

Dave Yost • Auditor of State

CITY OF MARION
MARION COUNTY

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CITY OF MARION
MARION COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant State's Program	A-C-13-2CI-1	14.228	\$ 7,784
Community Development Block Grant State's Program	A-F-13-2CI-1	14.228	105,000
Total Community Development Block Grant State's Program			<u>112,784</u>
Home Investment Partnerships Program	A-C-13-2CI-2	14.239	25,383
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>138,167</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct:</i>			
Public Safety Partnership and Community Policing Grants	N/A	16.710	96,480
Edward Byrne Memorial Justice Assistance Grant Program - 2014	N/A	16.738	2,715
Edward Byrne Memorial Justice Assistance Grant Program - 2011	N/A	16.738	1,246
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>3,961</u>
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program- Laptop Grant	2013-JG-LLE-5413	16.738	9,864
Edward Byrne Memorial Justice Assistance Grant Program - School Resource Officer Grant	2013-JG-B01-6412	16.738	31,996
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>41,860</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>142,301</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Direct:</i>			
Airport Improvement Program - 2013	N/A	20.106	91,750
Airport Improvement Program - 2014	N/A	20.106	53,135
Total Airport Improvement Program			<u>144,885</u>
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Rural Areas	110-RTPX-14-0100	20.509	365,809
Formula Grants for Rural Areas	110-INTX-14-0200	20.509	6,202
Formula Grants for Rural Areas	110-RTPX-14-0100	20.509	104,637
Total Formula Grants for Rural Areas			<u>476,648</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>621,533</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Aging</i>			
Special Programs for the Aging-Title III, Part B Grants for Supportive Services and Senior Centers	N/A	93.044	50,606
Special Programs for the Aging-Title III, Part E Grants for Supportive Services and Senior Centers	N/A	93.044	2,867
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>53,473</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant - 2012	N/A	97.083	578,149
Staffing for Adequate Fire and Emergency Response (SAFER) Grant - 2014	N/A	97.083	199,229
Total Staffing for Adequate Fire and Emergency Response (SAFER) Grant			<u>777,378</u>
Assistance to Firefighters Grant	N/A	97.044	300,914
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,078,292</u>
Total Federal Awards Expenditures			<u>\$ 2,033,766</u>

The accompanying notes are an integral part of this schedule.

**CITY OF MARION
MARION COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Marion's (the City's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting, except expenditures passed through the Ohio Department of Transportation which are presented on an accrual basis.

NOTE B – FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS

Cash receipts from the Ohio Department of Transportation are commingled with State grants and other local monies. It is assumed federal monies are expended first.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City 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 Department of Development. 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.

Activity in the CDBG revolving loan fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014	\$954,288
Loans made	0
Amount converted to grant	261,903
Loan principal repaid	35,880
Ending loans receivable balance as of December 31, 2014	\$656,505
Cash balance on hand in the revolving loan fund as of December 31, 2014	\$80,595
Administrative costs expended during 2014	0

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2014, no amounts are past due and the City estimates 100% to be collectible.

NOTE D - MATCHING REQUIREMENTS

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



Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Marion County, Ohio (the City), as of and for the year ended December 31, 2014, 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 18, 2015.

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 communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 18, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

To the City Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Marion's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Marion's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 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 programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Marion complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

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 OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

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, Marion County, Ohio (the City) as of and for the year ended December 31, 2014, 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 18, 2015.

City of Marion
Marion County
Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Federal Program and on Internal Control
Over Compliance Required by OMB Circular A-133 and the
Schedule of Federal Awards Expenditures
Page 3

We conducted our audit to opine on the City's' basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

June 18, 2015

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Formula Grants for Rural Areas: CFDA #20.509 Assistance to Firefighters Grant: CFDA #97.044 Staffing for Adequate Fire and Emergency Response (SAFER) Grant: #CFDA 97.083
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	The City had deposits or investments held in the City Treasurer's name. The City also had a depository agreement with the Ohio State Bank that expired. The City was in noncompliance with ORC 5705.41(B) where budgetary expenditures (cash disbursements plus outstanding encumbrances) exceeded appropriations at the object level for the Storm Water Fund.	Yes	
2013-002	The City was in noncompliance with ORC 5705.41(B) where budgetary expenditures (cash disbursements plus outstanding encumbrances) exceeded appropriations at the object level for the Storm Water Fund. The City operates a transit service for its residents.	Yes	
2013-003	The City operates a transit service for its residents. A reconciliation is performed by comparing the cash and tickets and comparing it all to the driver's manifest. However, during testing it was noted that for three days there was no evidence of the reconciliation being performed.	Yes	

CITY OF MARION, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2014

**INTRODUCTORY
SECTION**

CITY OF MARION, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2014

Prepared By:

City Auditor

KELLY L. CARR

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CITY OF MARION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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**Kelly L Carr
Auditor**

233 West Center Street
Marion, Ohio 43302

Phone: (740)383-5337
Fax: (740) 387-3433
Email:kcarr@marionohio.org

June 18, 2015

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, 2014. This report provides a full and complete disclosure of the financial operations of the City of Marion. It is intended to inform elected officials, employees, bondholders, investment bankers, rating agencies, and all interested persons of the financial affairs of the City. The CAFR conforms to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Marion's financial statements for the year ended December 31, 2014. The Independent Auditor's Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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

The City, with an estimated population of 36,837, is the largest municipality in Marion County and has an area of approximately 11.78 square miles. The City's land use is broken down as follows:

Real Property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LOCAL ECONOMY

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

Due to economic conditions over the last several years, the unemployment rate fluctuated from a low of 5.3 percent in 2014 to a high of 11.2 percent in 2009.

The City has faced many issues over the past several years due to national economic conditions and cuts made to local government funding by the State. Some City departments made concessions while others were faced with layoffs in order to balance the 2012 budget. In November 2012, the voters approved a .25 percent increase to the City income tax to help make up for the local government funding cuts made by the State to bring back police officers and hire needed staff in the fire department to reopen a closed fire station. The fire department also received a SAFER (Staffing for Adequate Fire and Emergency Response) Grant to help retain employees; however, this grant funding is ending. The City applied for a second SAFER Grant which has enabled the City to hire seven new firefighters. The City's dispatch center also received a portion of the new income tax to upgrade necessary equipment as did the Street, Construction, Maintenance, and Repair Fund to help with street improvements.

With reorganization and the passage of income tax changes, the City's finances are stabilizing. The unassigned fund balance in the General Fund at year end was 10 percent of General Fund revenues for 2014. City Council has not established a formal fund balance policy but discussion has recommended an unassigned fund balance in the General Fund of at least 10 percent.

RELEVANT FINANCIAL POLICIES

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

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

MAJOR INITIATIVES

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

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

In the 2000's, the City was required to take on the Phase II project mandated by the Ohio Environmental Protection Agency which required municipalities to separate storm and sanitary sewer systems. City Council enacted a fifteen year plan that is reviewed and modified every year by the City administration, engineering department, and the water pollution control plant director. The storm water utility is funded by a monthly residential unit charge billed to residents. In 2014 and continuing into 2015, the City will be working on storm and sanitary sewer projects on Ballentine, Belmont, Latourette, George, and North Greenwood streets. Also in 2014, the City resurfaced Bennett, Church, East Fairground, Jefferson, Leader, and Main streets, Delaware, Madison, and Olney avenues, Vernon Heights Boulevard, and Kensington Place.

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 with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

I would like to thank members of the Administration, City Council, department heads, and our City employees for all the daily work they do that enabled us to prepare the information for the 2014 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,

A handwritten signature in cursive script that reads "Kelly L. Carr".

Kelly L. Carr
Marion City Auditor



Government Finance Officers Association

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

Presented to

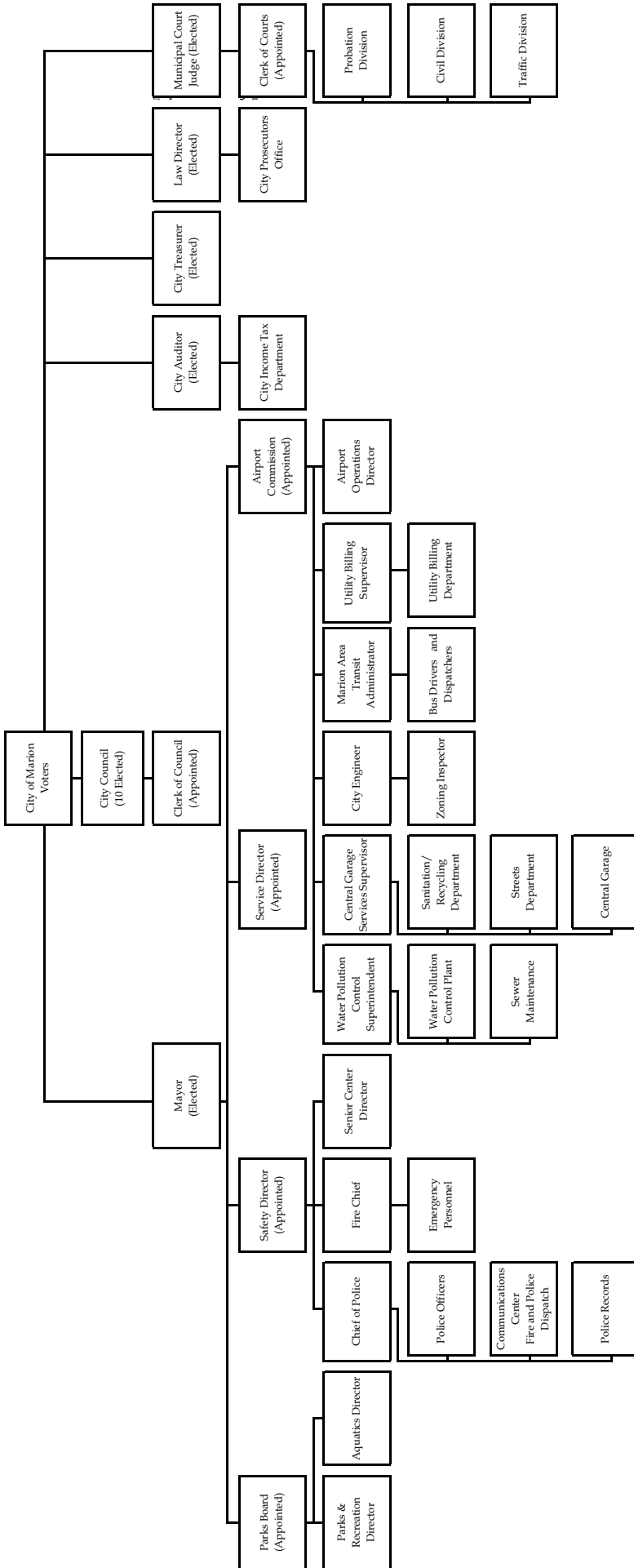
**City of Marion
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**CITY OF MARION
ORGANIZATIONAL CHART**



CITY OF MARION

PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2014

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

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

**FINANCIAL
SECTION**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Marion
Marion County
233 West 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, 2014, 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 that we plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about the 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 considered internal control relevant to the City's preparation and fair presentation of the financial statements in order to design appropriate audit procedures, 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 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, 2014, and the respective changes in financial position and, where applicable its cash flows, thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, and Police, Dispatch and Fire Income Tax Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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*, 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 inquiring to management about the methods of preparing the information, and comparing the information for consistency with management's responses to our inquiries and to the basic financial statements, and for consistency with other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the required supplementary 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

June 18, 2015

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CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2014 are as follows:

In total, the City's net position increased 1 percent from the prior year; an increase of 1 percent for governmental activities and of almost 3 percent for business-type activities.

General revenues made up 70 percent of the total revenues for governmental activities in 2014, and of this amount, 81 percent was provided through municipal income taxes, the most critical of the City's revenue sources.

Program revenues, primarily user charges, made up 97 percent to 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 2014. These statements include all assets and liabilities using the accrual basis of accounting similar to that used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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 2014 and 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Assets</u>						
Current and Other Assets	\$15,746,129	\$14,778,269	\$11,318,895	\$14,708,087	\$27,065,024	\$29,486,356
Capital Assets, Net	62,191,100	64,053,822	41,199,726	43,557,679	103,390,826	107,611,501
Total Assets	<u>77,937,229</u>	<u>78,832,091</u>	<u>52,518,621</u>	<u>58,265,766</u>	<u>130,455,850</u>	<u>137,097,857</u>
<u>Liabilities</u>						
Current and Other Liabilities	2,162,920	3,359,746	3,042,935	6,387,095	5,205,855	9,746,841
Long-Term Liabilities	8,519,412	9,008,582	37,370,084	40,114,781	45,889,496	49,123,363
Total Liabilities	<u>10,682,332</u>	<u>12,368,328</u>	<u>40,413,019</u>	<u>46,501,876</u>	<u>51,095,351</u>	<u>58,870,204</u>
Deferred Inflows of Resources	<u>1,574,468</u>	<u>1,536,782</u>	<u>0</u>	<u>0</u>	<u>1,574,468</u>	<u>1,536,782</u>
<u>Net Position</u>						
Net Investment in Capital Assets	57,981,379	59,629,506	9,800,721	10,522,092	67,782,100	70,151,598
Restricted	6,874,466	6,379,924	0	0	6,874,466	6,379,924
Unrestricted (Deficit)	824,584	(1,082,449)	2,304,881	1,241,798	3,129,465	159,349
Total Net Position	<u>\$65,680,429</u>	<u>\$64,926,981</u>	<u>\$12,105,602</u>	<u>\$11,763,890</u>	<u>\$77,786,031</u>	<u>\$76,690,871</u>

Although the change in net position for governmental activities was only 1 percent, there were several changes of note from the prior year. Several factors contributed to the increase in current and other assets (almost 7 percent). There was an increase in cash and cash equivalents due, in part, to debt proceeds which remained unspent as of year end. There was also an increase in the receivable for municipal income taxes as the economy continues to rebound and in the internal balance (amounts due to governmental activities from the business-type activities for resources loaned to the business-type activities). The decrease in current and other liabilities was primarily due to a decrease in accounts payable resulting from fewer tax refunds owed to individuals and in the intergovernmental payable as the City is no longer paying for a portion of the employee pension contribution for the AFSCME, COCO, and Fire unions. As can be seen above, these changes primarily affected unrestricted net position. The decrease in net capital assets and similar decrease in the net investment in capital assets was due to annual depreciation.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

For business-type activities, there was a substantial decrease in current and other assets (primarily cash and cash equivalents) due to the retirement of debt. Over \$3 million in bond anticipation notes and \$2.7 million in long-term bonds and loans was retired during the year. The decrease in net capital assets was due to annual depreciation.

Table 2 reflects the change in net position for 2014 and 2013.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$2,109,761	\$2,687,874	\$10,238,017	\$9,526,281	\$12,347,778	\$12,214,155
Operating Grants, Contributions, and Interest	4,002,743	3,679,557	0	0	4,002,743	3,679,557
Capital Grants and Contributions	2,074,956	145,317	71,739	158,246	2,146,695	303,563
Total Program Revenues	<u>8,187,460</u>	<u>6,512,748</u>	<u>10,309,756</u>	<u>9,684,527</u>	<u>18,497,216</u>	<u>16,197,275</u>
General Revenues						
Property Taxes Levied for General Purposes	1,092,263	1,044,608	0	0	1,092,263	1,044,608
Property Taxes Levied for Police and Fire Pension	198,845	191,397	0	0	198,845	191,397
Payment in Lieu of Taxes	363,665	339,296	0	0	363,665	339,296
Municipal Income Taxes Levied for General Purposes	7,516,504	11,876,892	0	0	7,516,504	11,876,892
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	561,668	595,076	0	0	561,668	595,076
Municipal Income Taxes Levied for Police and Fire	6,586,927	1,396,953	0	0	6,586,927	1,396,953
Municipal Income Taxes Levied for Capital Improvements	377,378	332,204	0	0	377,378	332,204
Grants and Entitlements not Restricted to Specific Programs	873,541	1,318,417	0	0	873,541	1,318,417
Franchise Taxes	287,074	307,730	0	0	287,074	307,730
Interest	137,188	105,396	0	0	137,188	105,396
Other	673,618	514,059	340,678	394,217	1,014,296	908,276
Total General Revenues	<u>18,668,671</u>	<u>18,022,028</u>	<u>340,678</u>	<u>394,217</u>	<u>19,009,349</u>	<u>18,416,245</u>
Total Revenues	<u>26,856,131</u>	<u>24,534,776</u>	<u>10,650,434</u>	<u>10,078,744</u>	<u>37,506,565</u>	<u>34,613,520</u>

(continued)

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Program Expenses</u>						
Security of Persons and Property						
Police	\$5,937,127	\$6,485,461	\$0	\$0	\$5,937,127	\$6,485,461
Fire	5,608,955	5,662,188	0	0	5,608,955	5,662,188
Other	296,116	270,226	0	0	296,116	270,226
Public Health	391,194	391,484	0	0	391,194	391,484
Leisure Time Activities	933,611	860,761	0	0	933,611	860,761
Community Environment	803,809	563,133	0	0	803,809	563,133
Transportation						
Transit	1,065,270	1,175,948	0	0	1,065,270	1,175,948
Other	6,257,831	6,177,970	0	0	6,257,831	6,177,970
General Government						
Court	1,260,331	1,226,544	0	0	1,260,331	1,226,544
Other	3,399,848	3,052,278	0	0	3,399,848	3,052,278
Interest and Fiscal Charges	149,091	158,712	0	0	149,091	158,712
Sewer	0	0	6,150,351	5,452,035	6,150,351	5,452,035
Sanitation	0	0	1,992,690	1,666,855	1,992,690	1,666,855
Landfill	0	0	(49,243)	36,750	(49,243)	36,750
Storm Water	0	0	1,813,918	2,411,967	1,813,918	2,411,967
Aquatics Center	0	0	400,506	486,210	400,506	486,210
Total Expenses	<u>26,103,183</u>	<u>26,024,705</u>	<u>10,308,222</u>	<u>10,053,817</u>	<u>36,411,405</u>	<u>36,078,522</u>
Increase (Decrease) in Net Position						
Before Transfers	752,948	(1,489,929)	342,212	24,927	1,095,160	(1,465,002)
Transfers	500	36,573	(500)	(36,573)	0	0
Increase (Decrease) in Net Position	<u>753,448</u>	<u>(1,453,356)</u>	<u>341,712</u>	<u>(11,646)</u>	<u>1,095,160</u>	<u>(1,465,012)</u>
Net Position Beginning of Year	64,926,981	66,380,337	11,763,890	11,775,536	76,690,871	78,155,873
Net Position End of Year	<u>\$65,680,429</u>	<u>\$64,926,981</u>	<u>\$12,105,602</u>	<u>\$11,763,890</u>	<u>\$77,786,031</u>	<u>\$76,690,871</u>

The above table reflects the revenues and expenses for operating the City during 2014. For governmental activities, there was a significant increase in program revenues, primarily in capital grants and contributions due to resources received from the Ohio Department of Transportation for street improvements. There was a modest increase in general revenues resulting from improved property tax and income tax revenues; however, note the change in the distribution of income taxes as previously unrestricted resources are now restricted for police and fire operations due to a voted change in the levy distribution.

Expenses for governmental activities changed very little from the prior year with an increase of less than 1 percent.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

As is to be expected, 96 percent of the revenues for business-type activities are received through charges for services provided to the users of the service. A change in billing cycles, improved collections, and rate increases led to an increase in charges for services revenue.

Expenses for business-type activities changed very little from the prior year in total. The need for additional contracted services led to an increase in expenses in both the Sewer and Sanitation funds. The negative expense in the Landfill Fund reflects a reduction in the estimate for postclosure costs. Expenses decreased in the Storm Water Fund; in 2013, extra supplies and materials were purchased.

