<u>\$5,809,979</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	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	300,512
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	166,422	0	0	0
Interest	336	0	0	0
Other	28,388	0	0	0
Total Revenues	195,146	0	0	300,512
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	2,191	0	0
Leisure Time Activities	150,505	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	67,331	0
Other	0	0	0	0
Total Expenditures	150,505	2,191	67,331	0
Excess of Revenues Over (Under) Expenditures	44,641	(2,191)	(67,331)	300,512
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	17,930	0
Total Other Financing Sources	0	0	17,930	0
Changes in Fund Balance	44,641	(2,191)	(49,401)	300,512
Fund Balance (Deficit) Beginning of Year	276,423	2,191	49,995	266,210
Fund Balance (Deficit) End of Year	\$321,064	\$0	\$594	\$566,722

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	161,694	101,215	0	0	0
386,120	0	0	0	0	235,190
364	0	0	0	0	0
0	52	60,099	0	0	11,415
386,484	161,746	161,314	0	0	246,605
0	0	0	6,858	10,870	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
497,985	0	0	0	0	0
0	185,193	63,598	0	0	298,082
0	0	0	0	0	0
497,985	185,193	63,598	6,858	10,870	298,082
(111,501)	(23,447)	97,716	(6,858)	(10,870)	(51,477)
0	0	0	0	0	0
0	0	0	0	0	35,207
0	0	0	0	0	35,207
(111,501)	(23,447)	97,716	(6,858)	(10,870)	(16,270)
349,018	292,676	255,066	10,671	10,870	73,148
\$237,517	\$269,229	\$352,782	\$3,813	\$0	\$56,878

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018
(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	8,295	131,367	1,546	17,620
Intergovernmental	10,930	0	0	9,669
Interest	0	0	0	0
Other	0	0	0	0
Total Revenues	<u>19,225</u>	<u>131,367</u>	<u>1,546</u>	<u>27,289</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	1,541	0	0	11,486
Other	0	122,977	0	0
Total Expenditures	<u>1,541</u>	<u>122,977</u>	<u>0</u>	<u>11,486</u>
Excess of Revenues Over (Under) Expenditures	<u>17,684</u>	<u>8,390</u>	<u>1,546</u>	<u>15,803</u>
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	17,684	8,390	1,546	15,803
Fund Balance (Deficit) Beginning of Year	<u>76,117</u>	<u>115,533</u>	<u>11,683</u>	<u>218,658</u>
Fund Balance (Deficit) End of Year	<u><u>\$93,801</u></u>	<u><u>\$123,923</u></u>	<u><u>\$13,229</u></u>	<u><u>\$234,461</u></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>Adult Drug Court</u>	<u>ADAMH Grant</u>
\$0	\$0	\$204,560	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	9,371	0	0	0	0
0	0	29,457	0	101,391	32,455
0	0	0	0	0	0
0	0	0	2,001	0	0
<u>0</u>	<u>9,371</u>	<u>234,017</u>	<u>2,001</u>	<u>101,391</u>	<u>32,455</u>
0	0	112,000	0	0	0
0	0	118,254	0	0	0
0	0	0	0	0	0
0	0	0	8,631	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	4,061	0	0	90,367	16,290
0	0	0	0	0	0
<u>0</u>	<u>4,061</u>	<u>230,254</u>	<u>8,631</u>	<u>90,367</u>	<u>16,290</u>
0	5,310	3,763	(6,630)	11,024	16,165
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	5,310	3,763	(6,630)	11,024	16,165
<u>64,125</u>	<u>49,653</u>	<u>8,315</u>	<u>21,504</u>	<u>(14,969)</u>	<u>3,767</u>
<u>\$64,125</u>	<u>\$54,963</u>	<u>\$12,078</u>	<u>\$14,874</u>	<u>(\$3,945)</u>	<u>\$19,932</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, 2018
(continued)

	<u>Revolving Loans</u>	<u>Marion Area Transit</u>	<u>Youth Recreation</u>	<u>Law Enforcement</u>
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Charges for Services	0	93,591	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	664,878	0	0
Interest	257	0	0	0
Other	0	33,101	0	49,657
Total Revenues	257	791,570	0	49,657
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	31,279
Fire	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	1,020	0	0	0
Transportation				
Transit	0	930,118	0	0
Other	0	0	0	0
General Government				
Court	0	0	0	0
Other	0	0	0	0
Total Expenditures	1,020	930,118	0	31,279
Excess of Revenues Over (Under) Expenditures	(763)	(138,548)	0	18,378
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	5,250	0	0
Transfers In	0	75,000	0	0
Total Other Financing Sources	0	80,250	0	0
Changes in Fund Balance	(763)	(58,298)	0	18,378
Fund Balance (Deficit) Beginning of Year	487,812	115,279	5,443	35,418
Fund Balance (Deficit) End of Year	<u>\$487,049</u>	<u>\$56,981</u>	<u>\$5,443</u>	<u>\$53,796</u>

<u>Total</u>
\$204,560
300,512
93,591
431,108
1,636,512
957
<u>184,713</u>
<u>2,851,953</u>
161,007
120,445
150,505
9,651
930,118
497,985
737,949
<u>122,977</u>
<u>2,730,637</u>
<u>121,316</u>
5,250
<u>128,137</u>
<u>133,387</u>
254,703
<u>2,784,606</u>
<u><u>\$3,039,309</u></u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018

	<u>Bond Retirement</u>	<u>Harding Center Loan</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$0	\$4,284	\$4,284
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	261,000	0	261,000
Interest and Fiscal Charges	98,712	3,623	102,335
Total Expenditures	359,712	3,623	363,335
Excess of Revenues Over (Under) Expenditures	(359,712)	661	(359,051)
<u>Other Financing Sources (Uses)</u>			
General Obligation Bonds Issued	505,000	0	505,000
Premium on Bonds Issued	19,592	0	19,592
Transfers In	357,332	0	357,332
Transfers Out	(522,212)	0	(522,212)
Other Financing Sources (Uses)	359,712	0	359,712
Changes in Fund Balance	0	661	661
Fund Balance Beginning of Year	0	8,723	8,723
Fund Balance End of Year	\$0	\$9,384	\$9,384

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$434,523	\$0	\$0
Municipal Income Taxes	0	0	426,819	0
Intergovernmental	64,375	0	0	0
Other	3,422	0	12,505	0
Total Revenues	67,797	434,523	439,324	0
<u>Expenditures</u>				
Current:				
Community Environment	58,511	0	0	0
Transportation				
Other	0	10,429	0	0
General Government				
Other	0	0	163,407	0
Debt Service:				
Principal Retirement	0	101,807	0	0
Interest and Fiscal Charges	0	1,945	6,986	0
Total Expenditures	58,511	114,181	170,393	0
Excess of Revenues Over (Under) Expenditures	9,286	320,342	268,931	0
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	6,410	524,462	0
Transfers Out	0	(109,662)	(161,096)	0
Total Other Financing Sources (Uses)	0	(103,252)	363,366	0
Changes in Fund Balance	9,286	217,090	632,297	0
Fund Balance (Deficit) Beginning of Year	(8,457)	2,030,343	(411,091)	909
Fund Balance End of Year	\$829	\$2,247,433	\$221,206	\$909

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018
(continued)

	Busby Downtown Park	Airport Improvement	Total
<u>Revenues</u>			
Payment in Lieu of Taxes	\$0	\$0	\$434,523
Municipal Income Taxes	0	0	426,819
Intergovernmental	0	67,538	131,913
Other	0	4,550	20,477
Total Revenues	0	72,088	1,013,732
<u>Expenditures</u>			
Current:			
Community Environment	0	0	58,511
Transportation			
Other	0	92,952	103,381
General Government			
Other	0	0	163,407
Debt Service:			
Principal Retirement	0	0	101,807
Interest and Fiscal Charges	0	0	8,931
Total Expenditures	0	92,952	436,037
Excess of Revenues Over (Under) Expenditures	0	(20,864)	577,695
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	0	154,000	154,000
Transfers In	0	0	530,872
Transfers Out	0	0	(270,758)
Total Other Financing Sources (Uses)	0	154,000	414,114
Changes in Fund Balance	0	133,136	991,809
Fund Balance (Deficit) Beginning of Year	454	157,319	1,769,477
Fund Balance End of Year	\$454	\$290,455	\$2,761,286

City of Marion
Combining Statements - Custodial Funds

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue. The following is a description of the City's custodial funds.

Energy Special Improvement District

To account for assessments levied by and remitted to the Marion Energy Special Improvement District.

State Patrol Fines

To account for traffic fines paid the State of Ohio.

Rotary

To account for Greyhound Bus ticket sales and miscellaneous collections for other governments. Fares are remitted to the Greyhound Bus company and miscellaneous collections to the applicable government agency.

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.

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City of Marion
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2018

	Energy Special Improvement District	Rotary	Municipal Court	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$45,430	\$0	\$45,430
Cash and Cash Equivalents in Segregated Accounts	0	0	80,475	80,475
Special Assessments Receivable	7,396	0	0	7,396
Total Assets	7,396	45,430	80,475	133,301
<u>Liabilities</u>				
Accounts Payable	7,396	0	0	7,396
<u>Net Position</u>				
Restricted for Individuals, Organizations, and Other Governments	\$0	\$45,430	\$80,475	\$125,905

City of Marion
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2018

	Energy Special Improvement District	State Patrol Fines	Rotary
<u>Additions</u>			
Amounts Received as Fiscal Agent	\$0	\$0	\$0
Licenses, Permits, and Fees for Others	0	0	30,348
Fines and Forfeitures for Other Governments	0	78,316	0
Special Assessments Collections for Others	7,396	0	0
Miscellaneous Collections for Other Governments	0	0	24,962
Other	0	0	6,929
Total Additions	<u>7,396</u>	<u>78,316</u>	<u>62,239</u>
<u>Deductions</u>			
Distributions as Fiscal Agent	0	0	0
Licenses, Permits, and Fees Distributions to Others	0	0	32,542
Fines and Forfeitures Distributions to Other Governments	0	78,316	0
Special Assessments Distributions to Others	7,396	0	0
Miscellaneous Distributions to Other Governments	0	0	24,962
Other	0	0	6,590
Total Deductions	<u>7,396</u>	<u>78,316</u>	<u>64,094</u>
Net Increase (Decrease) in Fiduciary Net Position	0	0	(1,855)
Net Position Beginning of Year	<u>0</u>	<u>0</u>	<u>47,285</u>
Net Position End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$45,430</u>

<u>Municipal Court</u>	<u>Total</u>
\$9,024	\$9,024
0	30,348
1,582,007	1,660,323
0	7,396
0	24,962
0	6,929
<u>1,591,031</u>	<u>1,738,982</u>
9,829	9,829
0	32,542
1,568,819	1,647,135
0	7,396
0	24,962
0	6,590
<u>1,578,648</u>	<u>1,728,454</u>
12,383	10,528
<u>68,092</u>	<u>115,377</u>
<u>\$80,475</u>	<u>\$125,905</u>

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**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, 2018

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,064,544	\$1,132,635	\$1,123,233	(\$9,402)
Municipal Income Taxes	7,208,809	7,617,756	7,474,803	(142,953)
Charges for Services	1,309,246	1,316,942	1,278,577	(38,365)
Fees, Licenses, and Permits	334,735	397,732	391,320	(6,412)
Fines and Forfeitures	851,100	867,218	855,159	(12,059)
Intergovernmental	844,478	848,505	867,882	19,377
Interest	100,000	148,600	183,126	34,526
Other	218,493	364,935	218,685	(146,250)
Total Revenues	11,931,405	12,694,323	12,392,785	(301,538)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other				
Street Lighting				
Contractual Services	290,000	266,000	265,988	12
Public Health				
Health Administration				
Contractual Services	332,274	332,274	332,274	0
Leisure Time Activities				
Recreation				
Capital Outlay	19,500	19,500	18,465	1,035
Senior Citizens				
Personal Services	257,540	259,707	241,757	17,950
Contractual Services	52,000	43,261	40,847	2,414
Materials and Supplies	3,000	3,000	2,979	21
Total Senior Citizens	312,540	305,968	285,583	20,385
Parks				
Personal Services	526,205	581,173	570,961	10,212
Contractual Services	76,100	92,537	86,458	6,079
Materials and Supplies	32,865	30,264	28,360	1,904
Other	360	360	250	110
Capital Outlay	0	17,530	10,308	7,222
Total Parks	635,530	721,864	696,337	25,527
Total Leisure Time Activities	967,570	1,047,332	1,000,385	46,947
Community Environment				
Planning and Economic Development				
Contractual Services	243,462	204,862	204,846	16

(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, 2018
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Transportation				
Other				
Airport				
Personal Services	\$119,160	\$119,160	\$102,205	\$16,955
Contractual Services	120,650	114,950	105,861	9,089
Materials and Supplies	12,350	15,850	13,194	2,656
Total Transportation	<u>252,160</u>	<u>249,960</u>	<u>221,260</u>	<u>28,700</u>
General Government				
Court				
Municipal Court				
Personal Services	1,011,063	1,007,063	948,276	58,787
Contractual Services	28,485	24,100	19,600	4,500
Materials and Supplies	23,700	23,700	22,847	853
Total Court	<u>1,063,248</u>	<u>1,054,863</u>	<u>990,723</u>	<u>64,140</u>
Other				
Mayor				
Personal Services	148,643	149,993	147,810	2,183
Contractual Services	620	330	260	70
Materials and Supplies	1,000	1,000	308	692
Total Mayor	<u>150,263</u>	<u>151,323</u>	<u>148,378</u>	<u>2,945</u>
Auditor				
Personal Services	482,101	495,821	491,674	4,147
Travel and Transportation	0	1,002	1,002	0
Contractual Services	54,000	52,330	52,223	107
Materials and Supplies	4,000	5,000	4,830	170
Total Auditor	<u>540,101</u>	<u>554,153</u>	<u>549,729</u>	<u>4,424</u>
Income Tax				
Personal Services	236,856	241,191	237,573	3,618
Contractual Services	11,400	7,950	6,883	1,067
Materials and Supplies	10,200	9,700	8,750	950
Total Income Tax	<u>258,456</u>	<u>258,841</u>	<u>253,206</u>	<u>5,635</u>
Treasurer				
Personal Services	9,983	9,983	9,501	482
Travel and Transportation	0	230	230	0
Contractual Services	460	668	668	0
Total Treasurer	<u>10,443</u>	<u>10,881</u>	<u>10,399</u>	<u>482</u>
Law Director				
Personal Services	414,141	418,430	410,764	7,666
Travel and Transportation	100	0	0	0
Contractual Services	3,800	3,300	2,401	899
Materials and Supplies	2,100	1,600	1,351	249
Total Law Director	<u>420,141</u>	<u>423,330</u>	<u>414,516</u>	<u>8,814</u>

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, 2018
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Safety Director				
Personal Services	\$237,044	\$254,769	\$247,761	\$7,008
Contractual Services	116,035	77,725	73,733	3,992
Materials and Supplies	5,000	8,500	7,400	1,100
Other	1,000	500	301	199
Total Safety Director	359,079	341,494	329,195	12,299
Service Director				
Personal Services	101,455	101,505	100,501	1,004
Civil Service				
Personal Services	5,175	5,175	5,148	27
Contractual Services	5,000	3,500	2,874	626
Materials and Supplies	500	250	0	250
Total Civil Service	10,675	8,925	8,022	903
Council				
Personal Services	164,488	164,776	146,110	18,666
Contractual Services	7,338	9,138	5,343	3,795
Materials and Supplies	750	750	44	706
Total Council	172,576	174,664	151,497	23,167
City Hall				
Personal Services	181,290	181,790	162,550	19,240
Travel and Transportation	0	1,067	1,042	25
Contractual Services	394,510	398,120	390,605	7,515
Materials and Supplies	79,000	73,500	69,515	3,985
Total City Hall	654,800	654,477	623,712	30,765
Engineer				
Personal Services	290,951	293,987	282,537	11,450
Contractual Services	12,446	9,596	7,675	1,921
Materials and Supplies	3,800	3,718	3,293	425
Other	500	500	115	385
Total Engineer	307,697	307,801	293,620	14,181
Other General Government				
Contractual Services	125,535	82,385	78,105	4,280
Other	145,200	177,200	165,138	12,062
Total Other General Government	270,735	259,585	243,243	16,342
Total Other	3,256,421	3,246,979	3,126,018	120,961
Total General Government	4,319,669	4,301,842	4,116,741	185,101
Total Expenditures	6,405,135	6,402,270	6,141,494	260,776
Excess of Revenues Over Expenditures	5,526,270	6,292,053	6,251,291	(40,762)

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, 2018
(continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Other Financing Sources (Uses)</u>				
Advances In	\$41,000	\$44,000	\$44,000	\$0
Transfers Out	<u>(5,966,457)</u>	<u>(6,219,846)</u>	<u>(6,084,780)</u>	<u>135,066</u>
Total Other Financing Sources (Uses)	<u>(5,925,457)</u>	<u>(6,175,846)</u>	<u>(6,040,780)</u>	<u>135,066</u>
Changes in Fund Balance	(399,187)	116,207	210,511	94,304
Fund Balance Beginning of Year	<u>2,491,907</u>	<u>2,491,907</u>	<u>2,491,907</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,092,720</u></u>	<u><u>\$2,608,114</u></u>	<u><u>\$2,702,418</u></u>	<u><u>\$94,304</u></u>

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, 2018

	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, 2018

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$1,374,578	\$1,548,904	\$1,485,508	(\$63,396)
Charges for Services	2,800	2,800	2,350	(450)
Fees, Licenses, and Permits	19,000	24,000	23,000	(1,000)
Intergovernmental	1,326,523	1,876,556	1,666,220	(210,336)
Interest	200	309	331	22
Other	12,949	45,748	44,748	(1,000)
Total Revenues	2,736,050	3,498,317	3,222,157	(276,160)
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Streets				
Personal Services	1,494,158	1,496,658	1,474,190	22,468
Contractual Services	960,480	2,834,431	2,196,986	637,445
Materials and Supplies	485,000	446,000	421,805	24,195
Other	30,754	77,954	51,146	26,808
Capital Outlay	0	4,000	4,000	0
Total Expenditures	2,970,392	4,859,043	4,148,127	710,916
Excess of Revenues Under Expenditures	(234,342)	(1,360,726)	(925,970)	434,756
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	0	0	0
Sale of Capital Assets	0	3,500	3,500	0
Total Other Financing Sources	200,000	3,500	3,500	0
Changes in Fund Balance	(34,342)	(1,357,226)	(922,470)	434,756
Fund Balance Beginning of Year	1,461,845	1,461,845	1,461,845	0
Fund Balance End of Year	\$1,427,503	\$104,619	\$539,375	\$434,756

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, 2018

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$6,655,303	\$7,533,685	\$7,414,212	(\$119,473)
Intergovernmental	0	31,959	31,959	0
Other	0	463,725	511,038	47,313
Total Revenues	6,655,303	8,029,369	7,957,209	(72,160)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police				
Police Department				
Personal Services	5,886,800	6,257,403	6,128,151	129,252
Travel and Transportation	4,000	3,431	3,431	0
Contractual Services	315,600	361,760	353,055	8,705
Materials and Supplies	106,650	124,650	121,339	3,311
Other	48,754	67,379	67,379	0
Capital Outlay	0	58,200	58,200	0
Total Police Department	6,361,804	6,872,823	6,731,555	141,268
Dispatch				
Contractual Services	538,418	538,418	538,418	0
Other	3,250	4,492	4,492	0
Total Dispatch	541,668	542,910	542,910	0
Total Police	6,903,472	7,415,733	7,274,465	141,268
Fire				
Fire Department				
Personal Services	5,306,334	5,471,806	5,401,738	70,068
Travel and Transportation	4,500	3,000	2,964	36
Contractual Services	351,535	319,480	299,481	19,999
Materials and Supplies	123,714	126,074	122,490	3,584
Other	61,750	85,350	85,340	10
Capital Outlay	0	65,000	62,141	2,859
Total Fire	5,847,833	6,070,710	5,974,154	96,556
Total Expenditures	12,751,305	13,486,443	13,248,619	237,824
Excess of Revenues				
Under Expenditures	(6,096,002)	(5,457,074)	(5,291,410)	165,664
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	8,475	8,475	0
Transfers In	5,926,226	6,177,596	5,956,643	(220,953)
Total Other Financing Sources	5,926,226	6,186,071	5,965,118	(220,953)
Changes in Fund Balance	(169,776)	728,997	673,708	(55,289)
Fund Balance Beginning of Year	258,573	258,573	258,573	0
Fund Balance End of Year	\$88,797	\$987,570	\$932,281	(\$55,289)

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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$7,367,003	\$7,449,352	\$82,349
General Obligation Bonds Issued	2,166,595	2,166,595	0
OWDA Loans Issued	1,025,235	1,308,201	282,966
OPWC Loans Issued	184,629	193,629	9,000
Premium on Bonds Issued	109,665	109,665	0
Sale of Capital Assets	3,700	3,700	0
Grants	13,309	13,309	0
Other	114,384	114,523	139
Total Revenues	10,984,520	11,358,974	374,454
<u>Expenses</u>			
Personal Services			
Sewer	2,563,531	2,500,596	62,935
Travel and Transportation			
Sewer	1,582	0	1,582
Contractual Services			
Sewage Replacement	141,744	80,843	60,901
Sewer	1,354,877	1,309,677	45,200
Sewage Improvement	2,539,150	1,108,737	1,430,413
Total Contractual Services	4,035,771	2,499,257	1,536,514
Materials and Supplies			
Sewer	515,750	501,165	14,585
Other			
Sewer	2,000	2,000	0
Capital Outlay			
Sewage Replacement	165,000	26,296	138,704
Sewer	10,000	0	10,000
Sewage Improvement	3,900,048	2,509,247	1,390,801
Total Capital Outlay	4,075,048	2,535,543	1,539,505
Debt Service:			
Principal Retirement	4,109,767	4,108,543	1,224
Interest Expense	510,521	466,431	44,090
Total Debt Service	4,620,288	4,574,974	45,314
Total Expenses	15,813,970	12,613,535	3,200,435
Changes in Fund Balance	(4,829,450)	(1,254,561)	3,574,889
Fund Balance Beginning of Year	4,921,039	4,921,039	0
Fund Balance End of Year	\$91,589	\$3,666,478	\$3,574,889

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, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,556,701	\$2,494,904	(\$61,797)
Sale of Capital Assets	2,800	2,800	0
Other	37,505	37,544	39
Total Revenues	<u>2,597,006</u>	<u>2,535,248</u>	<u>(61,758)</u>
<u>Expenses</u>			
Personal Services			
Sanitation	1,254,393	1,213,318	41,075
Contractual Services			
Sanitation	880,910	851,575	29,335
Materials and Supplies			
Sanitation	140,050	114,059	25,991
Other			
Sanitation	2,000	0	2,000
Capital Outlay			
Sanitation	<u>163,357</u>	<u>163,357</u>	<u>0</u>
Total Expenses	<u>2,440,710</u>	<u>2,342,309</u>	<u>98,401</u>
Changes in Fund Balance	156,296	192,939	36,643
Fund Balance Beginning of Year	<u>1,216,386</u>	<u>1,216,386</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,372,682</u></u>	<u><u>\$1,409,325</u></u>	<u><u>\$36,643</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$181,000	\$128,000	(\$53,000)
Other	5,621	5,621	0
Total Revenues	<u>186,621</u>	<u>133,621</u>	<u>(53,000)</u>
<u>Expenses</u>			
Contractual Services			
Landfill	135,132	126,873	8,259
Materials and Supplies			
Landfill	15,000	124	14,876
Capital Outlay			
Landfill	150,000	0	150,000
Debt Service:			
Interest Expense	6,344	6,344	0
Total Expenses	<u>306,476</u>	<u>133,341</u>	<u>173,135</u>
Excess of Revenues Over (Under) Expenses	(119,855)	280	120,135
Transfers In	<u>117,300</u>	<u>0</u>	<u>(117,300)</u>
Changes in Fund Balance	(2,555)	280	2,835
Fund Balance Beginning of Year	<u>2,614</u>	<u>2,614</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$59</u></u>	<u><u>\$2,894</u></u>	<u><u>\$2,835</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,748,120	\$1,904,213	(\$843,907)
General Obligation Bonds Issued	4,813,405	4,813,405	0
OPWC Loans Issued	173,937	182,937	9,000
Premium on Bonds Issued	241,864	241,864	0
Interest	300	0	(300)
Sale of Capital Assets	11,400	11,400	0
Grants	13,570	13,570	0
Other	49,716	49,855	139
Total Revenues	8,052,312	7,217,244	(835,068)
<u>Expenses</u>			
Personal Services			
Storm Water Utility	232,185	206,196	25,989
Travel and Transportation			
Storm Water Utility	240	0	240
Contractual Services			
Storm Water Utility	149,216	111,336	37,880
Storm Water Improvement	429,150	96,220	332,930
Total Contractual Services	578,366	207,556	370,810
Materials and Supplies			
Storm Water Utility	110,550	93,166	17,384
Other			
Storm Water Utility	400	0	400
Capital Outlay			
Storm Water Improvement	1,132,533	765,732	366,801
Debt Service:			
Principal Retirement	5,573,254	5,573,159	95
Interest Expense	532,565	500,220	32,345
Total Debt Service	6,105,819	6,073,379	32,440
Total Expenses	8,160,093	7,346,029	814,064
Changes in Fund Balance	(107,781)	(128,785)	(21,004)
Fund Balance Beginning of Year	156,467	156,467	0
Fund Balance End of Year	\$48,686	\$27,682	(\$21,004)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$211,371	\$205,824	(\$5,547)
Other	257,193	255,607	(1,586)
Total Revenues	<u>468,564</u>	<u>461,431</u>	<u>(7,133)</u>
<u>Expenses</u>			
Personal Services			
Aquatics Center	151,570	143,562	8,008
Contractual Services			
Aquatics Center	66,800	55,269	11,531
Materials and Supplies			
Aquatics Center	64,000	63,002	998
Other			
Aquatics Center	700	660	40
Debt Service:			
Interest Expense	<u>143,669</u>	<u>143,669</u>	<u>0</u>
Total Expenses	<u>426,739</u>	<u>406,162</u>	<u>20,577</u>
Changes in Fund Balance	41,825	55,269	13,444
Fund Balance Beginning of Year	<u>280,097</u>	<u>280,097</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$321,922</u></u>	<u><u>\$335,366</u></u>	<u><u>\$13,444</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$179,129	\$167,450	(\$11,679)
Interest	312	336	24
Other	30,594	29,788	(806)
Total Revenues	<u>210,035</u>	<u>197,574</u>	<u>(12,461)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Senior Citizens			
Personal Services	147,098	110,840	36,258
Travel and Transportation	3,000	2,350	650
Contractual Services	39,500	30,440	9,060
Materials and Supplies	15,150	10,430	4,720
Total Expenditures	<u>204,748</u>	<u>154,060</u>	<u>50,688</u>
Excess of Revenues Over Expenditures	<u>5,287</u>	<u>43,514</u>	<u>38,227</u>
<u>Other Financing Sources</u>			
Advances In	125	0	(125)
Transfers In	1,026	0	(1,026)
Total Other Financing Sources	<u>1,151</u>	<u>0</u>	<u>(1,151)</u>
Changes in Fund Balance	6,438	43,514	37,076
Fund Balance Beginning of Year	<u>286,026</u>	<u>286,026</u>	<u>0</u>
Fund Balance End of Year	<u>\$292,464</u>	<u>\$329,540</u>	<u>\$37,076</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$84,435	\$0	(\$84,435)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Other	2,191	2,191	0
Changes in Fund Balance	82,244	(2,191)	(84,435)
Fund Balance Beginning of Year	2,191	2,191	0
Fund Balance End of Year	\$84,435	\$0	(\$84,435)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$70,000	\$0	(\$70,000)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	70,671	67,354	3,317
Excess of Revenues Under Expenditures	(671)	(67,354)	(66,683)
<u>Other Financing Sources</u>			
Transfers In	17,930	17,930	0
Changes in Fund Balance	17,259	(49,424)	(66,683)
Fund Balance Beginning of Year	49,995	49,995	0
Fund Balance End of Year	<u>\$67,254</u>	<u>\$571</u>	<u>(\$66,683)</u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other Local Taxes	\$302,485	\$302,485	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Streets			
Contractual Services	<u>195,000</u>	<u>0</u>	<u>195,000</u>
Changes in Fund Balance	107,485	302,485	195,000
Fund Balance Beginning of Year	<u>244,447</u>	<u>244,447</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$351,932</u></u>	<u><u>\$546,932</u></u>	<u><u>\$195,000</u></u>