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	
	2014	2013	2014	2013
Security of Persons and Property				
Police	\$5,937,127	\$6,485,461	\$5,683,147	\$5,990,115
Fire	5,608,955	5,662,188	3,847,804	3,970,643
Other	296,116	270,226	296,116	270,226
Public Health	391,194	391,484	387,172	391,484
Leisure Time Activities	933,611	860,761	761,415	737,869
Community Environment	803,809	563,133	514,663	342,239
Transportation				
Transit	1,065,270	1,175,948	176,194	209,702
Other	6,257,831	6,177,970	2,925,382	4,626,551
General Government				
Court	1,260,331	1,226,544	67,494	81,396
Other	3,399,848	3,052,278	3,107,245	2,733,020
Interest and Fiscal Charges	149,091	158,712	149,091	158,712
Total Expenses	\$26,103,183	\$26,024,705	\$17,915,723	\$19,511,957

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 31 percent of the costs of operations for the fire department. Various grants, generally the CDBG and CHIP programs, provided for 36 percent of the costs of the community environment program. Charges for services and various grants and contributions provided for 58 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 almost covering the costs of court operations.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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 fund balance increase of over \$624,000. Revenues and expenditures were fairly similar to the prior year; however, note that police and fire revenues (primarily municipal income taxes) and expenditures were moved to the Police, Dispatch, and Fire Income Tax Fund.

Fund balance increased in the Street Construction, Maintenance, and Repair Fund by approximately \$193,000. However, there was a significant increase in both revenues and expenditures due to the resources received from the Ohio Department of Transportation and the street improvements made with those resources.

For 2014, municipal income tax revenues were restricted and recorded in the Police, Dispatch, and Fire Income Tax Fund and operating expenditures previously recorded in the General Fund were moved to this 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 modest 3 percent increase in net position in the Sewer Fund. Rate increases were implemented for residential and commercial customers in 2014.

The Sanitation Fund had a 15 percent increase in net position. Rate increase were implemented in 2014.

The Landfill Fund had an increase in net position for 2014 due to a change in the estimate for postclosure costs. The Landfill stopped accepting waste in 1995; all costs at this point are related to postclosure activities.

The Storm Water Fund had an 11 percent decrease in net position. The fund has been operating at a loss for the past four years.

Net position decreased approximately \$38,000 in the Aquatics Center Fund and while not a large decrease, the fund has had a deficit net position since its inception in 2011.

BUDGETARY HIGHLIGHTS

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

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

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2014, was \$62,191,100 and \$41,199,726, respectively (net of accumulated depreciation). The most significant addition for governmental activities was the completion of the 2014 street resurfacing project. Disposals were primarily street replacements. The most significant additions for business-type activities were both ongoing and completed sewer and storm water improvements. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

Debt - At December 31, 2014, the City had bond anticipation notes payable from governmental and business-type activities, in the amount of \$955,100 and \$2,588,500, respectively. New bond anticipation notes were issued for City Hall improvements, street resurfacing, the purchase of an EMS vehicle, an engineering truck, and police vehicles, and for ongoing sewer and storm water improvements. The City also had a number of long-term obligations outstanding including \$26,235,000 in general obligation bonds, \$363,809 in loans for an ODOT related project, \$1,139,256 in Ohio Public Works Commission loans, and \$11,977,694 in Ohio Water Development Authority loans. Of this debt, \$35,159,118 will be paid from business-type activities. The only new long-term debt issued during 2014 was an OPWC loan for sewer and storm water replacement.

In addition, the City's long-term obligations also include compensated absences and the liability associated with the future payment of landfill postclosure costs. For further information regarding the City's debt, refer to Notes 16, 17, and 18 to the basic financial statements.

CURRENT ISSUES

In 2015, the City will continue to work on the replacement of the storm and sanitary sewer systems with projects including Ballentine, Belmont, Latourette, George, and North Greenwood streets. The estimated cost for these projects is \$3,884,000.

The City did a large resurfacing project in 2014 spending \$2.3 million. The following sections will be completed in 2015: Henry, Hill, Pearl, and Merchant streets, Langeais Drive, Lakeview Boulevard, and Mt. Vernon Avenue. State Route 95 west from David Street to the corporation line and sections of State Street north of the overpass from George Street to Patten Street will also be paved.

The City will be replacing four ten-year old garbage trucks in the sanitation department as well as purchasing a new emergency squad for the fire department.

The City is currently working on negotiations with the Police Blue and Gold Units. The Blue Unit contract will begin fact finding in June. The contract expired in December 2014. The City will also be negotiating with the AFSCME union in 2015. Contracts for the CO-CO, IAFF, and Steelworks unions were settled in 2014.

The Administration continues to work on retaining and expanding local businesses. Union Tank Car is currently hiring as is Silverline Windows which is located in the Airport Industrial Park. The City has had two businesses purchase land at the Airport Industrial Park with construction to take place in 2015. There are two other companies looking at the remaining nineteen acre site.

CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

REQUEST FOR INFORMATION

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

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City of Marion
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,810,405	\$4,947,051	\$11,757,456
Accounts Receivable	655,142	6,614,392	7,269,534
Accrued Interest Receivable	13,907	0	13,907
Due from Other Governments	1,512,418	1,160	1,513,578
Municipal Income Taxes Receivable	3,366,151	0	3,366,151
Internal Balances	376,529	(376,529)	0
Prepaid Items	35,178	22,388	57,566
Materials and Supplies Inventory	395,804	110,433	506,237
Property Taxes Receivable	1,525,971	0	1,525,971
Payment in Lieu of Taxes Receivable	398,119	0	398,119
Notes Receivable	656,505	0	656,505
Nondepreciable Capital Assets	8,714,581	785,022	9,499,603
Depreciable Capital Assets, Net	53,476,519	40,414,704	93,891,223
Total Assets	77,937,229	52,518,621	130,455,850
<u>Liabilities</u>			
Accrued Wages Payable	510,786	119,766	630,552
Accounts Payable	331,699	181,905	513,604
Contracts Payable	2,539	6,164	8,703
Due to Other Governments	296,970	68,506	365,476
Retainage Payable	4,092	0	4,092
Matured Compensated Absences Payable	43,155	0	43,155
Due to External Parties	1,129	0	1,129
Accrued Interest Payable	17,450	78,094	95,544
Notes Payable	955,100	2,588,500	3,543,600
Long-Term Liabilities			
Due Within One Year	1,019,377	2,928,861	3,948,238
Due in More Than One Year	7,500,035	34,441,223	41,941,258
Total Liabilities	10,682,332	40,413,019	51,095,351
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,176,349	0	1,176,349
Payment in Lieu of Taxes	398,119	0	398,119
Total Deferred Inflows of Resources	1,574,468	0	1,574,468
<u>Net Position</u>			
Net Investment in Capital Assets	57,981,379	9,800,721	67,782,100
Restricted for			
Capital Projects	1,752,457	0	1,752,457
Street Construction, Maintenance, and Repair	3,118,726	0	3,118,726
Economic Development	518,398	0	518,398
Police and Fire Operations	254,331	0	254,331
Senior Citizens	256,726	0	256,726
Other Purposes	973,828	0	973,828
Unrestricted	824,584	2,304,881	3,129,465
Total Net Position	\$65,680,429	\$12,105,602	\$77,786,031

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$5,937,127	\$76,404	\$161,251	\$16,325
Fire	5,608,955	613,965	1,111,817	35,369
Other	296,116	0	0	0
Public Health	391,194	4,022	0	0
Leisure Time Activities	933,611	23,138	149,058	0
Community Environment	803,809	0	184,146	105,000
Transportation				
Transit	1,065,270	112,973	776,103	0
Other	6,257,831	18,700	1,395,487	1,918,262
General Government				
Court	1,260,331	967,956	224,881	0
Other	3,399,848	292,603	0	0
Interest and Fiscal Charges	149,091	0	0	0
Total Governmental Activities	26,103,183	2,109,761	4,002,743	2,074,956
<u>Business-Type Activities</u>				
Sewer	6,150,351	6,214,889	0	34,361
Sanitation	1,992,690	2,514,897	0	0
Landfill	(49,243)	271,000	0	0
Storm Water	1,813,918	1,110,075	0	37,378
Aquatics Center	400,506	127,156	0	0
Total Business-Type Activities	10,308,222	10,238,017	0	71,739
Total	\$36,411,405	\$12,347,778	\$4,002,743	\$2,146,695

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

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$5,683,147)	\$0	(\$5,683,147)
(3,847,804)	0	(3,847,804)
(296,116)	0	(296,116)
(387,172)	0	(387,172)
(761,415)	0	(761,415)
(514,663)	0	(514,663)
(176,194)	0	(176,194)
(2,925,382)	0	(2,925,382)
(67,494)	0	(67,494)
(3,107,245)	0	(3,107,245)
(149,091)	0	(149,091)
<u>(17,915,723)</u>	<u>0</u>	<u>(17,915,723)</u>
0	98,899	98,899
0	522,207	522,207
0	320,243	320,243
0	(666,465)	(666,465)
<u>0</u>	<u>(273,350)</u>	<u>(273,350)</u>
<u>0</u>	<u>1,534</u>	<u>1,534</u>
<u>(17,915,723)</u>	<u>1,534</u>	<u>(17,914,189)</u>
1,092,263	0	1,092,263
198,845	0	198,845
363,665	0	363,665
7,516,504	0	7,516,504
561,668	0	561,668
6,586,927	0	6,586,927
377,378	0	377,378
873,541	0	873,541
287,074	0	287,074
137,188	0	137,188
673,618	340,678	1,014,296
18,668,671	340,678	19,009,349
500	(500)	0
<u>18,669,171</u>	<u>340,178</u>	<u>19,009,349</u>
753,448	341,712	1,095,160
<u>64,926,981</u>	<u>11,763,890</u>	<u>76,690,871</u>
<u>\$65,680,429</u>	<u>\$12,105,602</u>	<u>\$77,786,031</u>

City of Marion
Balance Sheet
Governmental Funds
December 31, 2014

	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	\$1,942,953	\$1,295,164	\$108,223	\$3,332,981	\$6,679,321
Accounts Receivable	652,179	0	0	2,963	655,142
Accrued Interest Receivable	13,907	0	0	0	13,907
Due from Other Governments	439,170	592,719	2,859	477,670	1,512,418
Municipal Income Taxes Receivable	1,683,075	134,647	1,481,107	67,322	3,366,151
Interfund Receivable	792,404	1,048,720	0	236,820	2,077,944
Prepaid Items	12,593	4,251	15,419	1,985	34,248
Materials and Supplies Inventory	19,698	182,361	7,673	441	210,173
Property Taxes Receivable	1,291,384	0	0	234,587	1,525,971
Payment in Lieu of Taxes Receivable	0	0	0	398,119	398,119
Notes Receivable	0	0	0	656,505	656,505
Total Assets	\$6,847,363	\$3,257,862	\$1,615,281	\$5,409,393	\$17,129,899
<u>Liabilities</u>					
Accrued Wages Payable	\$77,660	\$43,926	\$339,820	\$39,867	\$501,273
Accounts Payable	79,293	19,721	145,823	44,456	289,293
Contracts Payable	0	0	0	2,539	2,539
Due to Other Governments	178,295	6,921	89,553	20,695	295,464
Retainage Payable	0	0	0	4,092	4,092
Matured Compensated Absences Payable	0	0	43,155	0	43,155
Interfund Payable	1,289,281	12,188	16,059	311,961	1,629,489
Due to External Parties	1,129	0	0	0	1,129
Accrued Interest Payable	0	912	0	3,444	4,356
Notes Payable	0	200,000	0	755,100	955,100
Total Liabilities	1,625,658	283,668	634,410	1,182,154	3,725,890
<u>Deferred Inflows of Resources</u>					
Property Taxes	995,674	0	0	180,675	1,176,349
Payment in Lieu of Taxes	0	0	0	398,119	398,119
Unavailable Revenue	2,224,838	569,477	860,570	491,035	4,145,920
Total Deferred Inflows of Resources	3,220,512	569,477	860,570	1,069,829	5,720,388
<u>Fund Balance</u>					
Nonspendable	211,891	186,612	23,092	2,426	424,021
Restricted	0	2,218,105	97,209	3,356,223	5,671,537
Committed	1,713	0	0	6,130	7,843
Assigned	541,532	0	0	0	541,532
Unassigned (Deficit)	1,246,057	0	0	(207,369)	1,038,688
Total Fund Balance	2,001,193	2,404,717	120,301	3,157,410	7,683,621
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$6,847,363	\$3,257,862	\$1,615,281	\$5,409,393	\$17,129,899

See Accompanying Notes to the Basic Financial Statement:

City of Marion
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2014

Total Governmental Fund Balance		\$7,683,621
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental Activities	62,191,100	
Internal Service Fund	<u>(1,531,170)</u>	60,659,930
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accounts Receivable	575,517	
Accrued Interest Receivable	4,827	
Due from Other Governments	1,263,370	
Municipal Income Taxes Receivable	1,952,584	
Delinquent Property Taxes Receivable	<u>349,622</u>	4,145,920
<p>An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.</p>		
		(135,348)
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Accrued Interest Payable	(9,883)	
General Obligation Bonds Payable	(4,141,550)	
General Obligation Bonds Payable - Internal Service Fund	1,081,250	
ODOT DRIP TIF Payable	(363,809)	
OPWC Loan Payable	(51,282)	
Compensated Absences Payable	(3,962,771)	
Compensated Absences Payable - Internal Service Fund	<u>61,993</u>	(7,386,052)
<p>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.</p>		
		<u>712,358</u>
Net Position of Governmental Activities		<u><u>\$65,680,429</u></u>

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, 2014

	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$1,074,914	\$0	\$0	\$195,915	\$1,270,829
Payment in Lieu of Taxes	0	0	0	363,665	363,665
Municipal Income Taxes	7,421,925	554,101	6,503,697	373,595	14,853,318
Charges for Services	1,178,644	2,700	0	112,973	1,294,317
Fees, Licenses, and Permits	327,397	16,000	0	0	343,397
Fines and Forfeitures	733,755	0	0	377,104	1,110,859
Intergovernmental	962,003	3,058,633	7,799	2,714,532	6,742,967
Interest	123,514	302	0	13,937	137,753
Other	514,368	70,422	15,183	66,383	666,356
Total Revenues	12,336,520	3,702,158	6,526,679	4,218,104	26,783,461
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	5,765,108	236,704	6,001,812
Fire	0	0	4,514,647	1,126,495	5,641,142
Other	296,116	0	0	0	296,116
Public Health	390,859	0	0	0	390,859
Leisure Time Activities	802,185	0	0	99,214	901,399
Community Environment	249,777	0	0	554,032	803,809
Transportation					
Transit	0	0	0	992,516	992,516
Other	255,734	4,246,973	0	191,863	4,694,570
General Government					
Court	836,822	0	0	415,781	1,252,603
Other	2,766,749	0	0	489,684	3,256,433
Debt Service:					
Principal Retirement	0	0	0	393,015	393,015
Interest and Fiscal Charges	0	4,348	0	149,992	154,340
Total Expenditures	5,598,242	4,251,321	10,279,755	4,649,296	24,778,614
Excess of Revenues Over (Under) Expenditures	6,738,278	(549,163)	(3,753,076)	(431,192)	2,004,847
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	6,250	0	0	81,719	87,969
Transfers In	0	742,560	5,004,506	639,198	6,386,264
Transfers Out	(6,120,193)	0	0	(265,571)	(6,385,764)
Total Other Financing Sources (Uses)	(6,113,943)	742,560	5,004,506	455,346	88,469
Changes in Fund Balance	624,335	193,397	1,251,430	24,154	2,093,316
Fund Balance (Deficit) Beginning of Year	1,376,858	2,211,320	(1,131,129)	3,133,256	5,590,305
Fund Balance End of Year	\$2,001,193	\$2,404,717	\$120,301	\$3,157,410	\$7,683,621

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, 2014

Changes in Fund Balance - Total Governmental Funds \$2,093,316

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 - Non-Depreciable Capital Assets	2,405,071	
Capital Outlay - Depreciable Capital Assets	532,741	
Depreciation	(4,658,836)	
Depreciation - Internal Service Fund	44,711	
		(1,676,313)

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 when disposed of resulting in a gain or a loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(87,969)	
Gain on Disposal of Capital Assets	39,378	
Loss on Disposal of Capital Assets	(93,107)	
		(141,698)

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

Delinquent Property Taxes	20,279	
Municipal Income Taxes	189,159	
Charges for Services	(346,982)	
Fees, Licenses, and Permits	(4,756)	
Intergovernmental	175,292	
Interest	300	
		33,292

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	238,400	
ODOT DRIP TIF Payable	83,855	
OPWC Loan Payable	6,410	
Capital Loans Payable	64,350	
		393,015

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

5,249

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	46,155	
Compensated Absences Payable - Internal Service Fund	12,370	
		58,525

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.

(11,938)

Change in Net Position of Governmental Activities

\$753,448

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$994,573	\$1,074,914	\$1,074,914	\$0
Municipal Income Taxes	7,499,141	6,548,076	6,591,842	43,766
Charges for Services	347,815	1,175,705	1,191,065	15,360
Fees, Licenses, and Permits	361,150	326,974	327,316	342
Fines and Forfeitures	882,334	709,548	709,548	0
Intergovernmental	1,228,644	1,129,893	1,154,120	24,227
Interest	78,006	133,087	117,396	(15,691)
Other	114,333	536,796	508,039	(28,757)
Total Revenues	11,505,996	11,634,993	11,674,240	39,247
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other	280,000	282,404	282,404	0
Public Health	390,859	390,859	390,859	0
Leisure Time Activities	816,360	822,612	822,612	0
Community Environment	350,407	249,777	249,777	0
Transportation				
Other	251,934	265,927	265,927	0
General Government				
Court	814,852	862,018	862,018	0
Other	2,601,589	2,979,194	2,979,194	0
Total Expenditures	5,506,001	5,852,791	5,852,791	0
Excess of Revenues Over Expenditures	5,999,995	5,782,202	5,821,449	39,247
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	932	972	40
Sale of Capital Assets	0	0	6,250	6,250
Advances In	0	59,253	59,253	0
Advances Out	0	(21,000)	(18,370)	2,630
Transfers Out	(6,008,939)	(5,293,216)	(5,291,160)	2,056
Total Other Financing Sources (Uses)	(6,008,939)	(5,254,031)	(5,243,055)	10,976
Changes in Fund Balance	(8,944)	528,171	578,394	50,223
Fund Balance Beginning of Year	2,020,603	2,020,603	2,020,603	0
Fund Balance End of Year	\$2,011,659	\$2,548,774	\$2,598,997	\$50,223

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, 2014

	<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	\$1,322,505	\$1,287,848	\$1,296,577	\$8,729
Charges for Services	2,800	2,700	2,700	0
Fees, Licenses, and Permits	19,000	16,000	16,000	0
Intergovernmental	1,291,897	3,047,736	3,061,073	13,337
Interest	200	284	302	18
Other	12,949	70,415	70,422	7
Total Revenues	2,649,351	4,424,983	4,447,074	22,091
<u>Expenditures</u>				
Current:				
Transportation				
Other	2,583,007	4,395,677	4,395,677	0
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	10,000	4,491	4,491	0
Total Expenditures	2,793,007	4,600,168	4,600,168	0
Excess of Revenues Under Expenditures	(143,656)	(175,185)	(153,094)	22,091
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	200,000	200,000	0
Changes in Fund Balance	56,344	24,815	46,906	22,091
Fund Balance Beginning of Year	1,248,258	1,248,258	1,248,258	0
Fund Balance End of Year	\$1,304,602	\$1,273,073	\$1,295,164	\$22,091

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, 2014

	<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	\$5,363,096	\$6,394,648	\$6,502,773	\$108,125
Intergovernmental	0	6,373	6,373	0
Other	0	15,183	15,183	0
Total Revenues	5,363,096	6,416,204	6,524,329	108,125
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	6,372,415	6,303,949	6,303,949	0
Fire	5,628,174	5,116,663	5,116,663	0
Total Expenditures	12,000,589	11,420,612	11,420,612	0
Excess of Revenues Under Expenditures	(6,637,493)	(5,004,408)	(4,896,283)	108,125
<u>Other Financing Sources</u>				
Transfers In	5,826,023	5,004,506	5,004,506	0
Changes in Fund Balance	(811,470)	98	108,223	108,125
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	(\$811,470)	\$98	\$108,223	\$108,125

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Business-Type Activities				
	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,562,772	\$205,667	\$0	\$0	\$176,754
Accounts Receivable	2,163,977	3,909,968	0	540,447	0
Due from Other Governments	580	0	0	580	0
Interfund Receivable	356	0	0	0	0
Prepaid Items	12,442	2,725	87	6,248	886
Materials and Supplies Inventory	108,614	665	0	685	469
Total Current Assets	6,848,741	4,119,025	87	547,960	178,109
<u>Non-Current Assets</u>					
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	0	0	1,858	0	0
Nondepreciable Capital Assets	526,028	0	162,571	96,423	0
Depreciable Capital Assets, Net	20,086,787	402,097	0	16,650,041	3,275,779
Total Non-Current Assets	20,612,815	402,097	164,429	16,746,464	3,275,779
Total Assets	27,461,556	4,521,122	164,516	17,294,424	3,453,888
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	63,475	39,277	0	16,571	443
Accounts Payable	162,562	4,537	8,318	6,285	203
Contracts Payable	3,082	0	0	3,082	0
Due to Other Governments	11,210	54,142	124	2,935	95
Compensated Absences Payable	60,613	15,499	0	15,408	97
Interfund Payable	3,268	10,364	88	498,513	0
Accrued Interest Payable	29,923	0	529	35,670	11,972
Notes Payable	1,083,910	0	0	1,504,590	0
General Obligation Bonds Payable	344,480	0	0	535,820	0
OWDA Loans Payable	1,535,168	0	198,563	0	0
OPWC Loans Payable	69,923	0	0	23,114	0
Postclosure Costs Payable	0	0	130,176	0	0
Total Current Liabilities	3,367,614	123,819	337,798	2,641,988	12,810
<u>Non-Current Liabilities</u>					
Compensated Absences Payable	259,494	47,155	0	87,476	0
General Obligation Bonds Payable	7,986,407	0	170,000	9,191,743	3,865,000
OWDA Loans Payable	10,243,963	0	0	0	0
OPWC Loans Payable	691,874	0	0	303,063	0
Postclosure Costs Payable	0	0	1,595,048	0	0
Total Non-Current Liabilities	19,181,738	47,155	1,765,048	9,582,282	3,865,000
Total Liabilities	22,549,352	170,974	2,102,846	12,224,270	3,877,810
<u>Net Position</u>					
Net Investment in Capital Assets (Deficit)	2,381,242	402,097	162,571	6,991,301	(136,490)
Unrestricted (Deficit)	2,530,962	3,948,051	(2,100,901)	(1,921,147)	(287,432)
Total Net Position (Deficit)	\$4,912,204	\$4,350,148	(\$1,938,330)	\$5,070,154	(\$423,922)

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

Total Enterprise	Governmental Activities
	Internal Service
\$4,945,193	\$131,084
6,614,392	0
1,160	0
356	63,465
22,388	930
<u>110,433</u>	<u>185,631</u>
<u>11,693,922</u>	<u>381,110</u>
1,858	0
785,022	61,943
<u>40,414,704</u>	<u>1,469,227</u>
<u>41,201,584</u>	<u>1,531,170</u>
<u>52,895,506</u>	<u>1,912,280</u>
119,766	9,513
181,905	42,406
6,164	0
68,506	1,506
91,617	5,408
512,233	43
78,094	3,211
2,588,500	0
880,300	51,250
1,733,731	0
93,037	0
130,176	0
<u>6,484,029</u>	<u>113,337</u>
394,125	56,585
21,213,150	1,030,000
10,243,963	0
994,937	0
<u>1,595,048</u>	<u>0</u>
<u>34,441,223</u>	<u>1,086,585</u>
<u>40,925,252</u>	<u>1,199,922</u>
9,800,721	449,920
<u>2,169,533</u>	<u>262,438</u>
11,970,254	<u><u>\$712,358</u></u>
<u>135,348</u>	
<u><u>\$12,105,602</u></u>	

City of Marion
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities				
	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
<u>Operating Revenues</u>					
Charges for Services	\$6,214,889	\$2,514,897	\$271,000	\$1,110,075	\$127,156
Other	47,352	32,746	3,747	17,613	236,020
Total Operating Revenues	<u>6,262,241</u>	<u>2,547,643</u>	<u>274,747</u>	<u>1,127,688</u>	<u>363,176</u>
<u>Operating Expenses</u>					
Personal Services	1,677,336	1,047,970	0	589,597	102,033
Contractual Services	1,339,426	769,517	(70,695)	153,873	54,276
Materials and Supplies	483,896	122,850	243	151,050	31,977
Depreciation	1,995,656	48,568	0	514,503	68,245
Other	538	890	0	302	306
Total Operating Expenses	<u>5,496,852</u>	<u>1,989,795</u>	<u>(70,452)</u>	<u>1,409,325</u>	<u>256,837</u>
Operating Income (Loss)	<u>765,389</u>	<u>557,848</u>	<u>345,199</u>	<u>(281,637)</u>	<u>106,339</u>
<u>Non-Operating Revenues (Expenses)</u>					
Interest Expense	(555,285)	(487)	(21,209)	(404,425)	(143,669)
Gain on Disposal of Capital Assets	0	3,200	0	0	0
Loss on Disposal of Capital Assets	(97,990)	0	0	0	0
Total Non-Operating Revenues (Expenses)	<u>(653,275)</u>	<u>2,713</u>	<u>(21,209)</u>	<u>(404,425)</u>	<u>(143,669)</u>
Income (Loss) before Contributions and Transfers	112,114	560,561	323,990	(686,062)	(37,330)
Capital Contributions	34,361	0	0	37,378	0
Transfers Out	0	0	0	0	(500)
Changes in Net Position	146,475	560,561	323,990	(648,684)	(37,830)
Net Position (Deficit) Beginning of Year	<u>4,765,729</u>	<u>3,789,587</u>	<u>(2,262,320)</u>	<u>5,718,838</u>	<u>(386,092)</u>
Net Position (Deficit) End of Year	<u>\$4,912,204</u>	<u>\$4,350,148</u>	<u>(\$1,938,330)</u>	<u>\$5,070,154</u>	<u>(\$423,922)</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

Total Enterprise	Governmental Activities
	Internal Service
\$10,238,017	\$1,173,783
337,478	4,405
<u>10,575,495</u>	<u>1,178,188</u>
3,416,936	241,681
2,246,397	65,048
790,016	802,038
2,626,972	44,711
2,036	0
<u>9,082,357</u>	<u>1,153,478</u>
<u>1,493,138</u>	<u>24,710</u>
(1,125,075)	(39,448)
3,200	0
(97,990)	0
<u>(1,219,865)</u>	<u>(39,448)</u>
273,273	(14,738)
71,739	0
(500)	0
344,512	(14,738)
	<u>727,096</u>
	<u>\$712,358</u>
<u>(2,800)</u>	
<u>\$341,712</u>	

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
Increases (Decreases) in Cash and Cash Equivalents					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$6,587,765	\$2,283,291	\$271,000	\$1,203,442	\$127,156
Cash Payments for Personal Services	(1,783,436)	(1,077,807)	0	(503,479)	(108,943)
Cash Payments for Contractual Services	(1,225,388)	(788,567)	(58,093)	(152,358)	(54,995)
Cash Payments to Vendors	(597,889)	(123,220)	(3,869)	(296,567)	(32,104)
Cash Received from Other Revenues	47,352	31,282	3,747	17,613	236,020
Cash Payments for Other Expenses	(538)	(890)	0	(302)	(306)
Net Cash Provided by (Used for) Operating Activities	<u>3,027,866</u>	<u>324,089</u>	<u>212,785</u>	<u>268,349</u>	<u>166,828</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Interfund Loan	0	0	0	497,499	0
Transfers Out	0	0	0	0	(500)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>497,499</u>	<u>(500)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Capital Grants	36,050	0	0	39,505	0
Principal Paid on Bond Anticipation Notes	(2,795,000)	(40,000)	0	(2,845,000)	0
Principal Paid on General Obligation Bonds	(335,478)	0	0	(521,122)	0
Principal Paid on OWDA Loans	(1,507,452)	0	(190,209)	0	0
Principal Paid on OPWC Loans	(114,287)	0	0	(21,787)	0
Interest Paid on Bond Anticipation Notes	(53,723)	(698)	0	(56,880)	0
Interest Paid on General Obligation Bonds	(306,699)	0	(6,344)	(356,598)	(143,669)
Interest Paid on OWDA Loans	(205,241)	0	(14,865)	0	0
Bond Anticipation Notes Issued	1,083,910	0	0	1,504,590	0
OPWC Loans Issued	33,374	0	0	39,815	0
Sale of Capital Assets	39,671	3,200	0	0	0
Acquisition of Capital Assets	(172,987)	(120,960)	0	(106,569)	0
Net Cash Used for Capital and Related Financing Activities	<u>(4,297,862)</u>	<u>(158,458)</u>	<u>(211,418)</u>	<u>(2,324,046)</u>	<u>(143,669)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,269,996)</u>	<u>165,631</u>	<u>1,367</u>	<u>(1,558,198)</u>	<u>22,659</u>
Cash and Cash Equivalents Beginning of Year	<u>5,832,768</u>	<u>40,036</u>	<u>491</u>	<u>1,558,198</u>	<u>154,095</u>
Cash and Cash Equivalents End of Year	<u><u>\$4,562,772</u></u>	<u><u>\$205,667</u></u>	<u><u>\$1,858</u></u>	<u><u>\$0</u></u>	<u><u>\$176,754</u></u>

<u>Total Enterprise</u>	<u>Governmental Activities</u>
	<u>Internal Service</u>
\$10,472,654	\$1,230,929
(3,473,665)	(240,720)
(2,279,401)	(63,150)
(1,053,649)	(780,924)
336,014	4,405
<u>(2,036)</u>	<u>0</u>
<u>3,999,917</u>	<u>150,540</u>
497,499	0
<u>(500)</u>	<u>0</u>
<u>496,999</u>	<u>0</u>
75,555	0
(5,680,000)	0
(856,600)	(50,000)
(1,697,661)	0
(136,074)	0
(111,301)	0
(813,310)	(39,531)
(220,106)	0
2,588,500	0
73,189	0
42,871	0
<u>(400,516)</u>	<u>0</u>
<u>(7,135,453)</u>	<u>(89,531)</u>
(2,638,537)	61,009
<u>7,585,588</u>	<u>70,075</u>
<u>\$4,947,051</u>	<u>\$131,084</u>

(continued)

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(continued)

	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	\$765,389	\$557,848	\$345,199	(\$281,637)	\$106,339
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	1,995,656	48,568	0	514,503	68,245
Provision for Uncollectible Accounts	0	(7,071)	0	0	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	372,679	(233,070)	0	93,367	0
Decrease in Due from Other Governments	0	0	0	0	0
Decrease in Interfund Receivable	197	0	0	0	0
(Increase) Decrease in Prepaid Items	1,777	(818)	50	(639)	104
(Increase) Decrease in Materials and Supplies Inventory	(609)	22	0	23	(127)
Increase (Decrease) in Accrued Wages Payable	1,137	2,487	0	(31)	443
Increase (Decrease) in Accounts Payable	118,756	(6,736)	(1,699)	834	(823)
Decrease in Contracts Payable	(102,629)	0	0	(121,858)	0
Decrease in Due to Other Governments	(44,303)	(20,380)	0	(14,340)	(7,450)
Decrease in Retainage Payable	(19,421)	0	0	(23,169)	0
Increase (Decrease) Interfund Payable	2,692	(21,452)	88	807	0
Increase (Decrease) in Compensated Absences Payable	(63,455)	4,691	0	100,489	97
Decrease in Postclosure Costs Payable	0	0	(130,853)	0	0
Net Cash Provided by (Used for) Operating Activities	<u>\$3,027,866</u>	<u>\$324,089</u>	<u>\$212,785</u>	<u>\$268,349</u>	<u>\$166,828</u>

Non-Cash Capital Financing Activities

At December 31, 2014, the Sewer enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$580.

At December 31, 2014, the Storm Water enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$580.

See Accompanying Notes to the Basic Financial Statements

<u>Total Enterprise</u>	<u>Governmental Activities</u>
	<u>Internal Service</u>
1,493,138	\$24,710
2,626,972	44,711
(7,071)	0
232,976	36
0	12,623
197	44,487
474	(375)
(691)	52,063
4,036	(2,616)
110,332	(28,864)
(224,487)	0
(86,473)	(8,648)
(42,590)	0
(17,865)	43
41,822	12,370
(130,853)	0
<u>\$3,999,917</u>	<u>\$150,540</u>

City of Marion
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$72,575
Cash and Cash Equivalents in Segregated Accounts	56,756
Due from External Parties	<u>1,129</u>
Total Assets	<u><u>\$130,460</u></u>
<u>Liabilities</u>	
Undistributed Assets	<u><u>\$130,460</u></u>

See Accompanying Notes to the Basic Financial Statements

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

A. The City

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

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

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

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Marion in 2014.

The City participates in two insurance pools, the Ohio Municipal Joint Self-Insurance Pool and the Ohio Rural Water Association Workers' Compensation Group Rating Plan, and two jointly-governed organizations, the Marion County General Health District and the Marion Port Authority. These organizations are presented in Notes 21 and 22 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. Fund Accounting

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2014. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for employee payroll withholdings and deductions, for insurance proceeds held by the City to secure proper handling of fire damaged structures until adequately repaired or demolished, fines and fees collected by the Marion Municipal Court (excluding those due to the City of Marion), and fines collected by the City for traffic and parking violations distributed to other parties.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City did not report any deferred outflows of resources for 2014.

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 as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources consists of property taxes, payment in lieu of taxes, and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 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.

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

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

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

During 2014, investments included nonnegotiable and negotiable certificates of deposit, federal agency securities, and mutual funds. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market price or current share price.

Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2014 was \$123,514, which includes \$103,700 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, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of fifteen thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized. No interest was capitalized for 2014.

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

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

K. Interfund Assets/Liabilities

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

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

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

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance

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

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

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

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

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Safety Director and the Service Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

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

R. Interfund Transactions

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

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

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

S. 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2014, the following funds had a deficit fund balance/net position:

<u>Fund Type/Fund</u>	<u>Deficit</u>
Nonmajor Special Revenue Fund	
CHIP Grant	\$4,224
Nonmajor Capital Projects Fund	
Capital Improvements	203,145
Enterprise Funds	
Landfill	1,938,330
Aquatics Center	423,922

The deficit fund balance in the 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 fund balance in the capital projects fund was caused by the requirement to report the bond anticipation note liability in the fund receiving the note proceeds. The deficit will be alleviated when the notes are paid.

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

B. Compliance

For the year ended December 31, 2014, the Police, Dispatch, and Fire Income Tax special revenue fund had original appropriations in excess of estimated resources plus available balances, in the amount of \$811,470. The Auditor will review appropriations to ensure they are within amounts available.

For the year ended December 31, 2014, the Storm Water enterprise fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$496,083. The Auditor will review appropriations to ensure they are within amounts available.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

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

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

Changes in Fund Balance			
	General	Street Construction, Maintenance, and Repair	Police, Dispatch, and Fire Income Tax
GAAP Basis	\$624,335	\$193,397	\$1,251,430
<u>Increases (Decreases) Due To</u>			
Revenue Accruals:			
Accrued 2013, Received in Cash 2014	1,057,206	160,245	621,046
Accrued 2014, Not Yet Received in Cash	(1,693,775)	584,671	(623,396)
Expenditure Accruals:			
Accrued 2013, Paid in Cash 2014	(543,585)	(226,054)	(1,752,175)
Accrued 2014, Not Yet Paid in Cash	276,635	121,778	634,410
Cash Adjustments:			
Unrecorded Activity 2013	(220,580)	0	0
Unrecorded Activity 2014	160,237	0	0
Prepaid Items	41,632	(651)	(15,419)
Materials and Supplies Inventory	6,649	(43,920)	(7,673)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses into Financial Statement Fund Types			
Advances In	59,253	0	0
Advances Out	(18,370)	0	0
Transfers In	0	(742,560)	0
Transfer Out	829,033	0	0
Bond Anticipation Notes Issued	0	200,000	0
Bond Anticipation Notes Retired	0	(200,000)	0
Budget Basis	\$578,394	\$46,906	\$108,223

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing 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 or Ohio local governments;

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$433,578 of the City's bank balance of \$4,197,093 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2014, the City had the following investments:

	Fair Value	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Negotiable Certificates of Deposit	\$2,931,994	\$249,998	\$251,488	\$1,502,752	\$927,756
Federal Farm Credit Bank Notes	992,320	0	0	0	992,320
Federal Home Loan Bank Notes	1,282,202	0	0	0	1,282,202
Federal Home Loan Mortgage Corporation Notes	598,121	0	0	0	598,121
Federal National Mortgage Association Bonds	248,748	0	0	0	248,748
Mutual Funds	2,239,416	2,239,416	0	0	0
	<u>\$8,292,801</u>	<u>\$2,489,414</u>	<u>\$251,488</u>	<u>\$1,502,752</u>	<u>\$4,049,147</u>

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

Negotiable certificates of deposit are generally covered by FDIC insurance. The federal agency securities carry a rating of Aaa by Moodys, with the exception of a Federal Home Loan Bank note, in the amount of \$297,012, which has a rating of AA+ with Standard and Poors. The mutual funds 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	\$2,931,994	35.36%
Federal Farm Credit Bank	992,320	11.97
Federal Home Loan Bank	1,282,202	15.46
Federal Home Loan Mortgage Corporation	598,121	7.21
Federal National Mortgage Association	248,748	3.00

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - RECEIVABLES

Receivables at December 31, 2014, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; interfund; property taxes; payment in lieu of taxes, and notes. Receivables are considered collectible in full and within one year, except for municipal income taxes, interfund, property taxes, notes, and the allowance for uncollectible accounts related to utility services. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$618,611 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 2014 follows:

	Balance December 31, 2013	New Loans	Repayments	Balance December 31, 2014
Special Revenue Fund				
Revolving Loans	\$699,706	\$0	\$261,903	\$437,803
Debt Service Fund				
Harding Centre Loan	254,582	0	35,880	218,702
	\$954,288	\$0	\$297,783	\$656,505

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

	Sewer	Sanitation	Storm Water	Total Enterprise Funds
Accounts Receivable	\$2,163,977	\$4,050,496	\$540,447	\$6,754,920
Less Allowance for Uncollectibles	0	(140,528)	0	(140,528)
Net Accounts Receivable	\$2,163,977	\$3,909,968	\$540,447	\$6,614,392

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$81,772
Local Government	350,227
Cigarette Tax	568
Estate Tax	6,582
OPERS	21
Total General Fund	439,170

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
Street Construction, Maintenance, and Repair	
Gasoline Tax	\$483,736
Motor Vehicle License Tax	108,983
Total Street Construction, Maintenance, and Repair	592,719
Police, Dispatch, and Fire Income Tax	
Overtime Grant	2,859
Total Major Funds	1,034,748
Nonmajor Funds	
Senior Citizens	
Ohio District 5 Area on Aging	20,150
EMS Grant	
Firefighters Equipment Grant	18,412
Municipal Court Docket Specialist	
Municipal Court Docket Specialist	18,685
State Highway	
Gasoline Tax	39,222
Motor Vehicle License Tax	8,837
Total State Highway	48,059
School Resource Officer	
School Resource Officer	417
Community Corrections	
Community Based Corrections	83,695
Police and Fire Pension	
Homestead and Rollback	17,797
SAFER Grant	
SAFER Grant	254,331
CHIP Grant	
CHIP Grant	5,000
Marion Area Transit	
State of Ohio	2,441
Capital Improvements	
Department of Justice Grant	2,715
Airport Improvement	
FAA Grant	5,968
Total Nonmajor Funds	477,670
Total Governmental Activities	\$1,512,418