City of Marion
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$360,163	\$342,110	(\$18,053)
Interest	2,000	364	(1,636)
Total Revenues	<u>362,163</u>	<u>342,474</u>	<u>(19,689)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Streets			
Contractual Services	330,000	232,639	97,361
Capital Outlay	245,815	245,815	0
Total Expenditures	<u>575,815</u>	<u>478,454</u>	<u>97,361</u>
Changes in Fund Balance	(213,652)	(135,980)	77,672
Fund Balance Beginning of Year	<u>364,647</u>	<u>364,647</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$150,995</u></u>	<u><u>\$228,667</u></u>	<u><u>\$77,672</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$170,000	\$161,337	(\$8,663)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	116,816	107,534	9,282
Travel and Transportation	20,000	8,841	11,159
Contractual Services	48,800	31,266	17,534
Materials and Supplies	33,992	7,092	26,900
Capital Outlay	55,000	29,640	25,360
Total Expenditures	<u>274,608</u>	<u>184,373</u>	<u>90,235</u>
Changes in Fund Balance	(104,608)	(23,036)	81,572
Fund Balance Beginning of Year	<u>283,545</u>	<u>283,545</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$178,937</u></u>	<u><u>\$260,509</u></u>	<u><u>\$81,572</u></u>

City of Marion
Court Computerization Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$105,850	\$101,067	(\$4,783)
Other	60,099	60,099	0
Total Revenues	<u>165,949</u>	<u>161,166</u>	<u>(4,783)</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	39,300	37,898	1,402
Materials and Supplies	19,000	8,266	10,734
Capital Outlay	23,099	21,035	2,064
Total Expenditures	<u>81,399</u>	<u>67,199</u>	<u>14,200</u>
Changes in Fund Balance	84,550	93,967	9,417
Fund Balance Beginning of Year	<u>251,757</u>	<u>251,757</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$336,307</u></u>	<u><u>\$345,724</u></u>	<u><u>\$9,417</u></u>

City of Marion
Police Continuing Training Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$10,000	\$0	(\$10,000)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	7,000	6,858	142
Changes in Fund Balance	3,000	(6,858)	(9,858)
Fund Balance Beginning of Year	10,671	10,671	0
Fund Balance End of Year	\$13,671	\$3,813	(\$9,858)

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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$10,870	\$10,870	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	10,870	10,870	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
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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$235,189	\$235,189	\$0
Other	11,376	11,376	0
Total Revenues	<u>246,565</u>	<u>246,565</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	297,898	294,000	3,898
Travel and Transportation	150	134	16
Materials and Supplies	329	0	329
Total Expenditures	<u>298,377</u>	<u>294,134</u>	<u>4,243</u>
Excess of Revenues Under Expenditures	(51,812)	(47,569)	4,243
<u>Other Financing Sources</u>			
Transfers In	40,000	35,207	(4,793)
Changes in Fund Balance	(11,812)	(12,362)	(550)
Fund Balance Beginning of Year	<u>16,284</u>	<u>16,284</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,472</u></u>	<u><u>\$3,922</u></u>	<u><u>(\$550)</u></u>

City of Marion
Indigent Alcohol Monitoring Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$8,899	\$8,840	(\$59)
Intergovernmental	<u>12,000</u>	<u>11,694</u>	<u>(306)</u>
Total Revenues	20,899	20,534	(365)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	<u>5,000</u>	<u>1,851</u>	<u>3,149</u>
Changes in Fund Balance	15,899	18,683	2,784
Fund Balance Beginning of Year	<u>74,112</u>	<u>74,112</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$90,011</u></u>	<u><u>\$92,795</u></u>	<u><u>\$2,784</u></u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$128,610	\$128,610	\$0
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Personal Services	96,618	95,886	732
Travel and Transportation	2,000	718	1,282
Contractual Services	18,600	14,490	4,110
Materials and Supplies	8,000	6,586	1,414
Capital Outlay	6,700	5,608	1,092
Total Expenditures	<u>131,918</u>	<u>123,288</u>	<u>8,630</u>
Changes in Fund Balance	(3,308)	5,322	8,630
Fund Balance Beginning of Year	<u>111,901</u>	<u>111,901</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$108,593</u></u>	<u><u>\$117,223</u></u>	<u><u>\$8,630</u></u>

City of Marion
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,644	\$1,644	\$0
Other	4,500	0	(4,500)
Total Revenues	6,144	1,644	(4,500)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Other	500	0	500
Changes in Fund Balance	5,644	1,644	(4,000)
Fund Balance Beginning of Year	11,585	11,585	0
Fund Balance End of Year	\$17,229	\$13,229	(\$4,000)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$17,313	\$17,313	\$0
Intergovernmental	9,669	9,669	0
Total Revenues	26,982	26,982	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Other General Government			
Contractual Services	20,000	10,412	9,588
Changes in Fund Balance	6,982	16,570	9,588
Fund Balance Beginning of Year	218,581	218,581	0
Fund Balance End of Year	<u>\$225,563</u>	<u>\$235,151</u>	<u>\$9,588</u>

City of Marion
Railroad Grade Crossing Improvement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Railroad Grade Crossing			
Capital Outlay	25,000	0	25,000
Changes in Fund Balance	(25,000)	0	25,000
Fund Balance Beginning of Year	64,125	64,125	0
Fund Balance End of Year	\$39,125	\$64,125	\$25,000

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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$9,420	\$9,358	(\$62)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	5,500	2,037	3,463
Materials and Supplies	3,000	2,024	976
Capital Outlay	3,000	0	3,000
Total Expenditures	11,500	4,061	7,439
Changes in Fund Balance	(2,080)	5,297	7,377
Fund Balance Beginning of Year	49,046	49,046	0
Fund Balance End of Year	\$46,966	\$54,343	\$7,377

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Property Taxes	\$192,686	\$204,560	\$11,874
Intergovernmental	31,191	29,457	(1,734)
Total Revenues	<u>223,877</u>	<u>234,017</u>	<u>10,140</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	112,000	112,000	0
Fire			
Fire Department			
Personal Services	112,000	112,000	0
Contractual Services	6,254	6,254	0
Total Fire	<u>118,254</u>	<u>118,254</u>	<u>0</u>
Total Expenditures	<u>230,254</u>	<u>230,254</u>	<u>0</u>
Changes in Fund Balance	(6,377)	3,763	10,140
Fund Balance Beginning of Year	<u>8,315</u>	<u>8,315</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,938</u></u>	<u><u>\$12,078</u></u>	<u><u>\$10,140</u></u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other	\$2,001	\$2,001	\$0
<u>Expenditures</u>			
Current:			
Community Environment Marion Land Bank Program Contractual Services	<u>10,500</u>	<u>8,631</u>	<u>1,869</u>
Changes in Fund Balance	(8,499)	(6,630)	1,869
Fund Balance Beginning of Year	<u>21,504</u>	<u>21,504</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$13,005</u></u>	<u><u>\$14,874</u></u>	<u><u>\$1,869</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Clean Ohio			
Contractual Services	135,084	135,084	0
Changes in Fund Balance	(135,084)	(135,084)	0
Fund Balance Beginning of Year	135,084	135,084	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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$112,977	\$101,391	(\$11,586)
<u>Expenditures</u>			
Current:			
General Government			
Court			
Adult Drug Court			
Personal Services	88,736	82,145	6,591
Travel and Transportation	3,525	3,525	0
Contractual Services	1,248	0	1,248
Materials and Supplies	4,745	3,920	825
Capital Outlay	1,500	886	614
Total Expenditures	99,754	90,476	9,278
Changes in Fund Balance	13,223	10,915	(2,308)
Fund Balance Beginning of Year	6,260	6,260	0
Fund Balance End of Year	\$19,483	\$17,175	(\$2,308)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$32,455	\$32,455	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
ADAMH Grant			
Travel and Transportation	7,265	7,229	36
Contractual Services	765	248	517
Materials and Supplies	16,375	9,678	6,697
Total Expenditures	24,405	17,155	7,250
Changes in Fund Balance	8,050	15,300	7,250
Fund Balance Beginning of Year	4,632	4,632	0
Fund Balance End of Year	<u>\$12,682</u>	<u>\$19,932</u>	<u>\$7,250</u>

City of Marion
Revolving Loans Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$272	\$257	(\$15)
<u>Expenditures</u>			0
Current:			
Community Environment			
Revolving Loan			
Travel and Transportation	1,020	1,020	0
Changes in Fund Balance	(748)	(763)	(15)
Fund Balance Beginning of Year	50,009	50,009	0
Fund Balance End of Year	<u>\$49,261</u>	<u>\$49,246</u>	<u>(\$15)</u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$116,575	\$94,124	(\$22,451)
Intergovernmental	894,881	732,838	(162,043)
Other	29,283	33,014	3,731
Total Revenues	<u>1,040,739</u>	<u>859,976</u>	<u>(180,763)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Personal Services	702,107	622,438	79,669
Contractual Services	123,105	102,470	20,635
Materials and Supplies	105,500	101,118	4,382
Capital Outlay	104,910	104,910	0
Total Expenditures	<u>1,035,622</u>	<u>930,936</u>	<u>104,686</u>
Excess of Revenues Over (Under) Expenditures	<u>5,117</u>	<u>(70,960)</u>	<u>(76,077)</u>
<u>Other Financing Sources</u>			
Sale of Capital Assets	5,250	5,250	0
Transfers In	85,000	75,000	(10,000)
Total Other Financing Sources	<u>90,250</u>	<u>80,250</u>	<u>(10,000)</u>
Changes in Fund Balance	95,367	9,290	(86,077)
Fund Balance Beginning of Year	<u>64,607</u>	<u>64,607</u>	<u>0</u>
Fund Balance End of Year	<u>\$159,974</u>	<u>\$73,897</u>	<u>(\$86,077)</u>

City of Marion
Youth Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Contractual Services	442	0	442
Changes in Fund Balance	(442)	0	442
Fund Balance Beginning of Year	5,443	5,443	0
Fund Balance End of Year	\$5,001	\$5,443	\$442

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other	\$49,157	\$49,657	\$500
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	19,595	18,230	1,365
Materials and Supplies	14,006	13,397	609
Total Expenditures	33,601	31,627	1,974
Changes in Fund Balance	15,556	18,030	2,474
Fund Balance Beginning of Year	36,225	36,225	0
Fund Balance End of Year	<u>\$51,781</u>	<u>\$54,255</u>	<u>\$2,474</u>

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Municipal Income Taxes	\$86,574	\$86,574	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	773,000	773,000	0
Interest and Fiscal Charges	119,518	108,924	10,594
Total Expenditures	892,518	881,924	10,594
Excess of Revenues Under Expenditures	(805,944)	(795,350)	10,594
<u>Other Financing Sources</u>			
General Obligation Bonds Issued	505,000	505,000	0
Premium on Bonds Issued	19,592	19,592	0
Transfers In	276,000	270,758	(5,242)
Total Other Financing Sources	800,592	795,350	(5,242)
Changes in Fund Balance	(5,352)	0	5,352
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	(\$5,352)	\$0	\$5,352

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$4,435	\$4,284	(\$151)
Other	44,639	44,639	0
Total Revenues	49,074	48,923	(151)
<u>Expenditures</u>			
Debt Service:			
Interest and Fiscal Charges	3,623	3,623	0
Excess of Revenues Over Expenditures	45,451	45,300	(151)
<u>Other Financing Uses</u>			
Advances Out	(44,000)	(44,000)	0
Changes in Fund Balance	1,451	1,300	(151)
Fund Balance Beginning of Year	7,803	7,803	0
Fund Balance End of Year	<u>\$9,254</u>	<u>\$9,103</u>	<u>(\$151)</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$214,784	\$68,375	(\$146,409)
Other	3,422	3,422	0
	218,206	71,797	(146,409)
<u>Expenditures</u>			
Current:			
Community Environment			
CDBG Formula Grant			
Contractual Services	227,780	81,464	146,316
	(9,574)	(9,667)	(93)
Changes in Fund Balance			
Fund Balance Beginning of Year	10,496	10,496	0
Fund Balance End of Year	\$922	\$829	(\$93)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$463,381	\$434,523	(\$28,858)
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Contractual Services	27,748	10,429	17,319
Capital Outlay	150,000	0	150,000
Total Transportation	177,748	10,429	167,319
Debt Service:			
Principal Retirement	101,838	95,397	6,441
Interest and Fiscal Charges	1,982	1,945	37
Total Debt Service	103,820	97,342	6,478
Total Expenditures	281,568	107,771	173,797
Excess of Revenues Over Expenditures	181,813	326,752	144,939
<u>Other Financing Uses</u>			
Transfers Out	(109,662)	(109,662)	0
Changes in Fund Balance	72,151	217,090	144,939
Fund Balance Beginning of Year	2,030,343	2,030,343	0
Fund Balance End of Year	<u>\$2,102,494</u>	<u>\$2,247,433</u>	<u>\$144,939</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, 2018