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - RECEIVABLES (continued)

Business-Type Activities	
Sewer	
Ohio Public Works Commission	\$580
Storm Water	
Ohio Public Works Commission	580
Total Business-Type Activities	<u><u>\$1,160</u></u>

NOTE 7 - 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 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2014 represent the collection of 2013 taxes. Real property taxes received in 2014 were levied after October 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2014 represent the collection of 2013 taxes. Public utility real and tangible personal property taxes received in 2014 became a lien on December 31, 2012, were levied after October 1, 2013, 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, 2014, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2014 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 8 - PROPERTY TAXES (continued)

The full tax rate for all City operations for the year ended December 31, 2014, was \$4.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$263,816,600
Commercial/Industrial	82,303,850
Public Utility Real	163,240
Public Utility Personal	25,412,110
Total	\$371,695,800

NOTE 9 - PAYMENT IN LIEU OF TAXES

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

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$8,703,039	\$0	(\$45,816)	\$8,657,223
Construction in Progress	93,294	2,405,071	(2,441,007)	57,358
Total Nondepreciable Capital Assets	8,796,333	2,405,071	(2,486,823)	8,714,581
Depreciable Capital Assets				
Land Improvements	2,276,619	201,275	0	2,477,894
Buildings and Building Improvements	26,106,273	0	0	26,106,273
Equipment	2,472,435	336,593	0	2,809,028
Vehicles	4,807,797	196,148	(197,147)	4,806,798
Streets	138,446,185	2,239,732	(1,208,818)	139,477,099
Total Depreciable Capital Assets	174,109,309	2,973,748	(1,405,965)	175,677,092

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Governmental Activities (continued):				
Less Accumulated Depreciation for				
Land Improvements	(\$376,959)	(\$110,581)	\$0	(\$487,540)
Buildings and Building Improvements	(5,665,619)	(405,383)	0	(6,071,002)
Equipment	(1,413,081)	(159,550)	0	(1,572,631)
Vehicles	(2,555,574)	(233,613)	175,951	(2,613,236)
Streets	(108,840,587)	(3,749,709)	1,134,132	(111,456,164)
Total Accumulated Depreciation	<u>(118,851,820)</u>	<u>(4,658,836)</u>	<u>1,310,083</u>	<u>(122,200,573)</u>
Total Depreciable Capital Assets, Net	<u>55,257,489</u>	<u>(1,685,088)</u>	<u>(95,882)</u>	<u>53,476,519</u>
Governmental Activities Capital Assets, Net	<u>\$64,053,822</u>	<u>\$719,983</u>	<u>(\$2,582,705)</u>	<u>\$62,191,100</u>
	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$699,886	\$0	(\$106,886)	\$593,000
Construction in Progress	1,206,562	188,092	(1,202,632)	192,022
Total Nondepreciable Capital Assets	<u>1,906,448</u>	<u>188,092</u>	<u>(1,309,518)</u>	<u>785,022</u>
Depreciable Capital Assets				
Land Improvements	96,191	0	(96,191)	0
Buildings	27,489,025	0	0	27,489,025
Equipment	4,633,797	76,995	0	4,710,792
Vehicles	1,805,215	141,593	(94,439)	1,852,369
Sewer and Storm Water Lines	41,048,523	1,202,632	(14,728)	42,236,427
Total Depreciable Capital Assets	<u>75,072,751</u>	<u>1,421,220</u>	<u>(205,358)</u>	<u>76,288,613</u>
Less Accumulated Depreciation for				
Land Improvements	(65,416)	0	65,416	0
Buildings	(13,047,242)	(1,647,400)	0	(14,694,642)
Equipment	(3,195,934)	(170,317)	0	(3,366,251)
Vehicles	(1,128,969)	(88,149)	94,439	(1,122,679)
Sewer and Storm Water Lines	(15,983,959)	(721,106)	14,728	(16,690,337)
Total Accumulated Depreciation	<u>(33,421,520)</u>	<u>(2,626,972)</u>	<u>174,583</u>	<u>(35,873,909)</u>
Total Depreciable Capital Assets, Net	<u>41,651,231</u>	<u>(1,205,752)</u>	<u>(30,775)</u>	<u>40,414,704</u>
Business-Type Activities Capital Assets, Net	<u>\$43,557,679</u>	<u>(\$1,017,660)</u>	<u>(\$1,340,293)</u>	<u>\$41,199,726</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$78,595
Security of Persons and Property - Fire	83,646
Public Health	335
Leisure Time Activities	55,050
Transportation - Transit	64,800
Transportation - Other	3,987,615
General Government - Court	9,922
General Government - Other	378,873
Total Depreciation Expense - Governmental Activities	\$4,658,836

NOTE 11 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at December 31, 2014, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental	\$294,905
Storm Water	497,499
Total General Fund	\$792,404

Due to Street Construction, Maintenance, and Repair Fund from:

General	\$1,048,720
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Due to Other Governmental Funds from:

General	\$236,820
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Due to Sewer Fund from:

General	\$130
Police, Dispatch, and Fire Income Tax	183
Internal Service	43
Total Sewer Fund	\$356

Due to Internal Service Fund from:

General	\$3,611
Street Construction, Maintenance, and Repair	12,188
Police, Dispatch, and Fire Income Tax	15,876
Other Governmental	17,056
Sewer	3,268
Sanitation	10,364
Landfill	88
Storm Water	1,014
Total Internal Service Fund	\$63,465

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 11 - INTERFUND RECEIVABLES/PAYABLES (continued)

The balance due to the General Fund consists of loans made to provide working capital for operations or projects. Of this amount, \$179,600 will not be received within one year.

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

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

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

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

NOTE 12 - 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 2014, the City had the following insurance coverage:

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

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

NOTE 12 - RISK MANAGEMENT (continued)

For 2014, 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 13 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$986,878, \$1,187,296, and \$987,383, respectively. For 2014, 95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$23,073 made by the City and \$16,481 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. 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 and required supplementary information for the plan. The report that 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 website at www.op-f.org.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$793,398 and \$687,321 for the year ended December 31, 2014, \$703,887 and \$742,151 for the year ended December 31, 2013, and \$564,630 and \$574,932 for the year ended December 31, 2012. For 2014, 95 percent has been contributed for both police and firefighters with the balance for both being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent in 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$133,070, \$63,695, and \$251,980, respectively. For 2014, 95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

B. Police and Fire Pension Fund

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

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

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

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

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

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$14,425 and \$14,624 for the year ended December 31, 2014, \$104,404 and \$101,735 for the year ended December 31, 2013, and \$179,353 and \$191,644 for the year ended December 31, 2012. For 2014, 95 percent has been contributed for both police and firefighters with the balance for both being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 15 - OTHER EMPLOYEE BENEFITS

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

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

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

NOTE 16 - NOTES PAYABLE

The changes in the City's notes payable during 2014 were as follows:

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
<u>Governmental Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2013 Various Purpose	1.75%	\$500,000	\$0	\$500,000	\$0
2014 Various Purpose	1.50	0	955,100	0	955,100
Total Governmental Activities		<u>\$500,000</u>	<u>\$955,100</u>	<u>\$500,000</u>	<u>\$955,100</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 16 - NOTES PAYABLE (continued)

Business-Type Activities

General Obligation Bond Anticipation Notes

2013 Various Purpose	1.75%	\$5,680,000	\$0	\$5,680,000	\$0
2014 Various Purpose	1.50	0	2,588,500	0	2,588,500
Total Business-Type Activities		<u>\$5,680,000</u>	<u>\$2,588,500</u>	<u>\$5,680,000</u>	<u>\$2,588,500</u>

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

On September 12, 2013, the City issued \$6,180,000 in bond anticipation notes; \$300,000 for City Hall improvements, \$200,000 for street resurfacing, \$2,795,000 for sewer improvements, \$2,845,000 for storm water improvements, and \$40,000 for the purchase of a recycling truck. The notes matured on September 11, 2014.

On September 11, 2014, the City issued \$3,543,600 in bond anticipation notes; \$300,000 for City Hall improvements, \$200,000 for street resurfacing, \$312,000 for the purchase of an EMS vehicle, \$27,000 for the purchase of an engineering truck, \$116,100 for the purchase of police vehicles, \$1,083,910 for sewer improvements, and \$1,504,590 for storm water improvements. The notes mature on September 10, 2015. As of December 31, 2014, \$200,000 of the proceeds had been spent on items which were not capitalized and \$2,900,500 had not been spent.

NOTE 17 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2014, was as follows:

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2010 Police and Fire Pension Refunding						
(Original Amount \$794,300)	2-4.3%	\$534,300	\$0	\$70,200	\$464,100	\$72,800
2010 Street Improvement						
(Original Amount \$1,598,850)	2-4.3	1,339,800	0	59,400	1,280,400	61,050
2010 Computer Equipment						
(Original Amount \$775,200)	2-4.3	649,600	0	28,800	620,800	29,600
2010 City Hall Roof						
(Original Amount \$110,000)	2-3.75	95,000	0	5,000	90,000	5,000
2010 Generator						
(Original Amount \$225,000)	2-3.75	195,000	0	10,000	185,000	10,000

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Governmental Activities</u> (continued)						
General Obligation Bonds (continued)						
2010 Fire Truck (Original Amount \$320,000)	2-3.75%	\$230,000	\$0	\$30,000	\$200,000	\$30,000
2010 Police Records (Original Amount \$355,000)	2-3.75	255,000	0	35,000	220,000	35,000
2010 Central Garage (Original Amount \$1,376,250)	1.75-4	1,131,250	0	50,000	1,081,250	51,250
Total General Obligation Bonds		4,429,950	0	288,400	4,141,550	294,700
Other Long-Term Obligations						
ODOT DRIP TIF (Original Amount \$2,105,884)	0.00	447,664	0	83,855	363,809	86,602
OPWC Loan						
#CP10D Marion Williamsport Road Improvements (Original Amount \$128,202)	0.00	57,692	0	6,410	51,282	6,410
Capital Loans Payable	3.82	64,350	0	64,350	0	0
Compensated Absences Payable		4,008,926	400,623	446,778	3,962,771	631,665
Total Other Long-Term Obligations		4,578,632	400,623	601,393	4,377,862	724,677
Total Governmental Activities		\$9,008,582	\$400,623	\$889,793	\$8,519,412	\$1,019,377

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose A (Original Amount \$7,786,650)	2-4.3%	\$5,646,300	\$0	\$561,600	\$5,084,700	\$581,550
2010 Various Purpose B (Original Amount \$7,183,750)	1.75-4	6,088,750	0	275,000	5,813,750	278,750
2012 Various Purpose (Original Amount \$11,235,000)	2-4	11,215,000	0	20,000	11,195,000	20,000
Total General Obligation Bonds		22,950,050	0	856,600	22,093,450	880,300

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Business-Type Activities</u> (continued)						
General Obligation Bonds (continued)						
Other Long-Term Obligations						
OWDA Loans						
#2335 Solids Handling (Original Amount \$2,290,314)	4.56%	\$418,032	\$0	\$161,581	\$256,451	\$169,033
#2336 Landfill Closure (Original Amount \$2,720,754)	4.35	388,772	0	190,209	198,563	198,563
#3397 WRRSP (Original Amount \$5,366,955)	1.50	2,614,256	0	273,415	2,340,841	277,531
#3398 WWTP Upgrade (Original Amount \$20,784,201)	1.50	10,254,295	0	1,072,456	9,181,839	1,088,604
Total OWDA Loans		<u>13,675,355</u>	<u>0</u>	<u>1,697,661</u>	<u>11,977,694</u>	<u>1,733,731</u>
OPWC Loans						
#CP06G Mary St Sanitary Sewer/Storm Water Replacement (Original Amount \$29,232)	0.00	17,537	0	1,462	16,075	1,462
#CP10F Uncapher Ave/ Florence St Sanitary Sewer/ Storm Water Replacement (Original Amount \$268,990)	0.00	134,499	0	13,449	121,050	13,449
#CP16E Avondale Ave/ Catalina Dr Storm Water (Original Amount \$119,185)	0.00	50,651	0	5,960	44,691	5,960
#CP18A Industrial Depot Sanitary Sewer (Original Amount \$157,168)	0.00	10,477	0	10,477	0	0
#CP33E Water Pollution Control Upgrade (Original Amount \$1,070,800)	0.00	562,170	0	53,540	508,630	53,540

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Business-Type Activities (continued)</u>						
Other Long-Term Obligations (continued)						
OPWC Loans (continued)						
#CP522 Airport Industrial Park Sanitary Sewer (Original Amount \$700,000)	0.00%	\$35,000	\$0	\$35,000	\$0	\$0
#CP14L Franconia Avenue Sanitary Sewer and Storm Water Replacement (Original Amount \$107,827)	0.00	98,842	0	3,594	95,248	3,594
#CP05K Oakgrove and Waterloo Sanitary Sewer and Storm Water Replacement (Original Amount \$211,153)	0.00	184,758	0	10,558	174,200	10,558
#CP04M Woodrow and Henry Sanitary Sewer and Storm Water Replacement (Original Amount \$60,993)	0.00	56,925	0	2,034	54,891	2,034
#CP04N Milburn Sewer and Sanitary Sewer Replacement (Original Amount \$73,189)	0.00	38,520	34,669	0	73,189	2,440
Total OPWC Loans		1,189,379	34,669	136,074	1,087,974	93,037
Compensated Absences Payable		443,920	62,946	21,124	485,742	91,617
Postclosure Costs Payable		1,856,077	0	130,853	1,725,224	130,176
Total Other Long-Term Obligations		17,164,731	97,615	1,985,712	15,276,634	2,048,561
Total Business-Type Activities		\$40,114,781	\$97,615	\$2,842,312	\$37,370,084	\$2,928,861

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, 2014

NOTE 17 - 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, 2014, all of the proceeds had been spent and \$790,020 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, 2014

NOTE 17 - 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:

Year	Amount
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:

Year	Amount
2029	\$305,000

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

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

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

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

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

As of December 31, 2014, the City had unspent proceeds of \$597,978 and \$622,731 was spent on items 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:

<u>Year</u>	<u>Amount</u>
2028	\$870,000
2029	905,000

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

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

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

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

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

Capital Loans - The City obtained a loan with a local bank for the purchase of a fire truck. The City paid the loan in equal quarterly payments over the ten-year life of the loan which matured in 2014. The loan was repaid from resources of the Capital Improvements capital projects 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; Senior Citizens; Police, Dispatch, and Fire Income Tax; and Marion Area Transit special revenue funds; the Sewer, Sanitation, Storm Water, and Aquatics Center enterprise funds; and the Central Garage internal service fund.

OWDA Loans

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

OWDA monies spent on items which were not capitalized were \$2,340,841 in the Sewer enterprise fund and \$198,563 in the Landfill 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 and Landfill enterprise funds and enterprise fund OPWC loans are payable solely from the gross revenues of the Sewer and Storm Water enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues. The total principal and interest remaining to be paid on the OWDA loans are \$11,977,694 and \$766,582, respectively, and total principal to be paid on the OPWC loans is \$1,087,974. Principal and interest paid in the Sewer enterprise fund for the current year was \$1,621,739 and \$205,241, \$190,209 and \$14,865 in the Landfill enterprise fund, and \$21,787 in the Storm Water enterprise fund. Total net revenues for the Sewer enterprise fund was \$2,761,045, \$345,199 in the Landfill enterprise fund, and \$232,866 in the Storm Water enterprise fund. The OWDA loans are payable through 2022 and the OPWC loans are payable through 2041.

The City's legal debt margin was \$33,931,409 at December 31, 2014.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2014, were as follows:

Year	Governmental Activities				
	General Obligation Bonds		ODOT DRIP TIF		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2015	\$294,700	\$146,410	\$86,602	\$10,082	\$6,410
2016	302,200	139,698	89,440	7,457	6,410
2017	310,950	132,065	92,370	4,745	6,410
2018	318,500	123,434	95,397	1,945	6,410
2019	332,250	113,577	0	0	6,410
2020-2024	1,127,800	420,980	0	0	19,232
2025-2029	1,187,100	206,555	0	0	0
2030	268,050	11,193	0	0	0
	<u>\$4,141,550</u>	<u>\$1,293,912</u>	<u>\$363,809</u>	<u>\$24,229</u>	<u>\$51,282</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014, from the enterprise funds were as follows:

Year	Business-Type Activities				
	General Obligation Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2015	\$880,300	\$795,376	\$1,733,731	\$184,038	\$93,037
2016	907,800	774,862	1,474,122	149,160	93,036
2017	919,050	751,521	1,407,582	126,289	93,037
2018	946,500	725,625	1,428,775	105,096	93,036
2019	982,750	695,793	1,450,287	83,584	93,037
2020-2024	5,797,200	2,933,798	4,483,197	118,415	410,053
2025-2029	7,042,900	1,780,291	0	0	94,586
2030-2034	4,616,950	431,768	0	0	56,176
2035-2039	0	0	0	0	40,343
2040-2041	0	0	0	0	21,633
	\$22,093,450	\$8,889,034	\$11,977,694	\$766,582	\$1,087,974

NOTE 18 - 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 \$1,725,224 reported as landfill postclosure costs at December 31, 2014, 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, 2014, liability decreased from the prior year by \$130,853 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, 2014

NOTE 19 - 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	\$179,600	\$0	\$0	\$0
Materials and Supplies Inventory	19,698	182,361	7,673	441
Prepaid Items	12,593	4,251	15,419	1,985
Total Nonspendable	<u>211,891</u>	<u>186,612</u>	<u>23,092</u>	<u>2,426</u>
Restricted for:				
Airport Improvements	0	0	0	59,794
Court Operations	0	0	0	651,081
Debt Retirement	0	0	0	1,407,108
Economic Development and Rehabilitation	0	0	0	532,350
Park Improvements	0	0	0	581
Police and Fire Operations	0	0	97,209	84,299
Railroad Crossing Improvements	0	0	0	62,125
Senior Citizen Activities	0	0	0	243,542
Street Maintenance and Construction	0	2,218,105	0	249,722
Transit Operations	0	0	0	60,178
Youth Activities	0	0	0	5,443
Total Restricted	<u>0</u>	<u>2,218,105</u>	<u>97,209</u>	<u>3,356,223</u>
Committed for:				
Debt Retirement	0	0	0	6,130
Termination Benefits	1,713	0	0	0
Total Committed	<u>1,713</u>	<u>0</u>	<u>0</u>	<u>6,130</u>
Assigned for:				
Airport Improvements	152,599	0	0	0
Parking Meters	2,356	0	0	0
Projected Budget Shortage	321,410	0	0	0
Recreation	905	0	0	0
Safety Patrol	395	0	0	0
Softball Field Improvements	19,553	0	0	0
Underground Storage Tank	11,000	0	0	0
Wellness	33,314	0	0	0
Total Assigned	<u>541,532</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	1,246,057	0	0	(207,369)
Total Fund Balance	<u>\$2,001,193</u>	<u>\$2,404,717</u>	<u>\$120,301</u>	<u>\$3,157,410</u>

NOTE 20 - INTERFUND TRANSFERS

During 2014, 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 \$742,560, \$5,004,506, and \$373,127, respectively, to subsidize operations in those funds.

Other governmental funds made transfers to other governmental funds, in the amount of \$265,571, to make debt payments as they come due.

The Aquatics Center enterprise fund made transfers to other governmental funds, in the amount of \$500, to reimburse those funds for expenditures made on behalf of the Aquatics Center.

NOTE 21 - INSURANCE POOLS

A. Ohio Municipal Joint Self-Insurance Pool

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

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

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

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS

A. Marion County General Health District

The City participates in the Marion County General Health District, a jointly governed organization created according to the provisions of Ohio Revised Code Section 3709.07. The General Health District is governed by a Board of Health consisting of three members representing the City of Marion and appointed by the Mayor, three members representing Marion County and appointed by the District Advisory Council, and one member appointed by the Health District Licensing Council. Each participant's ability to influence the operations of the Health District is limited to its representation on the Board. During 2014, the City contributed \$150,000 toward the operations of the General Health District. Financial information can be obtained from the Marion County Auditor, 222 West Center Street, Marion, Ohio 43302.

B. Marion Port Authority

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

NOTE 23 - 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, 2014, to December 31, 2014, 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.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

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

Senior Citizens

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

EMS Grant

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

Municipal Court Docket Specialist

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

State Highway

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

MMC Assistance

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

Court Computerization

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

Police Continuing Training

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

School Resource Officer

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

Community Corrections

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

Indigent Alcohol Monitoring

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

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Probation Services

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

Enforcement and Education

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

Indigent Alcohol Driver

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

Railroad Grade Crossing Improvement

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

Special Project Treatment Court

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

Police and Fire Pension

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

COPS Grant

To account for a grant received from the Department of Justice restricted to costs of hiring new police officers.

Marion Land Bank Program

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

Clean Ohio Assistance

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

SAFER Grant

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

CHIP Grant

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

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Revolving Loans

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

Marion Area Transit

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

Youth Recreation

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

Law Enforcement

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

Nonmajor Debt Service Funds

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

Bond Retirement

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

Harding Center Loan

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

Nonmajor Capital Projects Funds

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

CDBG

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

Tax Incremental Financing

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

Capital Improvements

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

Quarry Park

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

(continued)

City of Marion
Combining Statements - Nonmajor Governmental Funds

**Nonmajor Capital Projects Funds
(continued)**

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,488,337	\$10,567	\$1,834,077	\$3,332,981
Accounts Receivable	2,963	0	0	2,963
Due from Other Governments	468,987	0	8,683	477,670
Municipal Income Taxes Receivable	0	0	67,322	67,322
Interfund Receivable	0	0	236,820	236,820
Prepaid Items	1,985	0	0	1,985
Materials and Supplies Inventory	441	0	0	441
Property Taxes Receivable	234,587	0	0	234,587
Payment in Lieu of Taxes Receivable	0	0	398,119	398,119
Notes Receivable	437,803	218,702	0	656,505
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$2,635,103	\$229,269	\$2,545,021	\$5,409,393
<u>Liabilities</u>				
Accrued Wages Payable	\$39,867	\$0	\$0	\$39,867
Accounts Payable	17,482	0	26,974	44,456
Contracts Payable	0	0	2,539	2,539
Due to Other Governments	20,695	0	0	20,695
Retainage Payable	0	0	4,092	4,092
Interfund Payable	43,426	223,139	45,396	311,961
Accrued Interest Payable	0	0	3,444	3,444
Notes Payable	0	0	755,100	755,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	121,470	223,139	837,545	1,182,154
<u>Deferred Inflows of Resources</u>				
Property Taxes	180,675	0	0	180,675
Payment in Lieu of Taxes	0	0	398,119	398,119
Unavailable Revenue	446,016	0	45,019	491,035
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	626,691	0	443,138	1,069,829
<u>Fund Balance</u>				
Nonspendable	2,426	0	0	2,426
Restricted	1,888,740	0	1,467,483	3,356,223
Committed	0	6,130	0	6,130
Unassigned (Deficit)	(4,224)	0	(203,145)	(207,369)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	1,886,942	6,130	1,264,338	3,157,410
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$2,635,103	\$229,269	\$2,545,021	\$5,409,393

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Senior Citizens	EMS Grant	Municipal Court Docket Specialist	State Highway
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$249,965	\$0	\$35,545	\$241,505
Accounts Receivable	0	0	0	0
Due from Other Governments	20,150	18,412	18,685	48,059
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	0
Total Assets	\$270,115	\$18,412	\$54,230	\$289,564
<u>Liabilities</u>				
Accrued Wages Payable	\$3,331	\$0	\$1,488	\$0
Accounts Payable	917	0	0	0
Due to Other Governments	141	0	927	0
Interfund Payable	8,000	18,370	0	0
Total Liabilities	12,389	18,370	2,415	0
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	14,184	0	18,685	39,842
Total Deferred Inflows of Resources	14,184	0	18,685	39,842
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	243,542	42	33,130	249,722
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	243,542	42	33,130	249,722
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$270,115	\$18,412	\$54,230	\$289,564

MMC Assistance	Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections	Indigent Alcohol Monitoring
\$129,378	\$104,980	\$3,226	\$37,992	\$1,384	\$57,078
0	0	0	0	0	0
0	0	0	417	83,695	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$129,378</u>	<u>\$104,980</u>	<u>\$3,226</u>	<u>\$38,409</u>	<u>\$85,079</u>	<u>\$57,078</u>
\$0	\$0	\$0	\$2,824	\$6,980	\$0
391	0	0	0	0	0
0	0	0	791	892	0
0	0	0	0	0	0
<u>391</u>	<u>0</u>	<u>0</u>	<u>3,615</u>	<u>7,872</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	417	41,848	0
0	0	0	417	41,848	0
0	0	0	0	0	0
128,987	104,980	3,226	34,377	35,359	57,078
0	0	0	0	0	0
<u>128,987</u>	<u>104,980</u>	<u>3,226</u>	<u>34,377</u>	<u>35,359</u>	<u>57,078</u>
<u>\$129,378</u>	<u>\$104,980</u>	<u>\$3,226</u>	<u>\$38,409</u>	<u>\$85,079</u>	<u>\$57,078</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014
(continued)

	Probation Services	Enforcement and Education	Indigent Alcohol Driver	Railroad Grade Crossing Improvement
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$106,510	\$14,132	\$166,681	\$62,125
Accounts Receivable	0	0	0	0
Due from Other Governments	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	0
Total Assets	<u>\$106,510</u>	<u>\$14,132</u>	<u>\$166,681</u>	<u>\$62,125</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$2,451	\$0	\$0	\$0
Accounts Payable	2,384	0	168	0
Due to Other Governments	516	0	0	0
Interfund Payable	0	0	0	0
Total Liabilities	<u>5,351</u>	<u>0</u>	<u>168</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	0	0	0	0
Restricted	101,159	14,132	166,513	62,125
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>101,159</u>	<u>14,132</u>	<u>166,513</u>	<u>62,125</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$106,510</u>	<u>\$14,132</u>	<u>\$166,681</u>	<u>\$62,125</u>

Special Project Treatment Court	Police and Fire Pension	Marion Land Bank Program	SAFER Grant	CHIP Grant	Revolving Loans
\$23,875	\$2,953	\$13,952	\$0	\$15,808	\$80,595
0	0	0	0	0	0
0	17,797	0	254,331	5,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	234,587	0	0	0	0
0	0	0	0	0	437,803
<u>\$23,875</u>	<u>\$255,337</u>	<u>\$13,952</u>	<u>\$254,331</u>	<u>\$20,808</u>	<u>\$518,398</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	6,242	0
0	0	0	0	13,790	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,032</u>	<u>0</u>
0	180,675	0	0	0	0
0	71,709	0	254,331	5,000	0
<u>0</u>	<u>252,384</u>	<u>0</u>	<u>254,331</u>	<u>5,000</u>	<u>0</u>
0	0	0	0	0	0
23,875	2,953	13,952	0	0	518,398
0	0	0	0	(4,224)	0
<u>23,875</u>	<u>2,953</u>	<u>13,952</u>	<u>0</u>	<u>(4,224)</u>	<u>518,398</u>
<u>\$23,875</u>	<u>\$255,337</u>	<u>\$13,952</u>	<u>\$254,331</u>	<u>\$20,808</u>	<u>\$518,398</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014
(continued)

	Marion Area Transit	Youth Recreation	Law Enforcement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$105,641	\$5,443	\$29,569	\$1,488,337
Accounts Receivable	2,963	0	0	2,963
Due from Other Governments	2,441	0	0	468,987
Prepaid Items	1,985	0	0	1,985
Materials and Supplies Inventory	441	0	0	441
Property Taxes Receivable	0	0	0	234,587
Notes Receivable	0	0	0	437,803
Total Assets	\$113,471	\$5,443	\$29,569	\$2,635,103
<u>Liabilities</u>				
Accrued Wages Payable	\$22,793	\$0	\$0	\$39,867
Accounts Payable	7,380	0	0	17,482
Due to Other Governments	3,638	0	0	20,695
Interfund Payable	17,056	0	0	43,426
Total Liabilities	50,867	0	0	121,470
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	180,675
Unavailable Revenue	0	0	0	446,016
Total Deferred Inflows of Resources	0	0	0	626,691
<u>Fund Balance</u>				
Nonspendable	2,426	0	0	2,426
Restricted	60,178	5,443	29,569	1,888,740
Unassigned (Deficit)	0	0	0	(4,224)
Total Fund Balance (Deficit)	62,604	5,443	29,569	1,886,942
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$113,471	\$5,443	\$29,569	\$2,635,103

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Tax Incremental Financing	Capital Improvements	Quarry Park	Busby Downtown Park
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,407,108	\$314,567	\$909	\$454
Due from Other Governments	0	2,715	0	0
Municipal Income Taxes Receivable	0	67,322	0	0
Interfund Receivable	0	236,820	0	0
Payment in Lieu of Taxes Receivable	398,119	0	0	0
Total Assets	\$1,805,227	\$621,424	\$909	\$454
<u>Liabilities</u>				
Accounts Payable	\$0	\$26,974	\$0	\$0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	782	0
Accrued Interest Payable	0	3,444	0	0
Notes Payable	0	755,100	0	0
Total Liabilities	0	785,518	782	0
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	398,119	0	0	0
Unavailable Revenue	0	39,051	0	0
Total Deferred Inflows of Resources	398,119	39,051	0	0
<u>Fund Balance</u>				
Restricted	1,407,108	0	127	454
Unassigned (Deficit)	0	(203,145)	0	0
Total Fund Balance (Deficit)	1,407,108	(203,145)	127	454
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$1,805,227	\$621,424	\$909	\$454

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014
(continued)

	Airport Improvement	Total
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$111,039	\$1,834,077
Due from Other Governments	5,968	8,683
Municipal Income Taxes Receivable	0	67,322
Interfund Receivable	0	236,820
Payment in Lieu of Taxes Receivable	0	398,119
	<u>\$117,007</u>	<u>\$2,545,021</u>
<u>Liabilities</u>		
Accounts Payable	\$0	\$26,974
Contracts Payable	2,539	2,539
Retainage Payable	4,092	4,092
Interfund Payable	44,614	45,396
Accrued Interest Payable	0	3,444
Notes Payable	0	755,100
	<u>51,245</u>	<u>837,545</u>
<u>Deferred Inflows of Resources</u>		
Payment in Lieu of Taxes	0	398,119
Unavailable Revenue	5,968	45,019
	<u>5,968</u>	<u>443,138</u>
<u>Fund Balance</u>		
Restricted	59,794	1,467,483
Unassigned (Deficit)	0	(203,145)
	<u>59,794</u>	<u>1,264,338</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$117,007</u>	<u>\$2,545,021</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$195,915	\$0	\$0	\$195,915
Payment in Lieu of Taxes	0	0	363,665	363,665
Municipal Income Taxes	0	0	373,595	373,595
Charges for Services	112,973	0	0	112,973
Fines and Forfeitures	377,104	0	0	377,104
Intergovernmental	2,388,186	0	326,346	2,714,532
Interest	894	13,043	0	13,937
Other	62,640	0	3,743	66,383
Total Revenues	3,137,712	13,043	1,067,349	4,218,104
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	236,704	0	0	236,704
Fire	1,091,019	0	35,476	1,126,495
Leisure Time Activities	99,214	0	0	99,214
Community Environment	447,649	0	106,383	554,032
Transportation				
Transit	992,516	0	0	992,516
Other	0	0	191,863	191,863
General Government				
Court	415,781	0	0	415,781
Other	107,625	0	382,059	489,684
Debt Service:				
Principal Retirement	0	238,400	154,615	393,015
Interest and Fiscal Charges	0	125,667	24,325	149,992
Total Expenditures	3,390,508	364,067	894,721	4,649,296
Excess of Revenues Over (Under) Expenditures	(252,796)	(351,024)	172,628	(431,192)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	2,775	0	78,944	81,719
Transfers In	254,887	352,044	32,267	639,198
Transfers Out	0	0	(265,571)	(265,571)
Total Other Financing Sources (Uses)	257,662	352,044	(154,360)	455,346
Changes in Fund Balance	4,866	1,020	18,268	24,154
Fund Balance Beginning of Year	1,882,076	5,110	1,246,070	3,133,256
Fund Balance End of Year	\$1,886,942	\$6,130	\$1,264,338	\$3,157,410

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Senior Citizens	EMS Grant	Municipal Court Docket Specialist	State Highway
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	114,531	319,326	38,807	96,254
Interest	331	0	0	331
Other	21,889	0	0	0
Total Revenues	136,751	319,326	38,807	96,585
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	319,284	0	0
Leisure Time Activities	99,214	0	0	0
Community Environment	0	0	0	0
Transportation				
Transit	0	0	0	0
General Government				
Court	0	0	5,677	0
Other	0	0	0	0
Total Expenditures	99,214	319,284	5,677	0
Excess of Revenues Over (Under) Expenditures	37,537	42	33,130	96,585
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Changes in Fund Balance	37,537	42	33,130	96,585
Fund Balance (Deficit) Beginning of Year	206,005	0	0	153,137
Fund Balance (Deficit) End of Year	\$243,542	\$42	\$33,130	\$249,722

MMC Assistance	Court Computerization	Police Continuing Training	School Resource Officer	Community Corrections	Indigent Alcohol Monitoring
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
141,787	85,951	0	0	0	21,924
0	0	0	40,346	167,389	0
0	0	0	0	0	0
380	0	0	0	2,775	0
142,167	85,951	0	40,346	170,164	21,924
0	0	8,105	5,105	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
102,461	61,708	0	0	226,581	8,090
0	0	0	0	0	0
102,461	61,708	8,105	5,105	226,581	8,090
39,706	24,243	(8,105)	35,241	(56,417)	13,834
0	0	0	0	0	0
0	0	0	0	67,062	0
0	0	0	0	67,062	0
39,706	24,243	(8,105)	35,241	10,645	13,834
89,281	80,737	11,331	(864)	24,714	43,244
\$128,987	\$104,980	\$3,226	\$34,377	\$35,359	\$57,078

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014
(continued)

	Probation Services	Enforcement and Education	Indigent Alcohol Driver	Railroad Grade Crossing Improvement
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	77,700	1,130	35,669	6,000
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Other	0	3,440	0	0
Total Revenues	<u>77,700</u>	<u>4,570</u>	<u>35,669</u>	<u>6,000</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
General Government				
Court	0	0	11,264	0
Other	107,625	0	0	0
Total Expenditures	<u>107,625</u>	<u>0</u>	<u>11,264</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,925)</u>	<u>4,570</u>	<u>24,405</u>	<u>6,000</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	(29,925)	4,570	24,405	6,000
Fund Balance (Deficit) Beginning of Year	<u>131,084</u>	<u>9,562</u>	<u>142,108</u>	<u>56,125</u>
Fund Balance (Deficit) End of Year	<u>\$101,159</u>	<u>\$14,132</u>	<u>\$166,513</u>	<u>\$62,125</u>

Special Project Treatment Court	Police and Fire Pension	COPS Grant	Marion Land Bank Program	Clean Ohio Assistance	SAFER Grant
\$0	\$195,915	\$0	\$0	\$0	\$0
0	0	0	0	0	0
6,943	0	0	0	0	0
0	36,988	96,480	0	82,535	523,048
0	0	0	0	0	0
0	0	0	8,119	0	0
6,943	232,903	96,480	8,119	82,535	523,048
0	109,696	87,311	0	0	0
0	115,085	0	0	0	656,650
0	0	0	0	0	0
0	0	0	1,808	82,535	0
0	0	0	0	0	0
0	0	0	0	0	0
0	224,781	87,311	1,808	82,535	656,650
6,943	8,122	9,169	6,311	0	(133,602)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,943	8,122	9,169	6,311	0	(133,602)
16,932	(5,169)	(9,169)	7,641	0	133,602
\$23,875	\$2,953	\$0	\$13,952	\$0	\$0

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014
(continued)

	CHIP Grant	Revolving Loans	Marion Area Transit	Youth Recreation
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	112,973	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	96,379	0	776,103	0
Interest	0	232	0	0
Other	0	0	17,610	0
Total Revenues	<u>96,379</u>	<u>232</u>	<u>906,686</u>	<u>0</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	100,603	262,703	0	0
Transportation				
Transit	0	0	992,516	0
General Government				
Court	0	0	0	0
Other	0	0	0	0
Total Expenditures	<u>100,603</u>	<u>262,703</u>	<u>992,516</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,224)</u>	<u>(262,471)</u>	<u>(85,830)</u>	<u>0</u>
<u>Other Financing Sources</u>				
Sale of Capital Assets	0	0	2,775	0
Transfers In	0	0	187,825	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>190,600</u>	<u>0</u>
Changes in Fund Balance	(4,224)	(262,471)	104,770	0
Fund Balance (Deficit) Beginning of Year	<u>0</u>	<u>780,869</u>	<u>(42,166)</u>	<u>5,443</u>
Fund Balance (Deficit) End of Year	<u>(\$4,224)</u>	<u>\$518,398</u>	<u>\$62,604</u>	<u>\$5,443</u>

<u>Law Enforcement</u>	<u>Total</u>
\$0	\$195,915
0	112,973
0	377,104
0	2,388,186
0	894
8,427	62,640
8,427	3,137,712
26,487	236,704
0	1,091,019
0	99,214
0	447,649
0	992,516
0	415,781
0	107,625
26,487	3,390,508
(18,060)	(252,796)
0	2,775
0	254,887
0	257,662
(18,060)	4,866
47,629	1,882,076
\$29,569	\$1,886,942

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City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2014

	<u>Bond Retirement</u>	<u>Harding Center Loan</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$0	\$13,043	\$13,043
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	238,400	0	238,400
Interest and Fiscal Charges	113,644	12,023	125,667
Total Expenditures	352,044	12,023	364,067
Excess of Revenues Over (Under) Expenditures	(352,044)	1,020	(351,024)
<u>Other Financing Sources</u>			
Transfers In	352,044	0	352,044
Changes in Fund Balance	0	1,020	1,020
Fund Balance Beginning of Year	0	5,110	5,110
Fund Balance End of Year	<u>\$0</u>	<u>\$6,130</u>	<u>\$6,130</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$363,665	\$0	\$0
Municipal Income Taxes	0	0	373,595	0
Intergovernmental	105,000	0	60,537	0
Other	0	0	3,743	0
Total Revenues	105,000	363,665	437,875	0
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Fire	0	0	35,476	0
Community Environment	106,383	0	0	0
Transportation				
Other	0	27,342	0	0
General Government				
Other	0	0	382,059	0
Debt Service:				
Principal Retirement	0	90,265	64,350	0
Interest and Fiscal Charges	0	12,624	11,701	0
Total Expenditures	106,383	130,231	493,586	0
Excess of Revenues Over (Under) Expenditures	(1,383)	233,434	(55,711)	0
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	8,514	0	500	0
Transfers Out	0	(109,581)	(155,990)	0
Total Other Financing Sources (Uses)	8,514	(109,581)	(155,490)	0
Changes in Fund Balance	7,131	123,853	(211,201)	0
Fund Balance (Deficit) Beginning of Year	(7,131)	1,283,255	8,056	127
Fund Balance (Deficit) End of Year	\$0	\$1,407,108	(\$203,145)	\$127

Busby Downtown Park	Airport Improvement	Total
\$0	\$0	\$363,665
0	0	373,595
0	160,809	326,346
0	0	3,743
0	160,809	1,067,349
0	0	35,476
0	0	106,383
0	164,521	191,863
0	0	382,059
0	0	154,615
0	0	24,325
0	164,521	894,721
0	(3,712)	172,628
0	78,944	78,944
0	23,253	32,267
0	0	(265,571)
0	102,197	(154,360)
0	98,485	18,268
454	(38,691)	1,246,070
<u>\$454</u>	<u>\$59,794</u>	<u>\$1,264,338</u>

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City of Marion
Combining Statements - Fiduciary Funds