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$436,724	\$425,742	(\$10,982)
Other	23,250	14,755	(8,495)
Total Revenues	459,974	440,497	(19,477)
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Contractual Services	105	71	34
Other	8,994	8,974	20
Capital Outlay	227,939	161,956	65,983
Total Expenditures	237,038	171,001	66,037
Excess of Revenues Over Expenditures	222,936	269,496	46,560
<u>Other Financing Uses</u>			
Transfers Out	(155,969)	(161,096)	(5,127)
Changes in Fund Balance	66,967	108,400	41,433
Fund Balance Beginning of Year	87,936	87,936	0
Fund Balance End of Year	\$154,903	\$196,336	\$41,433

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, 2018

	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, 2018

	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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$67,538	\$67,538	\$0
Other	4,550	4,550	0
Total Revenues	<u>72,088</u>	<u>72,088</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Airport			
Contractual Services	5,300	3,621	1,679
Capital Outlay	104,571	103,322	1,249
Total Expenditures	<u>109,871</u>	<u>106,943</u>	<u>2,928</u>
Excess of Revenues			
Under Expenditures	(37,783)	(34,855)	2,928
<u>Other Financing Sources</u>			
Sale of Capital Assets	<u>154,000</u>	<u>154,000</u>	<u>0</u>
Changes in Fund Balance	116,217	119,145	2,928
Fund Balance Beginning of Year	<u>171,310</u>	<u>171,310</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$287,527</u></u>	<u><u>\$290,455</u></u>	<u><u>\$2,928</u></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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$1,230,403	\$1,064,142	(\$166,261)
Other	8,574	8,574	0
Total Revenues	<u>1,238,977</u>	<u>1,072,716</u>	<u>(166,261)</u>
<u>Expenses</u>			
Personal Services			
Central Garage	<u>343,215</u>	<u>317,642</u>	<u>25,573</u>
Contractual Services			
Central Garage	<u>62,531</u>	<u>56,066</u>	<u>6,465</u>
Materials and Supplies			
Central Garage	<u>615,000</u>	<u>591,353</u>	<u>23,647</u>
Debt Service:			
Principal Retirement	57,500	57,500	0
Interest Expense	<u>34,894</u>	<u>34,894</u>	<u>0</u>
Total Debt Service	<u>92,394</u>	<u>92,394</u>	<u>0</u>
Total Expenses	<u>1,113,140</u>	<u>1,057,455</u>	<u>55,685</u>
Changes in Fund Balance	125,837	15,261	(110,576)
Fund Balance Beginning of Year	<u>9,610</u>	<u>9,610</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$135,447</u></u>	<u><u>\$24,871</u></u>	<u><u>(\$110,576)</u></u>

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**STATISTICAL
SECTION**

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**City of Marion
Statistical Section**

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

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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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net Investment in Capital Assets	\$47,671,157	\$47,939,722	\$50,948,369	\$54,707,860
Restricted for				
Capital Projects	2,798,306	2,338,998	2,141,229	2,136,499
Debt Service	0	0	0	0
Other Purposes	4,383,527	5,272,839	4,734,671	4,132,108
Unrestricted (Deficit)	<u>(39,835,858)</u>	<u>(37,389,573)</u>	<u>(16,443,700)</u>	<u>(14,340,021)</u>
Total Governmental Activities Net Position	<u>15,017,132</u>	<u>18,161,986</u>	<u>41,380,569</u>	<u>46,636,446</u>
Business-Type Activities				
Net Investment in Capital Assets	10,513,916	9,153,560	8,048,384	8,611,292
Unrestricted (Deficit)	<u>1,136,209</u>	<u>2,250,411</u>	<u>4,716,894</u>	<u>3,392,909</u>
Total Business-Type Activities Net Position	<u>11,650,125</u>	<u>11,403,971</u>	<u>12,765,278</u>	<u>12,004,201</u>
Primary Government				
Net Investment in Capital Assets	58,185,073	57,093,282	58,996,753	63,319,152
Restricted	7,181,833	7,611,837	6,875,900	6,268,607
Unrestricted (Deficit)	<u>(38,699,649)</u>	<u>(35,139,162)</u>	<u>(11,726,806)</u>	<u>(10,947,112)</u>
Total Primary Government Net Position	<u>\$26,667,257</u>	<u>\$29,565,957</u>	<u>\$54,145,847</u>	<u>\$58,640,647</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014 and GASB Statement No. 75 beginning in 2017.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$57,981,379	\$59,629,506	\$63,770,617	\$66,187,425	\$69,544,904	\$51,096,131
1,752,457	1,635,812	1,471,021	3,764,288	3,528,533	1,801,212
0	0	0	0	0	3,528
5,122,009	4,744,112	3,967,713	3,388,543	4,082,600	3,044,512
<u>(15,921,607)</u>	<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>48,934,238</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>
9,800,721	10,522,092	11,273,829	11,772,304	11,323,625	9,668,849
<u>498,654</u>	<u>1,241,798</u>	<u>501,707</u>	<u>(2,969,263)</u>	<u>(3,706,206)</u>	<u>872,040</u>
<u>10,299,375</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>
67,782,100	70,151,598	75,044,446	77,959,729	80,868,529	60,764,980
6,874,466	6,379,924	5,438,734	7,152,831	7,611,133	4,849,252
<u>(15,422,953)</u>	<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>\$59,233,613</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>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$8,876,793	\$7,760,073	\$7,704,885	\$6,937,590
Fire	7,770,308	6,785,552	6,917,973	6,001,795
Other	264,532	262,241	279,024	273,558
Public Health	332,510	391,220	475,974	450,276
Leisure Time Activities	1,296,203	1,126,742	1,024,675	932,334
Community Environment	273,008	615,208	675,217	686,208
Transportation				
Transit	1,119,659	1,108,187	1,121,255	976,397
Other	6,646,985	6,870,206	6,786,744	7,323,163
General Government				
Court	1,934,141	1,833,153	1,598,237	1,252,947
Other	3,924,587	4,020,092	3,872,566	3,122,100
Interest and Fiscal Charges	112,338	117,917	132,223	144,154
Total Governmental Activities Expenses	<u>32,551,064</u>	<u>30,890,591</u>	<u>30,588,773</u>	<u>28,100,522</u>
Business-Type Activities				
Sewer	7,450,382	6,735,102	6,024,098	6,088,099
Sanitation	2,390,970	2,527,701	2,278,028	1,936,929
Landfill	(19,200)	19,858	(18,644)	(58,216)
Storm Water	1,413,679	1,640,883	1,911,468	1,852,887
Aquatics Center	470,004	535,160	491,402	447,437
Total Business-Type Activities Expenses	<u>11,705,835</u>	<u>11,458,704</u>	<u>10,686,352</u>	<u>10,267,136</u>
Total Primary Government Expenses	<u>44,256,899</u>	<u>42,349,295</u>	<u>41,275,125</u>	<u>38,367,658</u>

2014	2013	2012	2011	2010	2009
\$5,937,127	\$6,485,461	\$5,757,434	\$6,641,183	\$7,637,515	\$7,537,407
5,608,955	5,662,188	4,843,734	5,864,658	6,205,475	6,202,510
296,116	270,226	297,776	258,206	274,704	272,940
391,194	391,484	447,973	489,284	636,408	1,119,073
933,611	860,761	920,509	1,126,954	1,420,937	1,438,764
803,809	563,133	1,401,447	2,572,072	1,363,569	953,077
1,065,270	1,175,948	1,071,114	922,873	820,298	1,038,671
6,257,831	6,177,970	5,767,795	6,600,017	5,090,213	5,149,912
1,260,331	1,226,544	1,042,867	976,447	1,001,001	996,558
3,399,848	3,052,278	4,455,649	2,994,209	3,874,215	3,125,248
149,091	158,712	175,311	182,157	315,718	231,842
<u>26,103,183</u>	<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>
6,150,351	5,452,035	5,270,225	5,796,461	5,795,346	6,408,838
1,992,690	1,666,855	2,146,238	2,196,659	2,039,259	2,413,915
(49,243)	36,750	125,998	(5,259)	108,154	23,488
1,813,918	2,411,967	1,883,897	2,299,682	1,640,079	2,023,313
400,506	486,210	690,856	297,524	0	0
<u>10,308,222</u>	<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>36,411,405</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>

(continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	\$57,452	\$47,838	\$59,724	\$55,261
Fire	1,014,138	890,713	782,978	1,216,658
Public Health	0	0	0	0
Leisure Time Activities	0	24,175	20,522	18,340
Community Environment	21,487	20	120	0
Transportation				
Transit	93,591	98,872	95,924	103,810
Other	326,062	279,108	17,702	15,500
General Government				
Court	1,136,900	1,137,443	1,136,660	1,044,646
Other	532,712	357,310	293,158	313,424
Total Charges for Services	<u>3,182,342</u>	<u>2,835,479</u>	<u>2,406,788</u>	<u>2,767,639</u>
Operating Grants, Contributions, and Interest	2,929,819	3,016,232	3,211,132	3,569,668
Capital Grants and Contributions	<u>1,453,864</u>	<u>1,084,220</u>	<u>484,605</u>	<u>285,858</u>
Total Governmental Activities Program Revenues	<u>7,566,025</u>	<u>6,935,931</u>	<u>6,102,525</u>	<u>6,623,165</u>
Business-Type Activities				
Charges for Services				
Sewer	7,404,686	6,146,311	6,634,544	6,135,568
Sanitation	2,364,716	2,827,571	1,903,911	2,463,223
Landfill	128,000	143,000	94,374	273,968
Storm Water	1,939,467	1,670,702	1,702,935	1,404,306
Aquatics Center	205,824	182,112	202,439	169,444
Total Charges for Services	<u>12,042,693</u>	<u>10,969,696</u>	<u>10,538,203</u>	<u>10,446,509</u>
Operating Grants, Contributions, and Interest	0	0	0	0
Capital Grants and Contributions	<u>19,200</u>	<u>570,852</u>	<u>515,161</u>	<u>1,174,973</u>
Total Business-Type Activities Program Revenues	<u>12,061,893</u>	<u>11,540,548</u>	<u>11,053,364</u>	<u>11,621,482</u>
Total Primary Government Program Revenues	<u>19,627,918</u>	<u>18,476,479</u>	<u>17,155,889</u>	<u>18,244,647</u>
<u>Net Expense (Revenue)</u>				
Governmental Activities	24,985,039	23,954,660	24,486,248	21,477,357
Business-Type Activities	<u>(356,058)</u>	<u>(81,844)</u>	<u>(367,012)</u>	<u>(1,354,346)</u>
Total Primary Government Net Expense	<u>24,628,981</u>	<u>23,872,816</u>	<u>24,119,236</u>	<u>20,123,011</u>

2014	2013	2012	2011	2010	2009
\$76,404	\$66,656	\$65,097	\$83,637	\$45,231	\$86,899
613,965	1,163,379	558,023	1,096,237	0	1,205,648
4,022	0	0	92,729	66,786	318,173
23,138	21,423	21,382	64,557	397,010	81,146
0	150	0	0	0	0
112,973	115,998	109,913	138,484	21,751	124,740
18,700	23,350	30,343	47,411	108,231	93,834
967,956	977,759	906,277	952,556	1,115,245	1,131,030
292,603	319,159	340,371	287,796	431,029	525,199
2,109,761	2,687,874	2,031,406	2,763,407	2,185,283	3,566,669
4,002,743	3,679,557	4,852,977	5,328,581	4,403,920	3,177,575
2,074,956	145,317	766,305	342,991	263,176	429,800
8,187,460	6,512,748	7,650,688	8,434,979	6,852,379	7,174,044
6,214,889	5,877,295	5,580,190	5,777,897	5,757,769	5,157,868
2,514,897	1,841,691	2,823,504	2,660,450	1,636,510	2,130,332
271,000	593,251	0	207,000	0	346,431
1,110,075	1,049,516	1,134,130	1,089,014	1,224,273	1,133,667
127,156	164,528	271,288	0	0	0
10,238,017	9,526,281	9,809,112	9,734,361	8,618,552	8,768,298
0	0	0	131,206	0	0
71,739	158,246	292,397	1,990,553	1,373,492	200,531
10,309,756	9,684,527	10,101,509	11,856,120	9,992,044	8,968,829
18,497,216	16,197,275	17,752,197	20,291,099	16,844,423	16,142,873
17,915,723	19,511,957	18,530,921	20,193,081	21,787,674	20,891,958
(1,534)	369,290	15,705	(1,271,053)	(409,206)	1,900,725
17,914,189	19,881,247	18,546,626	18,922,028	21,378,468	22,792,683

(continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Revenues and Other Changes in Net Position</u>				
<u>Governmental Activities</u>				
Property Taxes Levied for General Purposes	\$1,124,347	\$1,092,591	\$1,114,039	\$1,082,897
Property Taxes Levied for Police and Fire Pension	204,618	199,790	202,528	196,921
Payment in Lieu of Taxes	434,523	383,876	519,826	399,460
Municipal Income Taxes Levied for General Purposes	8,446,373	7,808,668	7,774,050	8,043,383
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	644,420	618,417	626,470	606,726
Municipal Income Taxes Levied for Police and Fire	7,449,990	7,073,961	6,871,565	7,067,946
Municipal Income Taxes Levied for Capital Improvements	427,367	406,028	389,641	404,006
Grants and Entitlements not Restricted to Specific Programs	898,920	819,578	922,016	728,315
Franchise Taxes	333,694	292,236	286,507	278,403
Interest	218,065	134,977	107,283	115,561
Other	1,066,332	608,125	406,036	255,947
Transfers	591,536	6,410	10,410	0
Total Governmental Activities	<u>21,840,185</u>	<u>19,444,657</u>	<u>19,230,371</u>	<u>19,179,565</u>
<u>Business-Type Activities</u>				
Interest	0	0	0	0
Other	481,632	420,386	404,475	350,480
Transfers	(591,536)	(6,410)	(10,410)	0
Total Business-Type Activities	<u>(109,904)</u>	<u>413,976</u>	<u>394,065</u>	<u>350,480</u>
Total Primary Government	<u>21,730,281</u>	<u>19,858,633</u>	<u>19,624,436</u>	<u>19,530,045</u>
<u>Changes in Net Position</u>				
Governmental Activities	(3,144,854)	(4,510,003)	(5,255,877)	(2,297,792)
Business-Type Activities	246,154	495,820	761,077	1,704,826
Total Primary Government	<u>(\$2,898,700)</u>	<u>(\$4,014,183)</u>	<u>(\$4,494,800)</u>	<u>(\$592,966)</u>

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015 and GASB Statement No. 75 beginning in 2018.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$1,092,263	\$1,044,608	\$1,039,593	\$1,081,136	\$1,138,506	\$1,153,111
198,845	191,397	190,451	196,399	207,376	209,572
363,665	339,296	375,340	366,126	361,716	357,782
7,516,504	11,876,892	12,233,801	11,166,623	11,831,522	11,865,486
561,668	595,076	369,225	279,941	377,602	526,254
6,586,927	1,396,953	0	0	0	0
377,378	332,204	370,907	317,767	377,602	277,777
873,541	1,318,417	1,273,569	2,146,727	1,936,793	2,313,482
287,074	307,730	312,562	297,964	288,289	272,225
137,188	105,396	78,660	166,410	333,457	184,976
673,618	514,059	213,899	252,278	137,018	388,661
500	36,573	(2,242,904)	361,296	1,643,729	395,394
<u>18,669,171</u>	<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>
0	0	0	0	0	49,182
340,678	394,217	745,296	275,865	296,571	30,643
(500)	(36,573)	2,242,904	(361,296)	(1,643,729)	(395,394)
<u>340,178</u>	<u>357,644</u>	<u>2,988,200</u>	<u>(85,431)</u>	<u>(1,347,158)</u>	<u>(315,569)</u>
<u>19,009,349</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>
753,448	(1,453,356)	(4,315,818)	(3,560,414)	(3,154,064)	(2,947,238)
341,712	(11,646)	2,972,495	1,185,622	(937,952)	(2,216,294)
<u>\$1,095,160</u>	<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>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved (Deficit)	0	0	0	0
Nonspendable	77,132	119,795	158,412	175,653
Committed	1,762	1,762	1,762	1,762
Assigned	606,351	674,902	803,464	735,720
Unassigned (Deficit)	<u>2,889,631</u>	<u>2,535,128</u>	<u>1,957,415</u>	<u>1,825,622</u>
Total General Fund	<u>3,574,876</u>	<u>3,331,587</u>	<u>2,921,053</u>	<u>2,738,757</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	0	0	0	0
Nonspendable	114,045	175,853	174,757	118,704
Restricted	7,723,028	5,788,540	5,638,046	5,790,423
Committed	9,384	8,723	7,948	7,079
Assigned	0	0	0	0
Unassigned (Deficit)	<u>(4,119)</u>	<u>(434,517)</u>	<u>(418,551)</u>	<u>(361,421)</u>
Total All Other Governmental Funds	<u>7,842,338</u>	<u>5,538,599</u>	<u>5,402,200</u>	<u>5,554,785</u>
Total Governmental Funds	<u>\$11,417,214</u>	<u>\$8,870,186</u>	<u>\$8,323,253</u>	<u>\$8,293,542</u>

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

2014	2013	2012	2011	2010	2009
\$0	\$0	\$0	\$0	\$422,439	\$480,799
0	0	0	0	(1,247,645)	917,957
211,891	298,172	58,799	333,735	n/a	n/a
1,713	1,416	464	159,519	n/a	n/a
541,532	211,336	170,522	158,086	n/a	n/a
1,246,057	865,934	(791,952)	(1,365,380)	n/a	n/a
<u>2,001,193</u>	<u>1,376,858</u>	<u>(562,167)</u>	<u>(714,040)</u>	<u>(825,206)</u>	<u>1,398,756</u>
0	0	0	0	1,977,893	1,240,387
0	0	0	0	504,426	713,644
0	0	0	0	742,483	1,161,949
0	0	0	0	(385,823)	3,528
0	0	0	0	2,916,582	1,507,327
212,130	144,841	149,341	82,256	n/a	n/a
5,671,537	5,554,752	4,777,943	7,075,213	n/a	n/a
6,130	5,110	0	0	n/a	n/a
0	0	0	1,372	n/a	n/a
(207,369)	(1,491,256)	(1,075,648)	(1,103,141)	n/a	n/a
<u>5,682,428</u>	<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>\$7,683,621</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>

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

	2018	2017	2016	2015
<u>Revenues</u>				
Property Taxes	\$1,327,793	\$1,306,974	\$1,259,812	\$1,263,885
Payment in Lieu of Taxes	434,523	383,876	519,826	399,460
Municipal Income Taxes	16,940,727	15,865,055	15,882,193	16,072,587
Other Local Taxes	300,512	262,108	4,102	0
Charges for Services	1,352,110	1,487,429	1,222,509	1,190,348
Fees, Licenses, and Permits	414,220	361,911	356,898	342,233
Fines and Forfeitures	1,287,713	1,260,450	1,260,652	1,157,497
Intergovernmental	4,492,006	4,534,327	4,506,210	4,663,703
Interest	188,008	158,041	95,893	96,990
Other	982,860	682,731	461,082	354,653
Total Revenues	27,720,472	26,302,902	25,569,177	25,541,356
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	7,612,296	7,002,332	6,854,807	6,673,542
Fire	6,489,646	5,926,163	6,002,927	5,927,259
Other	264,532	262,241	279,024	273,558
Public Health	332,274	390,984	475,738	447,537
Leisure Time Activities	1,176,081	1,044,269	946,093	880,589
Community Environment	273,008	615,208	705,212	686,208
Transportation				
Transit	930,118	915,956	1,069,843	1,134,617
Other	4,336,184	4,208,921	3,756,286	4,191,048
General Government				
Court	1,736,552	1,593,391	1,558,747	1,247,813
Other	3,328,500	3,329,432	3,435,843	3,102,998
Debt Service:				
Principal Retirement	420,556	354,730	343,050	336,462
Interest and Fiscal Charges	111,266	118,752	132,981	144,844
Total Expenditures	27,011,013	25,762,379	25,560,551	25,046,475
Excess of Revenues Over (Under) Expenditures	709,459	540,523	8,626	494,881
<u>Other Financing Sources (Uses)</u>				
Bond Anticipation Notes Issued	0	0	0	0
General Obligation Bonds Issued	505,000	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
Premium on Bonds Issued	19,592	0	0	0
Inception of Capital Lease	550,216	0	0	0
Sale of Capital Assets	171,225	0	10,675	115,040
Transfers In	8,400,202	6,759,003	6,374,072	6,290,774
Transfers Out	(7,808,666)	(6,752,593)	(6,363,662)	(6,290,774)
Total Other Financing Sources (Uses)	1,837,569	6,410	21,085	115,040
Changes in Fund Balance	\$2,547,028	\$546,933	\$29,711	\$609,921
Debt Service as a Percentage of Noncapital Expenditures	2.13%	1.99%	1.98%	2.08%

2014	2013	2012	2011	2010	2009
\$1,270,829	\$1,232,257	\$1,213,171	\$1,221,951	\$1,306,032	\$1,316,619
363,665	339,296	375,340	366,126	361,716	345,570
14,853,318	14,324,676	12,679,571	12,740,356	11,743,061	12,640,346
0	0	0	0	0	0
1,294,317	1,178,391	1,242,226	1,198,228	1,676,046	1,827,413
343,397	382,259	366,646	351,163	326,653	363,818
1,110,859	1,129,885	1,059,463	1,124,168	1,249,299	1,214,293
6,742,967	5,594,429	6,623,132	7,670,115	6,299,197	5,636,142
137,753	136,337	95,821	192,345	374,695	247,914
666,356	607,434	292,905	955,275	474,041	451,298
<u>26,783,461</u>	<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>
6,001,812	6,426,618	5,492,807	6,778,386	7,552,410	7,671,074
5,641,142	5,920,835	4,812,830	5,526,469	6,125,357	6,261,289
296,116	270,226	297,776	258,206	274,704	272,940
390,859	391,149	447,638	488,966	636,090	1,194,396
901,399	805,801	932,545	1,114,921	1,403,075	1,385,622
803,809	623,338	1,401,447	2,572,072	1,363,569	1,000,594
992,516	1,171,823	1,578,161	1,197,923	807,806	1,001,456
4,694,570	2,448,841	2,793,121	3,354,214	4,682,823	3,565,728
1,252,603	1,200,327	1,014,527	976,173	997,407	973,975
3,256,433	2,790,803	4,349,368	3,081,972	4,066,325	3,376,243
393,015	407,701	397,628	634,053	3,905,795	338,086
154,340	161,905	175,472	192,662	296,264	226,984
<u>24,778,614</u>	<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>2,004,847</u>	<u>2,305,597</u>	<u>254,955</u>	<u>(356,290)</u>	<u>(8,300,885)</u>	<u>(3,224,974)</u>
0	0	0	0	2,650,000	0
0	0	0	0	4,178,350	0
0	0	0	0	0	3,780,000
0	0	0	0	(250,000)	(1,580,000)
0	0	0	0	(790,010)	0
0	0	0	0	0	0
0	0	0	0	0	0
87,969	3,850	23,400	0	2,300	3,650
6,386,264	1,353,929	1,551,743	2,029,580	3,585,003	1,701,215
<u>(6,385,764)</u>	<u>(1,362,540)</u>	<u>(3,882,289)</u>	<u>(1,663,985)</u>	<u>(1,941,274)</u>	<u>(1,701,215)</u>
<u>88,469</u>	<u>(4,761)</u>	<u>(2,307,146)</u>	<u>365,595</u>	<u>7,434,369</u>	<u>2,203,650</u>
<u>\$2,093,316</u>	<u>\$2,300,836</u>	<u>(\$2,052,191)</u>	<u>\$9,305</u>	<u>(\$866,516)</u>	<u>(\$1,021,324)</u>
2.51%	2.58%	2.67%	3.30%	14.16%	2.24%

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			
2018	\$267,590,050	\$83,181,740	\$1,002,205,114	\$34,230,780	\$38,898,614
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

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. 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 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	\$385,002,570	\$1,041,103,728	36.98%	\$4.20
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

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

	2018	2017	2016	2015
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	40.9100	40.7700	41.1200	41.1200
Elgin Local School District	43.5200	43.3100	44.8600	44.8600
Pleasant Local School District	45.5300	45.4500	46.5300	46.5300
Ridgedale Local School District	44.6600	44.4400	44.7000	44.7000
River Valley Local School District	38.4300	38.4300	38.6200	38.6200
Tri-Rivers Joint Vocational School District	4.4000	4.4000	4.4000	4.4000
Marion Township	2.1500	12.1500	12.1500	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.

2014	2013	2012	2011	2010	2009
\$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	11.1700	11.5500
41.1200	41.2200	41.2500	40.3600	40.3600	40.3600
44.8600	45.7500	45.7800	46.1700	46.1700	37.6800
46.5300	47.1300	47.1300	47.5900	47.5900	47.5900
44.7000	45.6900	45.7000	46.5200	46.5200	46.5200
38.6200	38.8900	38.8900	38.4100	38.4100	38.4100
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
10.1000	10.1000	10.1000	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
2018	\$1,497,449	\$151,475	\$1,648,924	\$1,474,789	98.49%
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

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>
\$128,815	\$1,603,604	97.25%	\$408,889	24.80%
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

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
2018	\$0	\$0	\$0	\$0	0.00%
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

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	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

City of Marion
Principal Taxpayers
Current Year and Seven Years Ago

Taxpayer	Type of Business	2018		
		Real Property Assessed Valuation	Rank	Percentage of Total City Assessed Valuation (2018 Collection Year)
Aqua Ohio	Utility	\$16,988,510	1	4.41%
Ohio Edison Company	Utility	9,790,430	2	2.54
Marion General Hospital	Hospital	8,344,700	3	2.17
Columbia Gas	Utility	4,976,550	4	1.29
American Transmission	Manufacturing	3,286,670	5	0.85
DOFASCO Marion, Inc.	Real Estate	2,808,020	6	0.73
Marion Industries	Real Estate	2,315,500	7	0.60
US Yachiyo, Inc.	Real Estate	2,154,720	8	0.56
Nucor Steel	Manufacturing	1,714,280	9	0.45
Maynard, Michael	Real Estate	1,539,910	10	0.40
Marion Plaza Association	Real Estate			
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	53,919,290		14.00
	All Other Taxpayers	331,083,280		86.00
	Total Assessed Valuation	<u>\$385,002,570</u>		<u>100.00%</u>

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
2,082,610	5	0.56
2,167,490	4	0.58
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>	9	<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>
2018	2.00%	\$16,968,150	\$14,133,724	83.29%	\$1,638,410	9.66%	\$1,196,016	7.05%
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