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

Agency Funds

Insurance Proceeds

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

Rotary

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

State Patrol Fines

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

Municipal Court

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

City of Marion
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
<u>Insurance Proceeds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$26,898	\$29,429	\$0	\$56,327
<u>Liabilities</u>				
Undistributed Assets	\$26,898	\$29,429	\$0	\$56,327
<u>Rotary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$27,922	\$0	\$17,460	\$10,462
<u>Liabilities</u>				
Undistributed Assets	\$27,922	\$0	\$17,460	\$10,462
<u>State Patrol Fines</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$5,786	\$0	\$5,786
<u>Liabilities</u>				
Undistributed Assets	\$0	\$5,786	\$0	\$5,786
<u>Municipal Court</u>				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$61,772	\$56,756	\$61,772	\$56,756
Due from External Parties	0	1,129	0	1,129
Total Assets	\$61,772	\$57,885	\$61,772	\$57,885
<u>Liabilities</u>				
Undistributed Assets	\$61,772	\$57,885	\$61,772	\$57,885
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$54,820	\$35,215	\$17,460	\$72,575
Cash and Cash Equivalents in Segregated Accounts	61,772	56,756	61,772	56,756
Due from External Parties	0	1,129	0	1,129
Total Assets	\$116,592	\$93,100	\$79,232	\$130,460
<u>Liabilities</u>				
Undistributed Assets	\$116,592	\$93,100	\$79,232	\$130,460

**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, 2014

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$994,573	\$1,074,914	\$1,074,914	\$0
Municipal Income Taxes	7,499,141	6,548,076	6,591,842	43,766
Charges for Services	347,815	1,175,705	1,191,065	15,360
Fees, Licenses, and Permits	361,150	326,974	327,316	342
Fines and Forfeitures	882,334	709,548	709,548	0
Intergovernmental	1,228,644	1,129,893	1,154,120	24,227
Interest	78,006	133,087	117,396	(15,691)
Other	114,333	536,796	508,039	(28,757)
Total Revenues	11,505,996	11,634,993	11,674,240	39,247
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other				
Street Lighting				
Contractual Services	280,000	282,404	282,404	0
Public Health				
Health Administration				
Contractual Services	390,859	390,859	390,859	0
Leisure Time Activities				
Recreation				
Capital Outlay	13,000	9,841	9,841	0
Senior Citizens				
Personal Services				
Contractual Services	200,741	207,719	207,719	0
Materials and Supplies	47,300	36,100	36,100	0
	8,000	2,603	2,603	0
Total Senior Citizens	256,041	246,422	246,422	0
Parks				
Personal Services				
Contractual Services	438,270	425,911	425,911	0
Materials and Supplies	75,140	69,312	69,312	0
Other	33,609	28,619	28,619	0
Capital Outlay	300	110	110	0
	0	42,397	42,397	0
Total Parks	547,319	566,349	566,349	0
Total Leisure Time Activities	816,360	822,612	822,612	0
Community Environment				
Planning and Economic Development				
Contractual Services	350,407	249,777	249,777	0

(continued)

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Transportation				
Other				
Airport				
Personal Services	\$98,634	\$125,506	\$125,506	\$0
Travel and Transportation	200	0	0	0
Contractual Services	128,500	119,653	119,653	0
Materials and Supplies	13,200	10,450	10,450	0
Capital Outlay	11,400	10,318	10,318	0
Total Transportation	251,934	265,927	265,927	0
General Government				
Court				
Municipal Court				
Personal Services	767,741	814,651	814,651	0
Travel and Transportation	2,500	2,051	2,051	0
Contractual Services	29,211	30,986	30,986	0
Materials and Supplies	15,400	14,330	14,330	0
Total Court	814,852	862,018	862,018	0
Other				
Mayor				
Personal Services	129,030	132,686	132,686	0
Contractual Services	380	233	233	0
Materials and Supplies	500	498	498	0
Total Mayor	129,910	133,417	133,417	0
Auditor				
Personal Services	313,484	338,932	338,932	0
Contractual Services	39,200	37,587	37,587	0
Materials and Supplies	5,000	4,831	4,831	0
Capital Outlay	1,400	880	880	0
Total Auditor	359,084	382,230	382,230	0
Income Tax				
Personal Services	194,375	197,552	197,552	0
Contractual Services	13,850	10,943	10,943	0
Materials and Supplies	12,000	6,247	6,247	0
Total Income Tax	220,225	214,742	214,742	0
Treasurer				
Personal Services	8,274	8,485	8,485	0
Travel and Transportation	80	0	0	0
Contractual Services	312	392	392	0
Materials and Supplies	300	0	0	0
Total Treasurer	8,966	8,877	8,877	0

(continued)

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Law Director				
Personal Services	\$302,965	\$311,972	\$311,972	\$0
Contractual Services	6,163	4,140	4,140	0
Materials and Supplies	3,000	2,894	2,894	0
<u>Total Law Director</u>	<u>312,128</u>	<u>319,006</u>	<u>319,006</u>	<u>0</u>
Service Safety Director				
Personal Services	191,446	195,568	195,568	0
Contractual Services	53,220	49,157	49,157	0
Materials and Supplies	2,000	1,757	1,757	0
Other	1,800	1,159	1,159	0
<u>Total Service Safety Director</u>	<u>248,466</u>	<u>247,641</u>	<u>247,641</u>	<u>0</u>
Civil Service				
Personal Services	5,103	5,270	5,270	0
Contractual Services	23,000	9,683	9,683	0
Materials and Supplies	1,000	0	0	0
<u>Total Civil Service</u>	<u>29,103</u>	<u>14,953</u>	<u>14,953</u>	<u>0</u>
Council				
Personal Services	135,543	138,292	138,292	0
Contractual Services	8,900	5,949	5,949	0
Materials and Supplies	1,500	855	855	0
Other	300	25	25	0
<u>Total Council</u>	<u>146,243</u>	<u>145,121</u>	<u>145,121</u>	<u>0</u>
City Hall				
Personal Services	64,655	63,928	63,928	0
Contractual Services	276,658	257,188	257,188	0
Materials and Supplies	79,750	67,007	67,007	0
<u>Total City Hall</u>	<u>421,063</u>	<u>388,123</u>	<u>388,123</u>	<u>0</u>
Engineer				
Personal Services	253,579	240,947	240,947	0
Contractual Services	18,896	15,409	15,409	0
Materials and Supplies	8,600	4,579	4,579	0
Other	1,600	455	455	0
<u>Total Engineer</u>	<u>282,675</u>	<u>261,390</u>	<u>261,390</u>	<u>0</u>

(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, 2014
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Other General Government				
Personal Services	\$38,000	\$37,158	\$37,158	\$0
Contractual Services	120,726	129,087	129,087	0
Other	285,000	697,449	697,449	0
Total Other General Government	443,726	863,694	863,694	0
Total Other	2,601,589	2,979,194	2,979,194	0
Total General Government	3,416,441	3,841,212	3,841,212	0
Total Expenditures	5,506,001	5,852,791	5,852,791	0
Excess of Revenues Over Expenditures	5,999,995	5,782,202	5,821,449	39,247
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	932	972	40
Sale of Capital Assets	0	0	6,250	6,250
Advances In	0	59,253	59,253	0
Advances Out	0	(21,000)	(18,370)	2,630
Transfers Out	(6,008,939)	(5,293,216)	(5,291,160)	2,056
Total Other Financing Sources (Uses)	(6,008,939)	(5,254,031)	(5,243,055)	10,976
Changes in Fund Balance	(8,944)	528,171	578,394	50,223
Fund Balance Beginning of Year	2,020,603	2,020,603	2,020,603	0
Fund Balance End of Year	\$2,011,659	\$2,548,774	\$2,598,997	\$50,223

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, 2014

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$257	\$276	\$19
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	257	276	19
Fund Balance Beginning of Year	1,416	1,416	1,416	0
Fund Balance End of Year	<u>\$1,416</u>	<u>\$1,673</u>	<u>\$1,692</u>	<u>\$19</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, 2014

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$1,322,505	\$1,287,848	\$1,296,577	\$8,729
Charges for Services	2,800	2,700	2,700	0
Fees, Licenses, and Permits	19,000	16,000	16,000	0
Intergovernmental	1,291,897	3,047,736	3,061,073	13,337
Interest	200	284	302	18
Other	12,949	70,415	70,422	7
Total Revenues	2,649,351	4,424,983	4,447,074	22,091
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Streets				
Personal Services	1,104,571	1,262,756	1,262,756	0
Contractual Services	873,800	895,124	895,124	0
Materials and Supplies	368,428	392,363	392,363	0
Capital Outlay	215,208	1,828,634	1,828,634	0
Other	21,000	16,800	16,800	0
Total Transportation	2,583,007	4,395,677	4,395,677	0
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	10,000	4,491	4,491	0
Total Debt Service	210,000	204,491	204,491	0
Total Expenditures	2,793,007	4,600,168	4,600,168	0
Excess of Revenues				
Under Expenditures	(143,656)	(175,185)	(153,094)	22,091
<u>Other Financing Sources</u>				
Bond Anticipation Notes Issued	200,000	200,000	200,000	0
Changes in Fund Balance	56,344	24,815	46,906	22,091
Fund Balance Beginning of Year	1,248,258	1,248,258	1,248,258	0
Fund Balance End of Year	\$1,304,602	\$1,273,073	\$1,295,164	\$22,091

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, 2014

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	\$5,363,096	\$6,394,648	\$6,502,773	\$108,125
Intergovernmental	0	6,373	6,373	0
Other	0	15,183	15,183	0
Total Revenues	5,363,096	6,416,204	6,524,329	108,125
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police				
Police Department				
Personal Services	4,955,167	4,797,117	4,797,117	0
Travel and Transportation	5,000	3,282	3,282	0
Contractual Services	284,000	321,056	321,056	0
Materials and Supplies	144,500	154,220	154,220	0
Capital Outlay	44,000	45,633	45,633	0
Total Police Department	5,432,667	5,321,308	5,321,308	0
Dispatch				
Personal Services	851,450	817,402	817,402	0
Contractual Services	82,293	80,353	80,353	0
Materials and Supplies	2,000	1,969	1,969	0
Capital Outlay	4,005	82,917	82,917	0
Total Dispatch	939,748	982,641	982,641	0
Total Police	6,372,415	6,303,949	6,303,949	0
Fire				
Fire Department				
Personal Services	5,140,554	4,702,382	4,702,382	0
Travel and Transportation	3,000	2,342	2,342	0
Contractual Services	357,640	301,687	301,687	0
Materials and Supplies	126,780	110,252	110,252	0
Other	200	0	0	0
Total Fire	5,628,174	5,116,663	5,116,663	0
Total Expenditures	12,000,589	11,420,612	11,420,612	0
Excess of Revenues Under Expenditures	(6,637,493)	(5,004,408)	(4,896,283)	108,125
<u>Other Financing Sources</u>				
Transfers In	5,826,023	5,004,506	5,004,506	0
Changes in Fund Balance	(811,470)	98	108,223	108,125
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	(\$811,470)	\$98	\$108,223	\$108,125

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,568,311	\$6,694,839	\$126,528
Bond Anticipation Notes Issued	1,083,910	1,083,910	0
OPWC Loans Issued	30,411	33,374	2,963
Sale of Capital Assets	39,671	39,671	0
Grants	36,050	36,050	0
Other	42,429	47,352	4,923
Total Revenues	7,800,782	7,935,196	134,414
<u>Expenses</u>			
Personal Services			
Sewer	1,783,436	1,783,436	0
Contractual Services			
Sewage Replacement	140,662	136,662	4,000
Sewer	1,026,840	1,026,840	0
Sewage Improvement	130,699	98,229	32,470
Total Contractual Services	1,298,201	1,261,731	36,470
Materials and Supplies			
Sewer	374,972	374,776	196
Capital Outlay			
Sewage Replacement	156,215	156,215	0
Sewer	29,390	29,390	0
Sewage Improvement	211,881	174,152	37,729
Total Capital Outlay	397,486	359,757	37,729
Other			
Sewer	538	538	0
Debt Service:			
Principal Retirement	4,752,217	4,752,217	0
Interest Expense	565,663	565,663	0
Total Debt Service	5,317,880	5,317,880	0
Total Expenses	9,172,513	9,098,118	74,395
Changes in Fund Balance	(1,371,731)	(1,162,922)	208,809
Fund Balance Beginning of Year	6,023,686	6,023,686	0
Fund Balance End of Year	\$4,651,955	\$4,860,764	\$208,809

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,314,171	\$2,359,290	\$45,119
Sale of Capital Assets	0	3,200	3,200
Other	34,460	31,282	(3,178)
Total Revenues	<u>2,348,631</u>	<u>2,393,772</u>	<u>45,141</u>
<u>Expenses</u>			
Personal Services			
Sanitation	<u>1,077,807</u>	<u>1,077,807</u>	<u>0</u>
Contractual Services			
Sanitation	<u>788,567</u>	<u>788,567</u>	<u>0</u>
Materials and Supplies			
Sanitation	<u>123,220</u>	<u>123,220</u>	<u>0</u>
Capital Outlay			
Sanitation	<u>120,960</u>	<u>120,960</u>	<u>0</u>
Other			
Sanitation	<u>890</u>	<u>890</u>	<u>0</u>
Debt Service:			
Principal Retirement	40,000	40,000	0
Interest Expense	<u>698</u>	<u>698</u>	<u>0</u>
Total Debt Service	<u>40,698</u>	<u>40,698</u>	<u>0</u>
Total Expenses	<u>2,152,142</u>	<u>2,152,142</u>	<u>0</u>
Changes in Fund Balance	196,489	241,630	45,141
Fund Balance Beginning of Year	<u>147,484</u>	<u>147,484</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$343,973</u></u>	<u><u>\$389,114</u></u>	<u><u>\$45,141</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$271,000	\$271,000	\$0
Other	3,747	3,747	0
Total Revenues	<u>274,747</u>	<u>274,747</u>	<u>0</u>
<u>Expenses</u>			
Contractual Services			
Landfill	58,093	58,093	0
Materials and Supplies			
Landfill	243	243	0
Capital Outlay			
Landfill	3,626	3,626	0
Debt Service:			
Principal Retirement	190,209	190,209	0
Interest Expense	21,209	21,209	0
Total Debt Service	<u>211,418</u>	<u>211,418</u>	<u>0</u>
Total Expenses	<u>273,380</u>	<u>273,380</u>	<u>0</u>
Changes in Fund Balance	1,367	1,367	0
Fund Balance Beginning of Year	491	491	0
Fund Balance End of Year	<u><u>\$1,858</u></u>	<u><u>\$1,858</u></u>	<u><u>\$0</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,216,379	\$1,173,404	(\$42,975)
Bond Anticipation Notes Issued	1,504,590	1,504,590	0
OPWC Loans Issued	35,389	39,815	4,426
Grants	39,505	39,505	0
Other	17,590	17,613	23
Total Revenues	2,813,453	2,774,927	(38,526)
<u>Expenses</u>			
Personal Services			
Storm Water Utility	503,479	503,479	0
Contractual Services			
Storm Water Utility	132,462	132,462	0
Storm Water Improvement	75,809	42,185	33,624
Total Contractual Services	208,271	174,647	33,624
Materials and Supplies			
Storm Water Utility	119,713	119,713	0
Capital Outlay			
Storm Water Utility	10,396	10,396	0
Storm Water Improvement	274,874	250,738	24,136
Total Capital Outlay	285,270	261,134	24,136
Other			
Storm Water Utility	302	302	0
Debt Service:			
Principal Retirement	3,387,909	3,387,909	0
Interest Expense	413,478	413,478	0
Total Debt Service	3,801,387	3,801,387	0
Total Expenses	4,918,422	4,860,662	57,760
Changes in Fund Balance	(2,104,969)	(2,085,735)	19,234
Fund Balance Beginning of Year	1,608,886	1,608,886	0
Fund Balance (Deficit) End of Year	(\$496,083)	(\$476,849)	\$19,234

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$127,101	\$127,156	\$55
Other	235,520	235,520	0
Total Revenues	<u>362,621</u>	<u>362,676</u>	<u>55</u>
<u>Expenses</u>			
Personal Services			
Aquatics Center	108,943	108,943	0
Contractual Services			
Aquatics Center	54,995	54,995	0
Materials and Supplies			
Aquatics Center	32,104	32,104	0
Other			
Aquatics Center	306	306	0
Debt Service:			
Interest Expense	<u>143,669</u>	<u>143,669</u>	<u>0</u>
Total Expenses	<u>340,017</u>	<u>340,017</u>	<u>0</u>
Changes in Fund Balance	22,604	22,659	55
Fund Balance Beginning of Year	<u>154,095</u>	<u>154,095</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$176,699</u></u>	<u><u>\$176,754</u></u>	<u><u>\$55</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$112,177	\$112,177	\$0
Interest	312	331	19
Other	21,889	21,889	0
Total Revenues	<u>134,378</u>	<u>134,397</u>	<u>19</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Senior Citizens			
Personal Services	78,048	78,048	0
Travel and Transportation	1,702	1,702	0
Contractual Services	12,867	12,867	0
Materials and Supplies	7,325	7,325	0
Total Expenditures	<u>99,942</u>	<u>99,942</u>	<u>0</u>
Changes in Fund Balance	34,436	34,455	19
Fund Balance Beginning of Year	<u>215,510</u>	<u>215,510</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$249,946</u></u>	<u><u>\$249,965</u></u>	<u><u>\$19</u></u>

City of Marion
EMS Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$300,914	\$300,914	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Capital Outlay	319,284	319,284	0
Excess of Revenues			
Under Expenditures	(18,370)	(18,370)	0
<u>Other Financing Sources</u>			
Advances In	18,370	18,370	
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Marion
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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$38,807	\$38,807	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	3,262	3,262	0
Changes in Fund Balance	35,545	35,545	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$35,545	\$35,545	\$0

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$94,758	\$94,758	\$0
Interest	312	331	19
Total Revenues	95,070	95,089	19
<u>Expenditures</u>			
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	95,070	95,089	19
Fund Balance End of Year	146,416	146,416	0
Fund Balance End of Year	\$241,486	\$241,505	\$19

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$138,397	\$138,397	\$0
Other	380	380	0
Total Revenues	<u>138,777</u>	<u>138,777</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Travel and Transportation	859	859	0
Contractual Services	77,258	77,258	0
Materials and Supplies	13,847	13,847	0
Capital Outlay	13,256	13,256	0
Other	23	23	0
Total Expenditures	<u>105,243</u>	<u>105,243</u>	<u>0</u>
Changes in Fund Balance	33,534	33,534	0
Fund Balance Beginning of Year	<u>84,564</u>	<u>84,564</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$118,098</u></u>	<u><u>\$118,098</u></u>	<u><u>\$0</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$83,652	\$83,652	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	11,635	11,635	0
Materials and Supplies	4,825	4,825	0
Capital Outlay	45,248	45,248	0
Total Expenditures	61,708	61,708	0
Changes in Fund Balance	21,944	21,944	0
Fund Balance Beginning of Year	75,932	75,932	0
Fund Balance End of Year	\$97,876	\$97,876	\$0

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	8,105	8,105	0
Changes in Fund Balance	(8,105)	(8,105)	0
Fund Balance Beginning of Year	11,331	11,331	0
Fund Balance End of Year	\$3,226	\$3,226	\$0

City of Marion
 School Resource Officer Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$40,346	\$40,346	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services			
	6,262	6,262	0
Changes in Fund Balance	34,084	34,084	0
Fund Balance Beginning of Year	3,908	3,908	0
Fund Balance End of Year	\$37,992	\$37,992	\$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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$167,389	\$167,389	\$0
Other	2,775	2,775	0
Total Revenues	170,164	170,164	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	233,799	233,799	0
Materials and Supplies	2,447	2,447	0
Total Expenditures	236,246	236,246	0
Excess of Revenues Under Expenditures	(66,082)	(66,082)	0
<u>Other Financing Sources</u>			
Transfers In	67,062	67,062	0
Changes in Fund Balance	980	980	0
Fund Balance Beginning of Year	404	404	0
Fund Balance End of Year	\$1,384	\$1,384	\$0