Source: City Records

City of Marion
Sewer Utility Statistics
Last Ten Years

Type of Customer	2018			2017		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits						
Through 8/31/2017	n/a	n/a	n/a	421,420	\$1,701,185	\$2.78
After 8/31/2017	630,897	\$3,162,035	\$3.72	208,449	993,664	3.72
Outside City Limits						
Through 8/31/2017	n/a	n/a	n/a	17,714	83,281	3.24
After 8/31/2017	26,596	151,583	4.21	9,080	49,662	4.21
Commercial						
Inside City Limits						
Through 8/31/2017	n/a	n/a	n/a	427,733	1,280,408	2.92
After 8/31/2017	488,303	1,959,317	3.91	189,398	720,449	3.91
Outside City Limits	60,346	<u>229,100</u>	4.21	52,119	<u>179,244</u>	4.21
Subtotal		<u>5,502,035</u>			<u>5,007,893</u>	
Residential Well						
Well	n/a	1,501	12.19	n/a	39	12.19
Sewer Well 1 Person	n/a	1,935	12.19	n/a	2,017	12.19
Sewer Well 2 People	n/a	5,892	18.68	n/a	5,604	18.68
Sewer Well 3 People	n/a	1,318	23.54	n/a	1,412	23.54
Sewer Well 4 People	n/a	964	26.78	n/a	964	26.78
Sewer Well 5 People	n/a	682	28.40	n/a	74	28.40
Sewer Well 8 People	n/a	<u>652</u>	46.58	n/a	<u>978</u>	46.58
Subtotal		<u>12,944</u>			<u>11,088</u>	
Grand Total		<u>\$5,514,979</u>			<u>\$5,018,981</u>	

2016			2015			2014		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
637,300	\$2,566,928	\$2.78	664,495	\$2,635,043	\$2.78	713,152	\$2,845,852	\$2.78
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26,821	125,697	3.24	27,779	127,694	3.24	28,458	129,996	3.24
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1,085,911	1,524,005	2.92	554,110	1,667,994	2.92	475,506	1,381,162	2.92
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42,488	<u>141,353</u>	3.09	59,465	<u>196,272</u>	3.09	45,779	<u>151,697</u>	3.09
	<u>4,357,983</u>			<u>4,627,003</u>			<u>4,508,707</u>	
n/a	475	12.19	n/a	2,187	12.19	n/a	5,619	12.19
n/a	2,075	12.19	n/a	4,269	12.19	n/a	2,202	12.19
n/a	5,245	18.68	n/a	1,153	18.68	n/a	4,202	18.68
n/a	1,695	23.54	n/a	902	23.54	n/a	1,552	23.54
n/a	964	26.78	n/a	902	26.78	n/a	796	26.78
n/a	0	28.40	n/a	404	28.40	n/a	0	28.40
n/a	<u>559</u>	46.58	n/a	<u>0</u>	28.40	n/a	<u>0</u>	28.40
	<u>11,013</u>			<u>9,817</u>			<u>14,371</u>	
	<u>\$4,368,996</u>			<u>\$4,636,820</u>			<u>\$4,523,078</u>	

(continued)

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

Type of Customer	2013			2012		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits						
Through 8/31/2017	726,914	\$2,978,103	\$2.61	588,011	\$2,283,210	\$2.61
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Outside City Limits						
Through 8/31/2017	28,822	130,399	3.09	20,076	116,242	3.09
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Commercial						
Inside City Limits						
Through 8/31/2017	504,307	1,506,463	2.77	443,243	1,271,528	2.77
After 8/31/2017	n/a	n/a	n/a	n/a	n/a	n/a
Outside City Limits						
	41,271	<u>138,412</u>	3.09	34,498	<u>116,509</u>	3.09
Subtotal		<u>4,753,377</u>			<u>3,787,489</u>	
Residential Well						
Well	n/a	197,102	23.03	n/a	36,202	23.03
Sewer Well 1 Person	n/a	2,004	23.03	n/a	1,668	23.03
Sewer Well 2 People	n/a	3,763	33.42	n/a	2,877	33.42
Sewer Well 3 People	n/a	1,265	43.82	n/a	1,271	43.82
Sewer Well 4 People	n/a	922	54.21	n/a	597	54.21
Sewer Well 5 People	n/a	258	64.61	n/a	258	64.61
Sewer Well 8 People	n/a	<u>0</u>	64.61	n/a	<u>0</u>	64.61
Subtotal		<u>205,314</u>			<u>42,873</u>	
Grand Total		<u>\$4,958,691</u>			<u>\$3,830,362</u>	

Source: City Utility Department

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

n/a - not applicable

2011			2010			2009		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
761,031	\$2,760,144	\$2.35	n/a	\$2,295,334	\$2.30	n/a	\$2,271,940	\$2.16
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30,567	129,469	2.83	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	n/a	n/a
545,917	1,509,213	2.50	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	n/a	n/a
41,147	<u>133,335</u>	2.83	n/a	<u>125,528</u>	2.77	n/a	<u>123,196</u>	2.66
	<u>4,532,161</u>			<u>3,833,968</u>			<u>3,775,062</u>	
n/a	21,013	20.82	n/a	17,618	20.60	n/a	1,182	20.05
n/a	1,703	20.82	n/a	1,379	20.60	n/a	3,027	20.05
n/a	3,540	30.22	n/a	2,947	29.70	n/a	75	28.68
n/a	1,748	39.62	n/a	1,482	38.97	n/a	629	37.32
n/a	815	49.02	n/a	861	48.16	n/a	423	45.95
n/a	0	58.42	n/a	0	57.34	n/a	137	54.58
n/a	<u>0</u>	58.42	n/a	<u>0</u>	57.34	n/a	<u>0</u>	54.58
	<u>28,819</u>			<u>24,287</u>			<u>5,473</u>	
	<u>\$4,560,980</u>			<u>\$3,858,255</u>			<u>\$3,780,535</u>	

City of Marion
Sanitation Utility Statistics
Last Nine Years

	2018	2017	2016	2015
Number of Accounts	13,892	13,111	13,112	13,258
Total Billed	\$3,015,588	\$3,159,209	\$3,022,373	\$3,591,083
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	n/a
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	n/a
Senior Residential After 3/18/14	11.00	11.00	11.00	11.00

2014	2013	2012	2011	2010
12,293	12,439	11,930	10,002	10,002
\$3,443,328	\$3,189,987	\$2,717,722	\$2,227,749	\$1,761,468
n/a	40.66	38.50	38.50	38.50
42.66	42.66	n/a	n/a	n/a
22.00	n/a	n/a	n/a	n/a
n/a	20.33	24.25	24.25	24.25
21.33	21.33	n/a	n/a	n/a
11.00	n/a	n/a	n/a	n/a

(continued)

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

	2018	2017	2016	2015
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	n/a
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	n/a
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	n/a
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	n/a
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	n/a
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	n/a
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

2014	2013	2012	2011	2010
n/a	\$37.46	n/a	n/a	n/a
\$38.46	38.46	n/a	n/a	n/a
39.13	n/a	n/a	n/a	n/a
n/a	25.33	\$24.25	\$24.25	\$24.25
26.33	26.33	n/a	n/a	n/a
27.00	n/a	n/a	n/a	n/a
n/a	50.66	48.50	48.50	48.50
52.66	52.66	n/a	n/a	n/a
27.00	n/a	n/a	n/a	n/a
n/a	37.48	36.40	36.40	36.40
38.48	38.48	n/a	n/a	n/a
39.15	n/a	n/a	n/a	n/a
n/a	74.96	72.80	72.80	72.80
76.99	76.99	n/a	n/a	n/a
77.66	n/a	n/a	n/a	n/a
n/a	111.36	109.20	109.20	109.20
112.36	112.36	n/a	n/a	n/a
113.03	n/a	n/a	n/a	n/a
280.24	279.57	279.57	279.57	279.57

City of Marion
Storm Water Utility Statistics
Last Ten Years

Type of Customer	2018		2017		2016	
	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	n/a	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	\$566,516	\$6.14	\$835,885	\$6.14
Monthly After 8/31/17	\$1,028,706	\$7.20	330,194	7.20	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	n/a	n/a
Senior Monthly Discount 4/30/15 Through 8/31/17	n/a	n/a	10,089	3.07	22,655	3.07
Senior Monthly Discount After 8/31/17	3,320	3.60	1,395	3.60	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	n/a	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	502,296	6.14	750,120	6.14
Monthly After 8/31/17	<u>892,016</u>	7.20	<u>285,373</u>	7.20	<u>n/a</u>	n/a
Grand Total	<u><u>\$1,924,042</u></u>		<u><u>\$1,695,863</u></u>		<u><u>\$1,608,660</u></u>	

2015		2014		2013		2012	
Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
n/a	n/a	n/a	n/a	\$613,527	\$8.32	\$503,850	\$8.32
\$186,999	\$4.16	\$565,870	\$4.16	n/a	n/a	n/a	n/a
553,963	6.14	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
6,011	2.08	18,430	2.08	n/a	n/a	n/a	n/a
16,634	3.07	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
166,203	4.16	554,353	4.16	243,879	4.16	191,854	4.16
499,488	6.14	n/a	n/a	n/a	n/a	n/a	n/a
<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>\$1,429,298</u>		<u>\$1,138,653</u>		<u>\$1,234,822</u>		<u>\$987,952</u>	

(continued)

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

Type of Customer	2011		2010		2009	
	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
Residential						
Bi-Monthly Through 3/18/14	\$626,222	\$8.32	\$542,317	\$8.32	\$565,208	\$8.32
Monthly 3/18/14 Through 4/30/15	n/a	n/a	n/a	n/a	n/a	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a	n/a	n/a
Monthly After 8/31/17	n/a	n/a	n/a	n/a	n/a	n/a
Senior Bi-Monthly Discount Through 3/18/14	17,790	4.16	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	n/a	n/a
Senior Monthly Discount 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a	n/a	n/a
Senior Monthly Discount After 8/31/17	n/a	n/a	n/a	n/a	n/a	n/a
Commercial						
Bi-Monthly	219,952	8.32	232,566	8.32	278,291	8.32
Monthly Through 4/30/15	352,789	4.16	268,344	4.16	249,876	n/a
Monthly 4/30/15 Through 8/31/17	n/a	n/a	n/a	n/a	n/a	n/a
Monthly After 8/31/17	<u>n/a</u>	n/a	<u>n/a</u>	n/a	<u>n/a</u>	n/a
Grand Total	<u>\$1,216,753</u>		<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.

City of Marion
Aquatics Center Statistics
Last Three Years

	2018	2017	2016
Scheduled Operating Days	93	89	89
Early Closure for Weather, Attendance, or Technical Issues	21	16	n/a
Closed for Weather	14	8	n/a
Actual Operating Days (Includes Early Closures)	79	81	89
Average High Temperature	79	81	80
Average Median Temperature	76	71	74
Average Low Temperature	58	61	64
Days With a Rain Event	38	31	42
General Admissions	17,806	12,331	15,111
Member Check-Ins	10,120	9,684	9,306
Total Attendance	27,926	22,015	24,417
Number of Members	1,742	1,921	n/a
Average Number of Member Check-Ins Per Season	6	5	n/a
Average Daily General Admissions	225	152	170
Average Daily Member Check-Ins	128	120	105
Total Average Daily Attendance	353	272	274
Number of Children Receiving Swimming Lessons	60	40	n/a
Revenue from General Admissions	\$91,718	\$76,033	\$94,439
Revenue from Memberships	\$55,791	\$49,669	\$41,336
Concession Sales	\$51,700	\$52,338	\$56,629
Rental Revenue	\$7,026	\$3,922	\$5,181
Total Number of Transactions	34,504.00	20,798.00	25,841.00
Average Revenue per Transaction	\$5.98	\$8.75	\$7.65
Average Daily Revenue from General Admissions	\$1,160.99	\$938.68	\$1,061.11
Average Daily Revenue from Memberships	\$706.22	\$613.20	\$464.45
Average Daily Concession Sales	\$654.43	\$646.15	\$636.28
Average Daily Rental Revenue	\$88.94	\$48.42	\$58.21
Total Average Daily Revenue	\$2,610.57	\$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 Ten Years

Customer	2018			2017		
	Amount	Rank	Percentage	Amount	Rank	Percentage
North Central Correctional Institute	\$506,794	1	9.19%	\$504,735	2	10.06%
Marion Correctional Institute	495,623	2	8.99	528,163	1	10.53
333 Joseph	108,105	3	1.96			
Nucor Steel	43,850	4	0.80	37,158	3	0.74
ODRC	40,314	5	0.73			
Nachurs	34,427	6	0.62	23,767	7	0.47
HCR Manor Care	32,276	7	0.59	31,433	5	0.63
Silverline Building Products	28,391	8	0.51			
Multi County Correctional Institute	28,382	9	0.51	21,562	8	0.43
Sika Corporation	27,535	10	0.50	33,513	4	0.67
Kinman Real Estate				24,756	6	0.49
Fairview 1				18,786	9	0.37
Mark Kamann				14,736	10	0.29
Dale Hamm						
North Central Correctional Facility						
Marion Village Apartments						
Community Nursing						
Arcelormittal Tubular						
Chartwell Group						
TSM Management						
CSX Transportation, Inc.						
John Curry						
Rotary Towers						
US Yachiyo, Inc.						
Total	1,345,697		24.40	1,238,609		24.68
Balance from Other Customers	4,169,282		75.60	3,780,372		75.32
Total Billed	<u>\$5,514,979</u>		<u>100.00%</u>	<u>\$5,018,981</u>		<u>100.00%</u>