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$21,794	\$21,794	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	8,427	8,427	0
Changes in Fund Balance	13,367	13,367	0
Fund Balance Beginning of Year	43,055	43,055	0
Fund Balance End of Year	\$56,422	\$56,422	\$0

City of Marion
 Probation Services Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$76,926	\$76,926	\$0
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Personal Services	69,497	69,497	0
Travel and Transportation	1,161	1,161	0
Contractual Services	9,534	9,534	0
Materials and Supplies	7,116	7,116	0
Capital Outlay	17,762	17,762	0
Total Expenditures	105,070	105,070	0
Changes in Fund Balance	(28,144)	(28,144)	0
Fund Balance Beginning of Year	129,032	129,032	0
Fund Balance End of Year	\$100,888	\$100,888	\$0

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,076	\$1,076	\$0
Other	3,440	3,440	0
Total Revenues	4,516	4,516	0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	4,516	4,516	0
Fund Balance Beginning of Year	9,506	9,506	0
Fund Balance End of Year	<u>\$14,022</u>	<u>\$14,022</u>	<u>\$0</u>

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, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$35,385	\$35,385	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Other General Government			
Contractual Services	17,988	17,988	0
Changes in Fund Balance	17,397	17,397	0
Fund Balance Beginning of Year	147,976	147,976	0
Fund Balance End of Year	<u>\$165,373</u>	<u>\$165,373</u>	<u>\$0</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$6,000	\$6,000	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	6,000	6,000	0
Fund Balance Beginning of Year	56,125	56,125	0
Fund Balance End of Year	\$62,125	\$62,125	\$0

City of Marion
Special Project Treatment Court Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$6,568	\$6,568	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	6,568	6,568	0
Fund Balance Beginning of Year	16,557	16,557	0
Fund Balance End of Year	\$23,125	\$23,125	\$0

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$195,915	\$195,915	\$0
Intergovernmental	36,988	36,988	0
Total Revenues	232,903	232,903	0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	112,227	112,227	0
Fire			
Fire Department			
Personal Services	112,206	112,206	0
Contractual Services	5,517	5,517	0
Total Fire	117,723	117,723	0
Total Expenditures	229,950	229,950	0
Changes in Fund Balance	2,953	2,953	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$2,953	\$2,953	\$0

City of Marion
COPS 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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$96,480	\$96,480	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	96,480	96,480	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
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, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$9,119	\$9,119	\$0
<u>Expenditures</u>			
Current:			
Community Environment Marion Land Bank Program Contractual Services	<u>1,808</u>	<u>1,808</u>	<u>0</u>
Changes in Fund Balance	7,311	7,311	0
Fund Balance Beginning of Year	<u>6,641</u>	<u>6,641</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$13,952</u></u>	<u><u>\$13,952</u></u>	<u><u>\$0</u></u>

City of Marion
Clean Ohio Assistance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$82,535	\$82,535	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Clean Ohio			
Contractual Services	82,535	82,535	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
SAFER Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$656,650	\$656,650	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Personal Services	656,650	656,650	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Marion
CHIP Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$96,379	\$96,379	\$0
<u>Expenditures</u>			
Current:			
Community Environment CHIP			
Contractual Services	<u>80,571</u>	<u>80,571</u>	<u>0</u>
Changes in Fund Balance	15,808	15,808	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$15,808</u></u>	<u><u>\$15,808</u></u>	<u><u>\$0</u></u>

City of Marion
Revolving Loans Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$261,903	\$261,903	\$0
Interest	218	232	14
	<hr/>	<hr/>	<hr/>
Total Revenues	262,121	262,135	14
<u>Expenditures</u>			
Current:			
Community Environment			
Revolving Loan			
Contractual Services	263,254	263,254	0
	<hr/>	<hr/>	<hr/>
Changes in Fund Balance	(1,133)	(1,119)	14
Fund Balance Beginning of Year	81,714	81,714	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	<u>\$80,581</u>	<u>\$80,595</u>	<u>\$14</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$106,844	\$110,937	\$4,093
Intergovernmental	776,561	776,561	0
Other	15,131	15,131	0
Total Revenues	<u>898,536</u>	<u>902,629</u>	<u>4,093</u>
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Personal Services	707,581	707,581	0
Contractual Services	149,788	149,788	0
Materials and Supplies	159,850	159,850	0
Total Expenditures	<u>1,017,219</u>	<u>1,017,219</u>	<u>0</u>
Excess of Revenues			
Under Expenditures	<u>(118,683)</u>	<u>(114,590)</u>	<u>4,093</u>
<u>Other Financing Sources</u>			
Sale of Capital Assets	2,775	2,775	0
Transfers In	187,825	187,825	0
Total Other Financing Sources	<u>190,600</u>	<u>190,600</u>	<u>0</u>
Changes in Fund Balance	71,917	76,010	4,093
Fund Balance Beginning of Year	<u>29,631</u>	<u>29,631</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$101,548</u></u>	<u><u>\$105,641</u></u>	<u><u>\$4,093</u></u>

City of Marion
Youth Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

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

City of Marion
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$8,427	\$8,427	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	26,487	26,487	0
Changes in Fund Balance	(18,060)	(18,060)	0
Fund Balance Beginning of Year	47,629	47,629	0
Fund Balance End of Year	<u>\$29,569</u>	<u>\$29,569</u>	<u>\$0</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$86,473	\$86,473	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	238,400	238,400	0
Interest and Fiscal Charges	113,644	113,644	0
Total Expenditures	352,044	352,044	0
Excess of Revenues Under Expenditures	(265,571)	(265,571)	0
<u>Other Financing Sources</u>			
Transfers In	265,571	265,571	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
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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$13,043	\$13,043	\$0
Other	35,880	35,880	0
Total Revenues	48,923	48,923	0
<u>Expenditures</u>			
Debt Service:			
Interest and Fiscal Charges	6,484	6,484	0
Excess of Revenues Over Expenditures	42,439	42,439	0
<u>Other Financing Uses</u>			
Advances Out	(36,000)	(36,000)	0
Changes in Fund Balance	6,439	6,439	0
Fund Balance Beginning of Year	4,128	4,128	0
Fund Balance End of Year	<u>\$10,567</u>	<u>\$10,567</u>	<u>\$0</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$104,206	\$105,000	\$794
<u>Expenditures</u>			
Current:			
Community Environment			
CDBG Formula Grant			
Contractual Services	144,224	144,224	0
Excess of Revenues			
Under Expenditures	(40,018)	(39,224)	794
<u>Other Financing Sources</u>			
Advances In	794	0	(794)
Transfers In	8,514	8,514	0
Total Other Financing Sources	9,308	8,514	(794)
Changes in Fund Balance	(30,710)	(30,710)	0
Fund Balance Beginning of Year	30,710	30,710	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Tax Incremental Financing Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$363,665	\$363,665	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Contractual Services	47,342	27,342	20,000
Debt Service:			
Principal Retirement	103,085	90,265	12,820
Interest and Fiscal Charges	12,624	12,624	0
Total Debt Service	115,709	102,889	12,820
Total Expenditures	163,051	130,231	(32,820)
Excess of Revenues Over Expenditures	200,614	233,434	32,820
<u>Other Financing Uses</u>			
Transfers Out	(109,581)	(109,581)	0
Changes in Fund Balance	91,033	123,853	32,820
Fund Balance Beginning of Year	1,283,255	1,283,255	0
Fund Balance End of Year	<u>\$1,374,288</u>	<u>\$1,407,108</u>	<u>\$32,820</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$365,349	\$373,553	\$8,204
Intergovernmental	0	57,822	57,822
Other	52,201	4,243	(47,958)
Total Revenues	417,550	435,618	18,068
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Capital Outlay	35,476	35,476	0
General Government			
Other			
Other General Government			
Capital Outlay	405,381	405,381	0
Debt Service:			
Principal Retirement	364,350	364,350	0
Interest and Fiscal Charges	9,839	9,839	0
Total Debt Service	374,189	374,189	0
Total Expenditures	815,046	815,046	0
Excess of Revenues			
Under Expenditures	(397,496)	(379,428)	18,068
<u>Other Financing Sources (Uses)</u>			
Bond Anticipation Notes Issued	755,100	755,100	0
Transfers Out	(155,990)	(155,990)	0
Total Other Financing Sources (Uses)	599,110	599,110	0
Changes in Fund Balance	201,614	219,682	18,068
Fund Balance Beginning of Year	94,885	94,885	0
Fund Balance End of Year	\$296,499	\$314,567	\$18,068

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, 2014

	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	<u>\$909</u>	<u>\$909</u>	<u>\$0</u>

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, 2014

	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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$160,809	\$160,809	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Airport			
Contractual Services	1,198	1,198	0
Capital Outlay	212,302	212,002	300
Total Expenditures	213,500	213,200	300
Excess of Revenues Under Expenditures	(52,691)	(52,391)	(300)
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	78,944	78,944	0
Advances Out	(23,253)	(23,253)	0
Transfers In	23,253	23,253	0
Total Other Financing Sources (Uses)	78,944	78,944	0
Changes in Fund Balance	26,253	26,553	300
Fund Balance Beginning of Year	84,486	84,486	0
Fund Balance End of Year	<u>\$110,739</u>	<u>\$111,039</u>	<u>\$300</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,159,229	\$1,230,929	\$71,700
Other	4,396	4,405	9
Total Revenues	<u>1,163,625</u>	<u>1,235,334</u>	<u>71,709</u>
<u>Expenses</u>			
Personal Services			
Central Garage	<u>240,720</u>	<u>240,720</u>	<u>0</u>
Contractual Services			
Central Garage	<u>63,150</u>	<u>63,150</u>	<u>0</u>
Materials and Supplies			
Central Garage	<u>780,924</u>	<u>780,924</u>	<u>0</u>
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	<u>39,531</u>	<u>39,531</u>	<u>0</u>
Total Debt Service	<u>89,531</u>	<u>89,531</u>	<u>0</u>
Total Expenses	<u>1,174,325</u>	<u>1,174,325</u>	<u>0</u>
Changes in Fund Balance	(10,700)	61,009	71,709
Fund Balance Beginning of Year	<u>70,075</u>	<u>70,075</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$59,375</u></u>	<u><u>\$131,084</u></u>	<u><u>\$71,709</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.

Contents	Page
Financial Trends.....	S-2
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	S-12
These schedules contain information to help the reader assess the City’s most significant local revenue sources.	
Debt Capacity.....	S-36
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-46
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-49
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)

	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$57,981,379	\$59,629,506	\$63,770,617	\$66,187,425	\$69,544,904
Restricted for					
Capital Projects	1,752,457	1,635,812	1,471,021	3,764,288	3,528,533
Debt Service	0	0	0	0	0
Other Purposes	5,122,009	4,744,112	3,967,713	3,388,543	4,082,600
Unrestricted (Deficit)	824,584	(1,082,449)	(2,829,014)	(2,644,101)	(2,899,468)
Total Governmental Activities Net Position	65,680,429	64,926,981	66,380,337	70,696,155	74,256,569
Business-Type Activities					
Net Investment in Capital Assets	9,800,721	10,522,092	11,273,829	11,772,304	11,323,625
Unrestricted (Deficit)	2,304,881	1,241,798	501,707	(2,969,263)	(3,706,206)
Total Business-Type Activities Net Position	12,105,602	11,763,890	11,775,536	8,803,041	7,617,419
Primary Government					
Net Investment in Capital Assets	67,782,100	70,151,598	75,044,446	77,959,729	80,868,529
Restricted	6,874,466	6,379,924	5,438,734	7,152,831	7,611,133
Unrestricted (Deficit)	3,129,465	159,349	(2,327,307)	(5,613,364)	(6,605,674)
Total Primary Government Net Position	\$77,786,031	\$76,690,871	\$78,155,873	\$79,499,196	\$81,873,988

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$51,096,131	\$52,708,806	\$54,707,830	\$26,324,560	\$27,627,548
1,801,212	4,319,245	4,739,264	701,356	336,909
3,528	0	0	1,126,372	1,070,457
3,044,512	3,189,653	2,744,508	4,209,700	3,388,916
656,797	1,842,861	2,823,505	2,531,953	2,342,932
<u>56,602,180</u>	<u>62,060,565</u>	<u>65,015,107</u>	<u>34,893,941</u>	<u>34,766,762</u>
9,668,849	9,611,372	10,147,834	10,818,900	7,978,067
872,040	3,145,811	3,195,362	6,342,804	7,188,299
<u>10,540,889</u>	<u>12,757,183</u>	<u>13,343,196</u>	<u>17,161,704</u>	<u>15,166,366</u>
60,764,980	62,320,178	64,855,664	37,143,460	35,605,615
4,849,252	7,508,898	7,483,772	6,037,428	4,796,282
1,528,837	4,988,672	6,018,867	8,874,757	9,531,231
<u>\$67,143,069</u>	<u>\$74,817,748</u>	<u>\$78,358,303</u>	<u>\$52,055,645</u>	<u>\$49,933,128</u>

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

	2014	2013	2012	2011	2010
<u>Expenses</u>					
Governmental Activities					
Security of Persons and Property					
Police	\$5,937,127	\$6,485,461	\$5,757,434	\$6,641,183	\$7,637,515
Fire	5,608,955	5,662,188	4,843,734	5,864,658	6,205,475
Other	296,116	270,226	297,776	258,206	274,704
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	391,194	391,484	447,973	489,284	636,408
Leisure Time Activities	933,611	860,761	920,509	1,126,954	1,420,937
Community Environment	803,809	563,133	1,401,447	2,572,072	1,363,569
Transportation					
Transit	1,065,270	1,175,948	1,071,114	922,873	820,298
Other	6,257,831	6,177,970	5,767,795	6,600,017	5,090,213
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	1,260,331	1,226,544	1,042,867	976,447	1,001,001
Other	3,399,848	3,052,278	4,455,649	2,994,209	3,874,215
Court/Other	n/a	n/a	n/a	n/a	n/a
Interest and Fiscal Charges	149,091	158,712	175,311	182,157	315,718
Total Governmental Activities Expenses	<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>
Business-Type Activities					
Sewer	6,150,351	5,452,035	5,270,225	5,796,461	5,795,346
Sanitation	1,992,690	1,666,855	2,146,238	2,196,659	2,039,259
Landfill	(49,243)	36,750	125,998	(5,259)	108,154
Storm Water	1,813,918	2,411,967	1,883,897	2,299,682	1,640,079
Aquatics Center	400,506	486,210	690,856	297,524	0
Other Enterprise	0	0	0	0	0
Total Business-Type Activities Expenses	<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>
Total Primary Government Expenses	<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>Program Revenues</u>					
Governmental Activities					
Charges for Services					
Security of Persons and Property					
Police	76,404	66,656	65,097	83,637	45,231
Fire	613,965	1,163,379	558,023	1,096,237	0
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	4,022	0	0	92,729	66,786
Leisure Time Activities	23,138	21,423	21,382	64,557	397,010
Community Environment	0	150	0	0	0
Transportation					
Transit	112,973	115,998	109,913	138,484	21,751
Other	18,700	23,350	30,343	47,411	108,231
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	967,956	977,759	906,277	952,556	1,115,245
Other	292,603	319,159	340,371	287,796	431,029
Court/Other	n/a	n/a	n/a	n/a	n/a
Total Charges for Services	<u>2,109,761</u>	<u>2,687,874</u>	<u>2,031,406</u>	<u>2,763,407</u>	<u>2,185,283</u>
Operating Grants, Contributions, and Interest	4,002,743	3,679,557	4,852,977	5,328,581	4,403,920
Capital Grants and Contributions	2,074,956	145,317	766,305	342,991	263,176
Total Governmental Activities Program Revenues	<u>8,187,460</u>	<u>6,512,748</u>	<u>7,650,688</u>	<u>8,434,979</u>	<u>6,852,379</u>

2009	2008	2007	2006	2005
\$7,537,407	\$7,355,049	n/a	n/a	n/a
6,202,510	6,518,445	n/a	n/a	n/a
272,940	296,923	n/a	n/a	n/a
n/a	n/a	13,133,723	12,817,584	12,377,788
1,119,073	1,232,594	1,169,331	1,031,373	1,095,225
1,438,764	1,461,268	1,401,953	1,330,251	1,444,992
953,077	1,258,080	729,756	712,498	1,142,518
1,038,671	953,341	n/a	n/a	n/a
5,149,912	5,170,585	n/a	n/a	n/a
n/a	n/a	6,216,734	5,389,641	4,510,220
996,558	839,695	n/a	n/a	n/a
3,125,248	4,493,935	n/a	n/a	n/a
n/a	n/a	4,148,279	3,361,750	4,327,417
231,842	177,152	215,063	254,425	246,410
<u>28,066,002</u>	<u>29,757,067</u>	<u>27,014,839</u>	<u>24,897,522</u>	<u>25,144,570</u>
6,408,838	5,864,515	5,854,979	4,721,052	5,107,030
2,413,915	2,200,037	4,418,705	1,905,078	1,964,451
23,488	67,918	83,300	0	0
2,023,313	1,777,633	1,489,054	1,139,391	1,188,927
0	0	0	0	0
0	0	0	986,450	984,875
<u>10,869,554</u>	<u>9,910,103</u>	<u>11,846,038</u>	<u>8,751,971</u>	<u>9,245,283</u>
<u>38,935,556</u>	<u>39,667,170</u>	<u>38,860,877</u>	<u>33,649,493</u>	<u>34,389,853</u>
86,899	50,742	n/a	n/a	n/a
1,205,648	1,120,905	n/a	n/a	n/a
n/a	n/a	1,566,185	896,163	1,037,033
318,173	305,291	348,240	267,984	242,156
81,146	101,074	102,485	70,143	86,849
0	0	1,622,999	0	20,923
124,740	113,501	n/a	n/a	n/a
93,834	190,473	n/a	n/a	n/a
n/a	n/a	295,990	108,285	207,022
1,131,030	1,255,592	n/a	n/a	n/a
525,199	28,568	n/a	n/a	n/a
n/a	n/a	1,216,846	936,230	815,606
3,566,669	3,166,146	5,152,745	2,278,805	2,409,589
3,177,575	4,099,975	3,496,511	3,395,689	2,254,641
429,800	499,392	641,574	1,022,366	934,962
<u>7,174,044</u>	<u>7,765,513</u>	<u>9,290,830</u>	<u>6,696,860</u>	<u>5,599,192</u>

(continued)