2016			2015			2014		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$310,918	2	7.12%	\$342,787	2	7.39%	\$363,053	2	8.03%
527,133	1	12.07	546,322	1	11.77	617,240	1	13.65
27,487	7	0.63	23,634	6	0.51	22,611	6	0.50
27,881	6	0.64	24,465	5	0.53	17,214	9	0.38
19,908	9	0.46						
17,565	10	0.40	15,291	9	0.33	15,565	10	0.34
28,539	5	0.65	22,248	7	0.48	32,993	3	0.73
23,118	8	0.53	24,851	4	0.54	23,713	5	0.52
						18,115	8	0.40
						31,188	4	0.69
144,351	3	3.30						
50,370	4	1.15	48,189	3	1.04			
			16,087	8	0.35			
			14,868	10	0.32	21,057	7	0.47
<u>1,177,270</u>		<u>26.95</u>	<u>1,078,742</u>		<u>23.26</u>	<u>1,162,749</u>		<u>25.71</u>
<u>3,191,726</u>		<u>73.05</u>	<u>3,558,078</u>		<u>76.74</u>	<u>3,360,329</u>		<u>74.29</u>
<u>\$4,368,996</u>		<u>100.00%</u>	<u>\$4,636,820</u>		<u>100.00%</u>	<u>\$4,523,078</u>		<u>100.00%</u>

(continued)

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

Customer	2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage
North Central Correctional Institute	\$304,596	2	6.14%	\$244,885	2	6.39%
Marion Correctional Institute	624,814	1	12.60	453,378	1	11.84
333 Joseph						
Nucor Steel						
ODRC						
Nachurs	18,785	6	0.38	24,159	4	0.63
HCR Manor Care						
Silverline Building Products	14,850	8	0.30	20,955	5	0.55
Multi County Correctional Institute	17,876	7	0.36	13,348	10	0.35
Sika Corporation						
Kinman Real Estate	24,170	3	0.49	24,870	3	0.65
Fairview 1	14,455	9	0.29			
Mark Kamann	22,721	4	0.46			
Dale Hamm						
North Central Correctional Facility						
Marion Village Apartments						
Community Nursing	20,907	5	0.42	18,070	6	0.47
Arcelormittal Tubular	14,176	10	0.29			
Chartwell Group				16,246	7	0.42
TSM Management				14,569	8	0.38
CSX Transportation, Inc.				13,520	9	0.35
John Curry						
Rotary Towers						
US Yachiyo, Inc.						
Total	1,077,350		21.73	844,000		22.03
Balance from Other Customers	3,881,341		78.27	2,986,362		77.97
Total Billed	<u>\$4,958,691</u>		<u>100.00%</u>	<u>\$3,830,362</u>		<u>100.00%</u>

Source: City Utility Department

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Does not include industrial pre-treatment customers.

2011			2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$349,098	2	7.64%	\$308,287	2	7.99%	\$270,915	2	7.17%
547,820	1	12.02	414,838	1	10.46	359,510	1	9.51
			60,630	3	1.57	87,340	3	2.31
26,144	3	0.57	26,219	4	0.68			
15,387	9	0.34	15,684	7	0.41	12,986	10	0.34
15,819	8	0.35	14,805	9	0.38	15,051	8	0.40
26,131	4	0.57	24,708	5	0.64	22,958	5	0.61
18,651	6	0.41	15,229	8	0.39	15,175	7	0.40
16,531	7	0.36						
24,919	5	0.55	23,771	6	0.62	29,378	4	0.78
12,985	10	0.28	12,487	10	0.32	16,344	6	0.43
						14,515	9	0.38
1,053,485		23.10	916,658		23.76	844,172		22.33
3,507,495		76.90	2,941,597		76.24	2,936,363		77.67
<u>\$4,560,980</u>		<u>100.00%</u>	<u>\$3,858,255</u>		<u>100.00%</u>	<u>\$3,780,535</u>		<u>100.00%</u>

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City of Marion
Principal Sanitation Customers
Last Nine Years

Customer	2018			2017			2016		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Villas at Center Park	\$15,840	1	0.54%	\$15,840	1	0.51%	\$8,272	3	0.27%
Kinman Real Estate	11,235	2	0.37	11,235	2	0.36	11,235	1	0.37
Hampton Woods	9,705	3	0.32	9,705	3	0.31	9,705	2	0.32
Lakes of Marion	7,920	4	0.26	7,923	4	0.25	7,920	4	0.26
April Ellinwood	4,956	5	0.16						
Ana Griffith Malone	1,619	6	0.05						
Melinda Fishpaw	1,611	7	0.05	1,617	6	0.05	1,620	8	0.05
Joe Brewer	1,584	8	0.05						
CWA Local 4371	1,225	9	0.04	1,225	7	0.04			
Linda Cluff	1,122	10	0.04						
USWA Local 1949				1,807	5	0.06	1,807	7	0.06
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
William Hesson							1,394	9	0.05
Marry Jolly-Fletcher							1,392	10	0.05
John Osborne									
James Troy									
Gretchen Haley									
Myrtle Zornes									
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	56,817		1.88	52,628		1.67	47,256		1.56
Balance from Other Customers	2,958,771		98.12	3,106,581		98.33	2,975,117		98.44
Total Billed	<u>\$3,015,588</u>		<u>100.00%</u>	<u>\$3,159,209</u>		<u>100.00%</u>	<u>\$3,022,373</u>		<u>100.00%</u>

(continued)

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

Customer	2015			2014			2013		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Villas at Center Park	\$2,112	5	0.06%	\$2,621	5	0.08%	\$1,984	7	0.06%
Kinman Real Estate	11,235	1	0.31	11,233	2	0.37	12,163	1	0.40
Hampton Woods	9,705	2	0.27	12,938	1	0.37	9,397	2	0.29
Lakes of Marion	7,920	3	0.22	8,480	3	0.25	7,439	3	0.23
April Ellinwood									
Ana Griffith Malone									
Melinda Fishpaw									
Joe Brewer									
CWA Local 4371									
Linda Cluff									
USWA Local 1949	1,807	7	0.05	1,654	8	0.05			
Larry Short									
M & H Construction									
Diane Caldwell									
Larry Isles									
Alan Gale	1,857	6	0.05	1,424	10	0.04			
William Hesson									
Marry Jolly-Fletcher									
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				3,936	4	0.11			
Michael Gamble				2,089	6	0.06			
Bryan Timmon				1,688	7	0.05			
Vernie Williams				1,534	9	0.04			
Ethel Cochroan							2,630	4	0.08
Carola Woodrum							2,296	5	0.07
Sonja Troutman							2,020	6	0.06
Reginald Blair							1,922	8	0.06
Michael Cox							1,656	9	0.05
Rebecca Lyons							1,480	10	0.05
Mary Houston									
N & L Rentals									
Bobby May									
Janeth Watkins									
Harold Large									
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	40,926		1.14	47,597		1.38	42,987		1.35
Balance from Other Customers	3,550,157		98.86	3,395,731		98.62	3,147,000		98.65
Total Billed	\$3,591,083		100.00%	\$3,443,328		100.00%	\$3,189,987		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.

2012			2011			2010		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$1,952	8	0.07%	\$1,896	4	0.09%			
10,292	1	0.38	10,981	1	0.50	\$10,632	1	0.61%
9,245	2	0.34	8,982	2	0.40			
7,319	3	0.27	7,110	3	0.32			
						486	7	0.03
						728	5	0.04
2,028	7	0.07						
2,297	4	0.08						
2,087	5	0.08						
2,083	6	0.08						
1,917	9	0.07						
1,788	10	0.07						
			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
41,008	1.51	38,786	1.74	16,765	0.95			
2,676,714	98.49	2,188,963	98.26	1,744,703	99.05			
<u>\$2,717,722</u>	<u>100.00%</u>	<u>\$2,227,749</u>	<u>100.00%</u>	<u>\$1,761,468</u>	<u>100.00%</u>			

City of Marion
Principal Storm Water Customers
Last Ten Years

Customer	2018			2017		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$37,956	1	1.98%	\$33,765	1	1.99%
Nucor Steel	36,582	2	1.90	32,543	2	1.92
GPS LLC	34,474	3	1.79	30,668	3	1.81
Marion Medical Center	28,449	4	1.48	25,303	4	1.49
Central Ohio Farmers Coop	28,391	5	1.48	25,256	5	1.49
Graphic Packaging	23,668	6	1.23	20,967	6	1.24
North Central Correctional Facility	21,177	7	1.10	18,838	7	1.11
North Central Correctional Institute	17,076	8	0.89	15,065	8	0.89
Sims Brothers, Inc.	15,630	9	0.81	13,904	9	0.82
Marion City School District	15,103	10	0.78	13,435	10	0.79
General Machine and Saw						
General Recycling						
Bunge North American Granary						
Kinman Real Estate						
Clinic Investment						
Ohio Department of Youth Services						
Total	258,506		13.44	229,744		13.55
Balance from Other Customers	<u>1,665,536</u>		<u>86.56</u>	<u>1,466,119</u>		<u>86.45</u>
Total Billed	<u>\$1,924,042</u>		<u>100.00%</u>	<u>\$1,695,863</u>		<u>100.00%</u>

2016			2015			2014		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$32,368	1	2.01%	\$28,888	1	2.02%	\$21,930	3	1.93%
31,196	2	1.94	27,843	2	1.95	24,659	1	2.15
29,398	3	1.83	26,238	3	1.84	19,918	4	1.75
24,160	5	1.50	22,034	4	1.54	16,369	5	1.44
24,211	4	1.51	21,337	5	1.49			
20,100	6	1.25	17,939	6	1.26	13,618	6	1.20
18,059	7	1.12	13,009	8	0.91			
14,441	8	0.90	16,268	7	1.14	22,019	2	1.93
12,879	9	0.80	11,495	10	0.80	8,726	9	0.77
11,246	10	0.70				7,588	10	0.67
			11,896	9	0.83	10,009	8	0.88
						10,938	7	0.96
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218,058		13.56	196,947		13.78	155,774		13.68
1,390,602		86.44	1,232,351		86.22	982,879		86.32
<u>\$1,608,660</u>		<u>100.00%</u>	<u>\$1,429,298</u>		<u>100.00%</u>	<u>\$1,138,653</u>		<u>100.00%</u>

(continued)

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

Customer	2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$25,524	2	2.07%	\$18,275	2	1.85%
Nucor Steel	49,200	1	4.00	38,750	1	3.92
GPS LLC	24,842	3	2.01	18,258	3	1.85
Marion Medical Center	17,687	5	1.43			
Central Ohio Farmers Coop						
Graphic Packaging	15,850	6	1.28	12,483	5	1.26
North Central Correctional Facility						
North Central Correctional Institute	14,241	7	1.15	9,177	7	0.93
Sims Brothers, Inc.						
Marion City School District	10,156	9	0.82	7,999	8	0.81
General Machine and Saw						
General Recycling	10,536	8	0.85	7,525	9	0.76
Bunge North American Granary	17,771	4	1.44	12,365	6	1.25
Kinman Real Estate	8,390	10	0.68	6,608	10	0.67
Clinic Investment				15,005	4	1.52
Ohio Department of Youth Services						
Total	194,197		15.73	146,445		14.82
Balance from Other Customers	<u>1,040,625</u>		<u>84.27</u>	<u>841,507</u>		<u>85.18</u>
Total Billed	<u>\$1,234,822</u>		<u>100.00%</u>	<u>\$987,952</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.

2011			2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$21,930	2	1.80%	\$21,930	1	2.07%	\$21,930	1	1.98%
42,096	1	3.44	17,613	3	1.67	21,136	2	1.90
19,918	3	1.64	19,918	2	1.88	19,918	3	1.80
13,618	6	1.12	13,618	6	1.29	13,618	6	1.23
12,236	7	1.01	12,235	7	1.16	12,235	7	1.10
8,726	9	0.72						
10,536	8	0.87	7,525	9	0.71	9,407	9	0.85
16,404	4	1.35	16,404	4	1.55	16,472	5	1.49
7,208	10	0.59	7,208	10	0.68	7,208	10	0.65
16,369	5	1.35	16,369	5	1.55	16,846	4	1.52
			9,784	8	0.92	9,784	8	0.88
169,041		13.89	142,604		13.48	148,554		13.40
<u>1,047,712</u>		<u>86.11</u>	<u>915,548</u>		<u>86.52</u>	<u>960,341</u>		<u>86.60</u>
<u>\$1,216,753</u>		<u>100.00%</u>	<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)
2018	3,723	Ammonia	96.2	919
		Biochemical Oxygen Demand	98.2	9,102
		Total Suspended Solids	97.4	9,327
		Phosphorus	55.5	137
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

Source: City Utility Department

n/a - not available

City of Marion
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities					
	Bond Anticipation Notes	General Obligation Bonds	ODOT DRIP TIF	OPWC Loans	Capital Loans	Capital Leases
2018	\$0	\$3,439,792	\$0	\$25,642	\$0	\$492,467
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

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)
\$25,771,329	\$7,672,056	\$1,969,068	\$0	\$39,370,354	\$1,093.71	3.07%
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

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
2018	35,997	\$1,041,103,728	\$29,211,121	\$811.49	2.81%
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

Source: City Records
Marion County Auditor

City of Marion
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2018

Political Subdivision	Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
City of Marion	\$3,957,901	100%	\$3,957,901
Marion County	7,485,000	32.38	2,423,643
Marion City School District	5,426,818	94.50	5,128,343
Elgin Local School District	10,240,000	0.50	51,200
River Valley Local School District	6,490,000	2.83	183,667
Total Overlapping Debt	29,641,818		7,786,854
Total	\$33,599,719		\$11,744,755

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 2018 collection year.

City of Marion
Computation of Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015
Total Assessed Valuation	<u>\$385,002,570</u>	<u>\$384,107,120</u>	<u>\$373,636,960</u>	<u>\$373,206,700</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	40,425,270	40,331,248	39,231,881	39,186,704
Gross Indebtedness	38,506,766	39,674,329	41,681,451	44,133,600
Less Debt Outside Limitation				
Bond Anticipation Notes	0	7,176,500	6,676,500	6,613,500
General Obligation Bonds	25,419,800	19,386,300	20,305,350	21,213,150
OWDA Loans	7,672,056	7,362,259	8,769,841	10,243,963
OPWC Loans	1,994,710	1,908,173	1,685,343	1,210,930
ODOT DRIP TIF	<u>0</u>	<u>95,397</u>	<u>187,767</u>	<u>277,207</u>
Net Indebtedness	3,420,200	3,745,700	4,056,650	4,574,850
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>3,420,200</u>	<u>3,745,700</u>	<u>4,056,650</u>	<u>4,574,850</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$37,005,070</u>	<u>\$36,585,548</u>	<u>\$35,175,231</u>	<u>\$34,611,854</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	91.54%	90.71%	89.66%	88.33%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$21,175,141	\$21,125,892	\$20,550,033	\$20,526,369
Gross Indebtedness	38,506,766	39,674,329	41,681,451	44,133,600
Less Debt Outside Limitation				
Bond Anticipation Notes	0	7,176,500	6,676,500	6,613,500
General Obligation Bonds	25,419,800	19,386,300	20,305,350	21,213,150
OWDA Loans	7,672,056	7,362,259	8,769,841	10,243,963
OPWC Loans	1,994,710	1,908,173	1,685,343	1,210,930
ODOT DRIP TIF	<u>0</u>	<u>95,397</u>	<u>187,767</u>	<u>277,207</u>
Net Indebtedness	3,420,200	3,745,700	4,056,650	4,574,850
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>3,420,200</u>	<u>3,745,700</u>	<u>4,056,650</u>	<u>4,574,850</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$17,754,941</u>	<u>\$17,380,192</u>	<u>\$16,493,383</u>	<u>\$15,951,519</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	83.85%	82.27%	80.26%	77.71%

Source: City Records

2014	2013	2012	2011	2010	2009
<u>\$371,695,800</u>	<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>
39,028,059	38,954,894	38,987,890	39,215,521	41,456,802	41,667,216
43,259,359	48,994,440	47,205,158	47,054,573	48,978,622	44,174,859
2,588,500	5,680,000	1,030,000	9,400,000	5,900,000	10,600,000
22,093,450	22,950,050	23,794,200	13,362,750	14,150,650	5,022,850
11,977,694	13,675,355	15,337,917	16,966,329	18,561,506	20,124,330
1,139,256	1,247,071	1,351,036	1,493,521	1,459,350	1,327,573
363,809	447,664	528,859	607,478	683,602	757,312
5,096,650	4,994,300	5,163,146	5,224,495	8,223,514	6,342,794
0	0	0	1,372	0	3,528
<u>5,096,650</u>	<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>\$33,931,409</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>
86.94%	87.18%	86.76%	86.68%	80.16%	84.79%
\$20,443,269	\$20,404,944	\$20,422,228	\$20,541,463	\$21,715,468	\$21,825,685
43,259,359	48,994,440	47,205,158	47,054,573	48,978,622	44,174,859
2,588,500	5,680,000	1,030,000	9,400,000	5,900,000	10,600,000
22,093,450	22,950,050	23,794,200	13,362,750	14,150,650	5,022,850
11,977,694	13,675,355	15,337,917	16,966,329	18,561,506	20,124,330
1,139,256	1,247,071	1,351,036	1,493,521	1,459,350	1,327,573
363,809	447,664	1,286,934	1,423,009	1,382,428	1,247,446
5,096,650	4,994,300	4,405,071	4,408,964	7,524,688	5,852,660
0	0	0	1,372	0	3,528
<u>5,096,650</u>	<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>\$15,346,619</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>
75.07%	75.52%	78.43%	78.54%	65.35%	73.20%

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	
2018	\$7,519,447	\$4,877,518	\$2,641,929	\$1,512,396	\$105,096	\$1,617,492	1.63
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

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	
2018	\$131,747	(\$25,544)	\$131,747	\$0	\$0	\$0	0.00
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

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
2018	\$1,989,253	\$371,344	\$1,617,909	\$39,896	40.55
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

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)
2018	35,997	\$1,282,069,152	\$35,616	4,496	4.80%
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

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

Employer	Type of Business	December 31, 2018		
		Number of Employees	Rank	Percentage of Total Employment
Marion General Hospital	Hospital	1,608	1	12.62%
Marion City School District	School District	909	2	7.13
US Yachiyo, Inc.	Manufacturing	646	3	5.07
Marion Industries	Manufacturing	618	4	4.85
Marion County	Government	546	5	4.28
North Central Correctional Institute	Correctional Facility	456	6	3.58
Marion Correctional Institute	Correctional Facility	446	7	3.50
Marion Area Physicians	Medical	410	8	3.22
City of Marion	Government	406	9	3.19
Nucor Steel	Manufacturing	282	10	2.21
Frederick C Smith Clinic	Medical			
	Total	<u>6,327</u>		<u>49.65%</u>
	Total City Employment	<u>12,744</u>		

Source: City Auditor

December 31, 2009

<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
1,252	1	10.28%
932	2	7.66
218	10	1.79
277	9	2.28
543	3	4.46
491	4	4.04
452	5	3.71
384	7	3.16
287	8	2.36
<u>443</u>	<u>6</u>	<u>3.64</u>
<u>5,279</u>		<u>43.38%</u>
<u>12,168</u>		

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

Program/Department	2018	2017	2016
Security of Persons and Property			
Police	58	56	58
Fire	58	58	56
Leisure Time Activities	23	18	18
Transportation			
Transit	17	19	19
Other	20	17	17
Basic Utility Services			
Sewer	29	32	31
Solid Waste	17	14	17
Billing Services	4	3	4
General Government			
Court	29	28	22
Other	45	51	54
Totals	<u>300</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
65	63	57	52	69	75
56	57	53	49	51	59
17	19	19	22	28	29
19	19	20	20	21	19
17	17	22	21	22	26
30	28	29	28	32	32
16	16	16	13	18	15
4	4	4	4	4	4
21	20	21	21	19	19
51	49	44	45	46	49
<u>296</u>	<u>292</u>	<u>285</u>	<u>275</u>	<u>310</u>	<u>327</u>

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

Program/Department	2018	2017	2016
Security of Persons and Property - Police			
Total Calls for Services	34,382	38,472	36,737
Number of Traffic Citations Issued	1,319	1,570	1,380
Number of Felony Criminal Arrests	535	560	606
Number of Accident Reports Completed	701	964	963
DUI Arrests	97	204	154
Motor Vehicle Accidents	1,114	496	498
Gasoline Costs of Fleet	\$74,743	\$61,303	\$53,191
Gasoline Usage in Gallons	32,379	29,890	25,888
Community Policing Auxillary Hours	3,900	4,500	4,148
Security of Persons and Property - Fire			
Structure Fires	72	64	62
Fires with Loss	92	48	45
Fires with Losses Exceeding \$10,000	32	29	23
Total Fire Losses	\$879,890	\$1,628,963	\$621,301
Number of EMS Calls	6,219	6,168	6,948
Leisure Time Activities			
Swimming Pool Receipts	\$205,824	\$182,112	\$202,439
Aquatics Center Seasonal Admissions	27,926	22,015	24,417
Park Shelter Rentals	\$9,346	\$8,900	\$10,206
Concession Receipts	\$51,700	\$52,338	\$56,629
Basic Utility Services			
Refuse Disposal per Year (in tons)	13,207	12,811	12,120
Yard Waste per Year (in tons)	372	336	344
Leaf Pickup (in yards)	2,654	2,351	3,000
Salt Usage (in tons)	1,376	1,926	1,842
Sanitary Sewer Customers	13,434	13,341	13,310
Sanitation Customers	13,892	13,111	13,112
Storm Water Customers	13,775	13,694	13,635
Sanitary Sewer Inspections	8,068	8,635	8,982
Storm Water Inspections	2,138	3,521	684
Sanitary Blockage	32	85	323
Odor Complaints	26	38	61
Sanitary Lines Cleaned or Jetted (in feet)	527,995	535,254	672,908
Storm Water Lines Cleaned or Jetted (in feet)	183,963	148,541	97,994
Excavations	41	38	20
Manhole Repairs	32	25	22
Catch Basins Repaired	138	105	169
Degreased (in feet)	127,390	12,500	15,000
Root Cut or Control in Feet	5,820	6,610	61,761
Sanitary Lines Televised (in feet)	46,940	2,000	3,500
Storm Water Lines Televised (in feet)	5,300	2,546	1,500
Percentage of Biosolides Suspended or Removed	97%	97%	98%
Biosolids Land Applied	4,424	4,217	2,060
Gallons of Wastewater Treated (in millions)	3,723	3,738	3,068
Gallons of Wastewater ByPass (in millions)	93	67	24

2015	2014	2013	2012	2011	2010	2009
43,822	37,828	39,106	36,711	38,481	43,162	42,050
922	915	594	319	1,838	3,780	3,473
687	2,789	565	593	635	536	526
975	605	887	732	743	821	748
89	62	39	60	110	118	141
793	1,037	1,149	2,142	2,115	2,377	621
\$55,195	\$113,449	\$122,394	\$105,178	\$104,028	\$120,043	\$74,715
23,572	36,295	38,043	31,614	n/a	45,357	45,944
4,783	1,000	2,790	2,553	2,608	3,222	n/a
66	69	69	48	48	50	46
45	50	63	47	42	43	41
35	22	33	7	19	20	21
\$916,886	\$779,776	\$979,720	\$304,100	\$900,880	\$650,206	\$836,600
6,755	5,902	6,140	6,041	5,916	4,529	4,363
\$144,549	\$94,789	\$122,778	\$195,061	n/a	\$16,209	n/a
23,999	16,920	18,038	40,979	n/a	n/a	n/a
\$9,405	\$16,075	\$11,631	\$15,575	\$8,056	\$10,220	n/a
\$40,848	\$44,327	\$41,777	\$78,363	n/a	\$465	n/a
12,048	11,847	12,240	12,277	13,362	12,543	12,647
398	315	554	533	521	703	847
3,122	3,081	1,320	2,280	2,550	3,562	5,938
2,262	2,226	1,526	1,016	2,738	2,282	2,152
13,289	12,206	12,298	12,526	12,598	12,618	12,700
13,258	12,293	12,439	11,930	10,002	10,002	10,104
13,716	12,316	12,660	12,779	12,871	12,891	12,973
8,736	7,696	5,497	3,841	3,525	3,528	3,404
236	190	145	111	180	144	289
398	390	369	238	208	243	274
75	75	65	85	127	156	101
679,970	521,096	373,540	336,880	453,767	498,878	501,906
26,000	17,000	6,800	8,800	4,748	5,622	6,716
56	51	44	40	50	79	40
17	17	18	13	41	34	33
95	82	235	203	232	290	343
10,000	19,000	600	500	n/a	1,100	2,500
1,100	9,139	5,299	5,060	6,088	5,520	10,721
4,702	11,054	8,539	8,297	3,484	10,933	19,924
1,419	3,877	946	4,743	585	1,969	1,155
98%	87%	97%	98%	96%	98%	97%
2,883	1,362	1,160	1,305	269	n/a	3,055
3,480	3,234	3,651	3,273	4,641	3,792	3,039
84	50	106	28	179	n/a	10

(continued)

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

Program/Department	2018	2017	2016
Transportation			
Total Transit Ridership	140,611	119,457	149,094
Hot Mix Asphalt (in tons)	395	1,039	603
Cold Mix Asphalt (in tons)	172	201	165
Tack Used (in gallons)	7,773	772	356
Aggregate Used (in tons)	335	217	1,032
General Government			
Council and Clerk			
Number of Ordinances Passed	83	66	86
Number of Resolutions Passed	28	20	27
Engineering Excavation Permits Issued	766	802	660

Source: City Records

n/a - not available

2015	2014	2013	2012	2011	2010	2009
167,680	177,000	195,139	193,283	190,480	184,068	180,054
367	196	786	211	486	90	83
361	359	184	209	276	250	250
64	185	738	339	816	591	427
1,368	905	0	12	590	70	132
95	81	91	84	99	119	99
20	27	24	26	27	21	27
667	779	694	721	708	656	660

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

Program/Department	2018	2017	2016	2015
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	24	27	27	30
Security of Persons and Property-Fire				
Stations	3	3	3	3
Vehicles	13	14	15	14
Public Health				
Buildings	1	1	1	1
Leisure Time Activities				
Buildings	8	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	13	12	10	9
Transportation - Transit				
Bus Terminal	1	1	1	1
Vehicles	11	15	15	18
Transportation - Other				
Airport Buildings	2	3	3	3
Other Buildings	3	3	3	3
Streets (miles)	311	311	311	311
Vehicles	27	27	27	24
General Government - Court				
Buildings	1	1	1	1
Vehicles	2	2	2	0
General Government - Other				
Buildings	4	4	4	4
Vehicles	2	2	2	3
Sewer				
Sewer Lines (miles)	134	134	134	134
Vehicles	17	19	19	17
Sanitation				
Vehicles	21	21	21	18
Storm Water				
Storm Water Lines (miles)	135	135	135	135
Vehicles	9	14	14	15

Source: City Records

2014	2013	2012	2011	2010	2009
1 30	1 30	1 33	1 38	1 36	1 36
3 13	3 13	3 13	3 14	3 14	3 14
2	2	2	2	2	2
7 19 12 1 9	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
1 15	1 16	1 16	1 19	1 15	1 16
3 3 311 22	3 3 311 21	3 3 311 21	3 3 311 21	3 3 311 21	3 3 311 20
1 0	1 1	1 1	1 1	1 1	1 1
4 1	4 1	4 1	4 2	4 2	4 1
134 16	134 15	134 14	134 16	132 16	128 16
13	13	13	14	14	14
135 15	135 15	135 15	135 17	134 17	131 17

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OHIO AUDITOR OF STATE
KEITH FABER



CITY OF MARION

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2019**