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

	2014	2013	2012	2011	2010
Business-Type Activities					
Charges for Services					
Sewer	\$6,214,889	\$5,877,295	\$5,580,190	\$5,777,897	\$5,757,769
Sanitation	2,514,897	1,841,691	2,823,504	2,660,450	1,636,510
Landfill	271,000	593,251	0	207,000	0
Storm Water	1,110,075	1,049,516	1,134,130	1,089,014	1,224,273
Aquatics Center	127,156	164,528	271,288	0	0
Other Enterprise	0	0	0	0	0
Total Charges for Services	<u>10,238,017</u>	<u>9,526,281</u>	<u>9,809,112</u>	<u>9,734,361</u>	<u>8,618,552</u>
Operating Grants, Contributions, and Interest	0	0	0	131,206	0
Capital Grants and Contributions	<u>71,739</u>	<u>158,246</u>	<u>292,397</u>	<u>1,990,553</u>	<u>1,373,492</u>
Total Business-Type Activities Program Revenues	<u>10,309,756</u>	<u>9,684,527</u>	<u>10,101,509</u>	<u>11,856,120</u>	<u>9,992,044</u>
Total Primary Government Program Revenues	<u>18,497,216</u>	<u>16,197,275</u>	<u>17,752,197</u>	<u>20,291,099</u>	<u>16,844,423</u>
Net Expense (Revenue)					
Governmental Activities	17,915,723	19,511,957	18,530,921	20,193,081	21,787,674
Business-Type Activities	<u>(1,534)</u>	<u>369,290</u>	<u>15,705</u>	<u>(1,271,053)</u>	<u>(409,206)</u>
Total Primary Government Net Expense	<u>17,914,189</u>	<u>19,881,247</u>	<u>18,546,626</u>	<u>18,922,028</u>	<u>21,378,468</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes Levied for General Purposes	1,092,263	1,044,608	1,039,593	1,081,136	1,138,506
Property Taxes Levied for Police and Fire Pension	198,845	191,397	190,451	196,399	207,376
Payment in Lieu of Taxes	363,665	339,296	375,340	366,126	361,716
Municipal Income Taxes Levied for General Purposes	7,516,504	11,876,892	12,233,801	11,166,623	11,831,522
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	561,668	595,076	369,225	279,941	377,602
Municipal Income Taxes Levied for Police and Fire	6,586,927	1,396,953	0	0	0
Municipal Income Taxes Levied for Capital Improvements	377,378	332,204	370,907	317,767	377,602
Taxes Levied (Property and Municipal Income) for General Purposes	n/a	n/a	n/a	n/a	n/a
Special Revenue	n/a	n/a	n/a	n/a	n/a
Debt Service	n/a	n/a	n/a	n/a	n/a
Capital Projects	n/a	n/a	n/a	n/a	n/a
Grants and Entitlements not Restricted to Specific Programs	873,541	1,318,417	1,273,569	2,146,727	1,936,793
Franchise Taxes	287,074	307,730	312,562	297,964	288,289
Interest	137,188	105,396	78,660	166,410	333,457
Other	673,618	514,059	213,899	252,278	137,018
Transfers	<u>500</u>	<u>36,573</u>	<u>(2,242,904)</u>	<u>361,296</u>	<u>1,643,729</u>
Total Governmental Activities	<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>
Business-Type Activities					
Interest	0	0	0	0	0
Other	340,678	394,217	745,296	275,865	296,571
Transfers	<u>(500)</u>	<u>(36,573)</u>	<u>2,242,904</u>	<u>(361,296)</u>	<u>(1,643,729)</u>
Total Business-Type Activities	<u>340,178</u>	<u>357,644</u>	<u>2,988,200</u>	<u>(85,431)</u>	<u>(1,347,158)</u>
Total Primary Government	<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>
Changes in Net Position					
Governmental Activities	753,448	(1,453,356)	(4,315,818)	(3,560,414)	(3,154,064)
Business-Type Activities	<u>341,712</u>	<u>(11,646)</u>	<u>2,972,495</u>	<u>1,185,622</u>	<u>(937,952)</u>
Total Primary Government	<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>

2009	2008	2007	2006	2005
\$5,157,868	\$5,633,817	\$5,996,259	\$5,650,246	\$5,183,510
2,130,332	2,178,230	5,367,630	2,412,369	2,342,647
346,431	387,799	240,750	0	0
1,133,667	1,182,881	1,271,615	1,234,383	1,243,050
0	0	0	0	0
0	0	0	165,662	172,203
8,768,298	9,382,727	12,876,254	9,462,660	8,941,410
0	0	3,648	705,677	703,772
200,531	0	0	253,810	386,362
8,968,829	9,382,727	12,879,902	10,422,147	10,031,544
16,142,873	17,148,240	22,170,732	17,119,007	15,630,736
20,891,958	21,991,554	17,724,009	18,200,662	19,545,378
1,900,725	527,376	(1,033,864)	(1,670,176)	(786,261)
22,792,683	22,518,930	16,690,145	16,530,486	18,759,117
1,153,111	1,219,923	1,144,917	n/a	n/a
209,572	221,481	207,531	n/a	n/a
357,782	0	0	377,705	317,303
11,865,486	13,131,320	13,816,172	n/a	n/a
526,254	592,725	328,401	n/a	n/a
0	0	0	n/a	n/a
277,777	288,150	425,819	n/a	n/a
n/a	n/a	n/a	13,321,308	13,480,983
n/a	n/a	n/a	1,540,724	1,225,248
n/a	n/a	n/a	94,138	84,982
n/a	n/a	n/a	384,520	391,731
2,313,482	2,472,533	2,101,134	1,884,999	1,858,652
272,225	171,252	204,551	169,191	159,298
184,976	392,497	814,664	633,496	333,022
388,661	273,752	211,571	136,608	996,805
395,394	273,379	0	(214,848)	(80,495)
17,944,720	19,037,012	19,254,760	18,327,841	18,767,529
49,182	124,191	92,218	25,030	30,300
30,643	90,551	38,308	85,284	0
(395,394)	(273,379)	0	214,848	80,495
(315,569)	(58,637)	130,526	325,162	110,795
17,629,151	18,978,375	19,385,286	18,653,003	18,878,324
(2,947,238)	(2,954,542)	1,530,751	127,179	(777,849)
(2,216,294)	(586,013)	1,164,390	1,995,338	897,056
(\$5,163,532)	(\$3,540,555)	\$2,695,141	\$2,122,517	\$119,207

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

	2014	2013	2012	2011	2010
General Fund					
Reserved	\$0	\$0	\$0	\$0	\$422,439
Unreserved (Deficit)	0	0	0	0	(1,247,645)
Nondspendable	211,891	298,172	58,799	333,735	n/a
Committed	1,713	1,416	464	159,519	n/a
Assigned	541,532	211,336	170,522	158,086	n/a
Unassigned (Deficit)	1,246,057	865,934	(791,952)	(1,365,380)	n/a
Total General Fund	2,001,193	1,376,858	(562,167)	(714,040)	(825,206)
All Other Governmental Funds					
Reserved	0	0	0	0	1,977,893
Unreserved, Designated for Termination Benefits	0	0	0	0	504,426
Unreserved, Reported in					
Special Revenue Funds	0	0	0	0	742,483
Debt Service Funds (Deficit)	0	0	0	0	(385,823)
Capital Projects Funds (Deficit)	0	0	0	0	2,916,582
Nondspendable	212,130	144,841	149,341	82,256	n/a
Restricted	5,671,537	5,554,752	4,777,943	7,075,213	n/a
Committed	6,130	5,110	0	0	n/a
Assigned	0	0	0	1,372	n/a
Unassigned (Deficit)	(207,369)	(1,491,256)	(1,075,648)	(1,103,141)	n/a
Total All Other Governmental Funds	5,682,428	4,213,447	3,851,636	6,055,700	5,755,561
Total Governmental Funds	\$7,683,621	\$5,590,305	\$3,289,469	\$5,341,660	\$4,930,355

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

2009	2008	2007	2006	2005
\$480,799	\$452,612	\$486,424	\$217,301	\$275,075
917,957	2,756,095	3,619,500	5,300,128	4,144,253
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>1,398,756</u>	<u>3,208,707</u>	<u>4,105,924</u>	<u>5,517,429</u>	<u>4,419,328</u>
1,240,387	2,187,819	2,227,960	2,450,889	2,477,977
713,644	709,112	693,123	0	0
1,161,949	1,353,949	862,397	2,104,247	1,034,996
3,528	0	0	0	
1,507,327	(412,672)	491,977	(575,469)	(772,303)
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>4,626,835</u>	<u>3,838,208</u>	<u>4,275,457</u>	<u>3,979,667</u>	<u>2,740,670</u>
<u>\$6,025,591</u>	<u>\$7,046,915</u>	<u>\$8,381,381</u>	<u>\$9,497,096</u>	<u>\$7,159,998</u>

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

	2014	2013	2012	2011	2010
<u>Revenues</u>					
Property Taxes	\$1,270,829	\$1,232,257	\$1,213,171	\$1,221,951	\$1,306,032
Payment in Lieu of Taxes	363,665	339,296	375,340	366,126	361,716
Municipal Income Taxes	14,853,318	14,324,676	12,679,571	12,740,356	11,743,061
Taxes (Property and Municipal Income)	n/a	n/a	n/a	n/a	n/a
Special Assessments	0	0	0	0	0
Charges for Services	1,294,317	1,178,391	1,242,226	1,198,228	1,676,046
Fees, Licenses, and Permits	343,397	382,259	366,646	351,163	326,653
Fines and Forfeitures	1,110,859	1,129,885	1,059,463	1,124,168	1,249,299
Intergovernmental	6,742,967	5,594,429	6,623,132	7,670,115	6,299,197
Interest	137,753	136,337	95,821	192,345	374,695
Other	666,356	607,434	292,905	955,275	474,041
Total Revenues	26,783,461	24,924,964	23,948,275	25,819,727	23,810,740
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	6,001,812	6,426,618	5,492,807	6,778,386	7,552,410
Fire	5,641,142	5,920,835	4,812,830	5,526,469	6,125,357
Other	296,116	270,226	297,776	258,206	274,704
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	390,859	391,149	447,638	488,966	636,090
Leisure Time Activities	901,399	805,801	932,545	1,114,921	1,403,075
Community Environment	803,809	623,338	1,401,447	2,572,072	1,363,569
Transportation					
Transit	992,516	1,171,823	1,578,161	1,197,923	807,806
Other	4,694,570	2,448,841	2,793,121	3,354,214	4,682,823
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	1,252,603	1,200,327	1,014,527	976,173	997,407
Other	3,256,433	2,790,803	4,349,368	3,081,972	4,066,325
Court/Other	n/a	n/a	n/a	n/a	n/a
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	393,015	407,701	397,628	634,053	3,905,795
Current Refunding	0	0	0	0	0
Interest and Fiscal Charges	154,340	161,905	175,472	192,662	296,264
Total Expenditures	24,778,614	22,619,367	23,693,320	26,176,017	32,111,625
Excess of Revenues Over (Under) Expenditures	2,004,847	2,305,597	254,955	(356,290)	(8,300,885)
<u>Other Financing Sources (Uses)</u>					
Bond Anticipation Notes Issued	0	0	0	0	2,650,000
General Obligation Bonds Issued	0	0	0	0	4,178,350
Loan Proceeds	0	0	0	0	0
Current Refunding	0	0	0	0	(250,000)
Payment to Refunded Bond Escrow Agent	0	0	0	0	(790,010)
Sale of Capital Assets	87,969	3,850	23,400	0	2,300
Inception of Capital Lease	0	0	0	0	0
Other Financing Uses	0	0	0	0	0
Transfers In	6,386,264	1,353,929	1,551,743	2,029,580	3,585,003
Transfers Out	(6,385,764)	(1,362,540)	(3,882,289)	(1,663,985)	(1,941,274)
Total Other Financing Sources (Uses)	88,469	(4,761)	(2,307,146)	365,595	7,434,369
Changes in Fund Balance	\$2,093,316	\$2,300,836	(\$2,052,191)	\$9,305	(\$866,516)
Debt Service as a Percentage of Noncapital Expenditures	2.51%	2.58%	2.67%	3.30%	14.16%

2009	2008	2007	2006	2005
\$1,316,619	\$1,401,185	\$1,404,796	n/a	n/a
345,570	338,367	478,042	471,843	317,303
12,640,346	14,113,112	13,443,747	n/a	n/a
n/a	n/a	n/a	16,231,668	14,717,576
0	0	0	27,496	21,599
1,827,413	1,360,963	1,505,323	1,158,442	1,411,442
363,818	279,947	265,113	1,245,906	1,098,054
1,214,293	1,297,980	1,186,232	n/a	n/a
5,636,142	6,917,210	5,620,098	5,749,625	5,961,442
247,914	416,423	812,342	633,496	333,022
451,298	314,710	308,992	136,608	996,805
<u>24,043,413</u>	<u>26,439,897</u>	<u>25,024,685</u>	<u>25,655,084</u>	<u>24,857,243</u>
7,671,074	7,397,210	n/a	n/a	n/a
6,261,289	6,195,101	n/a	n/a	n/a
272,940	296,923	n/a	n/a	n/a
n/a	n/a	13,220,977	12,332,999	12,068,033
1,194,396	1,231,500	1,168,061	1,039,432	1,116,784
1,385,622	1,471,093	1,421,739	1,217,766	1,737,465
1,000,594	1,351,027	729,756	702,043	1,142,518
1,001,456	1,117,012	n/a	n/a	n/a
3,565,728	3,172,806	n/a	n/a	n/a
n/a	n/a	5,849,580	3,632,581	3,632,726
973,975	824,660	n/a	n/a	n/a
3,376,243	4,188,079	n/a	n/a	n/a
n/a	n/a	3,993,892	3,267,290	4,110,970
0	0	0	295,323	78,479
338,086	346,898	312,462	292,427	282,736
0	0	70,000	0	0
226,984	190,754	189,357	188,017	240,568
<u>27,268,387</u>	<u>27,783,063</u>	<u>26,955,824</u>	<u>22,967,878</u>	<u>24,410,279</u>
<u>(3,224,974)</u>	<u>(1,343,166)</u>	<u>(1,931,139)</u>	<u>2,687,206</u>	<u>446,964</u>
0	1,580,000	1,580,000	0	0
0	0	0	0	0
3,780,000	0	0	0	0
(1,580,000)	(1,580,000)	(700,000)	0	0
0	0	0	0	0
3,650	8,700	5,200	0	0
0	0	149,000	0	0
0	0	0	0	0
1,701,215	1,732,944	1,986,977	1,658,369	1,113,175
<u>(1,701,215)</u>	<u>(1,732,944)</u>	<u>(1,986,977)</u>	<u>(2,008,477)</u>	<u>(1,193,670)</u>
<u>2,203,650</u>	<u>8,700</u>	<u>1,034,200</u>	<u>(350,108)</u>	<u>(80,495)</u>
<u>(\$1,021,324)</u>	<u>(\$1,334,466)</u>	<u>(\$896,939)</u>	<u>\$2,337,098</u>	<u>\$366,469</u>
2.24%	2.08%	2.04%	2.15%	2.31%

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			
2014	\$263,816,600	\$82,467,090	\$989,381,971	\$25,412,110	\$28,877,398
2013	271,196,890	76,113,830	992,316,343	23,688,270	26,918,489
2012	272,472,140	76,487,530	997,027,629	22,353,570	25,401,784
2011	273,732,270	77,803,200	1,004,387,057	21,945,680	24,938,273
2010	295,173,850	77,401,950	1,064,502,286	21,834,590	24,812,034
2009	295,845,230	79,324,070	1,071,912,286	21,169,150	24,055,852
2008	298,109,220	82,188,470	1,086,564,829	21,893,290	24,878,739
2007	275,972,300	74,992,090	1,002,755,400	20,905,600	23,756,364
2006	272,147,490	73,320,980	987,052,771	21,064,560	23,937,000
2005	271,681,300	70,457,810	977,540,314	19,242,730	21,866,739

Source: Marion County Auditor

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

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

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

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$371,695,800	\$1,018,259,369	36.50%	\$4.20
0	0	370,998,990	1,019,234,832	36.40	4.20
0	0	371,313,240	1,022,429,413	36.32	4.20
0	0	373,481,150	1,029,325,330	36.28	4.20
416,300	416,300	394,826,690	1,089,730,620	36.23	4.20
492,180	7,874,880	396,830,630	1,103,843,018	35.95	4.20
13,529,040	108,232,320	415,720,020	1,219,675,888	34.08	4.20
27,991,030	149,285,493	399,861,020	1,175,797,257	34.01	4.20
43,191,975	172,767,900	409,725,005	1,183,757,671	34.61	4.20
44,654,226	178,616,904	406,036,066	1,178,023,957	34.47	4.20

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

	2014	2013	2012	2011	2010
City of Marion					
Unvoted Millage					
General	\$3.600	\$3.600	\$3.600	\$3.600	\$3.600
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2000	4.2000	4.2000	4.2000	4.2000
Total Millage (Total Direct Rate)	4.2000	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	4.2000
Commerical/Industrial	4.2000	4.2000	4.2000	4.2000	4.2000
Tangible/Public Utility Personal	4.2000	4.2000	4.2000	4.2000	4.2000
Marion County	11.1700	11.1700	11.1700	11.1700	11.1700
Marion City School District	41.1200	41.2200	41.2500	40.3600	40.3600
Elgin Local School District	44.8600	45.7500	45.7800	46.1700	46.1700
Pleasant Local School District	46.5300	47.1300	47.1300	47.5900	47.5900
Ridgedale Local School District	44.7000	45.6900	45.7000	46.5200	46.5200
River Valley Local School District	38.6200	38.8900	38.8900	38.4100	38.4100
Tri-Rivers Joint Vocational School District	4.4000	4.4000	4.4000	4.4000	4.4000
Marion Township	0.1000	0.1000	0.1000	0.1000	0.1000

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.

2009	2008	2007	2006	2005
\$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
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
11.5500	11.5500	11.5500	10.7500	11.0500
40.3600	40.7500	40.2600	40.6300	44.5300
37.6800	38.2600	37.7700	37.8500	37.8500
47.5900	47.7700	47.7700	48.2300	48.0900
46.5200	47.6800	47.6000	47.3900	47.3900
38.4100	43.5000	43.5000	44.3700	44.3700
4.4000	4.4000	4.4000	4.4000	4.4000
0.1000	0.1000	0.1000	0.1000	0.1000

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
2014	\$1,450,102	\$156,740	\$1,606,842	\$1,432,159	98.76%
2013	1,444,568	168,149	1,612,717	1,391,261	96.31
2012	1,441,507	161,131	1,602,638	1,378,578	95.63
2011	1,461,010	153,047	1,614,057	1,338,329	91.60
2010	1,461,010	54,755	1,515,765	1,511,805	103.48
2009	1,542,721	129,642	1,672,363	1,514,993	98.20
2008	1,547,017	107,208	1,654,225	1,541,707	99.66
2007	1,506,565	161,999	1,668,564	1,442,632	95.76
2006	1,452,344	107,043	1,559,387	1,466,165	100.95
2005	1,463,620	145,267	1,608,887	1,408,059	96.20

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.

Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
\$138,797	\$1,570,956	97.77%	\$349,622	21.76%
114,833	1,506,094	93.39	329,343	20.42
98,201	1,476,779	92.15	325,595	20.32
99,983	1,438,312	89.11	308,722	19.13
105,549	1,617,354	106.70	253,138	16.70
101,734	1,616,727	96.67	288,391	17.24
101,898	1,643,605	99.36	243,057	14.69
97,975	1,540,607	92.33	203,039	12.17
120,864	1,587,029	101.77	177,930	11.41
89,706	1,497,765	93.09	179,717	11.17

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
2014	\$0	\$833	\$833	\$0	0.00%
2013	0	6,891	6,891	0	0.00
2012	0	6,957	6,957	0	0.00
2011	86	9,919	10,005	0	0.00
2010	1,691	11,120	12,811	1,522	90.01
2009	6,570	18,662	25,232	6,442	98.05
2008	66,429	20,462	86,891	62,753	94.47
2007	109,657	17,790	127,447	107,976	98.47
2006	188,768	25,704	214,472	185,813	98.43
2005	169,728	29,362	199,090	148,664	87.59

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%	\$833	100.00%
6,002	6,002	87.10	833	12.09
65	65	0.93	6,896	99.12
2,911	2,911	29.10	6,945	69.42
191	1,713	13.37	9,864	77.00
1,664	8,106	32.13	11,440	45.34
2,244	64,997	74.80	20,217	23.27
2,533	110,509	86.71	14,912	11.70
14	185,827	86.64	17,412	8.12
12,144	160,808	80.77	25,576	12.85

City of Marion
Principal Taxpayers
Current Year and Nine Years Ago

		2014	
Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total City Assessed Valuation (2014 Collection Year)
Aqua Ohio	Utility	\$15,635,550	4.22%
Ohio Edison Company	Utility	9,369,940	2.52
Marion General Hospital	Hospital	8,344,570	2.24
Columbia Gas	Utility	2,914,700	0.78
DOFASCO Marion In	Real Estate	2,798,400	0.75
Marion Plaza Association	Real Estate	2,260,110	0.61
Nucor Steel	Manufacturing	1,677,390	0.45
Michael Maynard	Real Estate	1,528,850	0.41
Kinman Real Estate	Real Estate	1,423,040	0.38
HCRA Properties	Real Estate	1,417,850	0.38
	Total	47,370,400	12.74
	All Other Taxpayers	324,325,400	87.26
	Total Assessed Valuation	<u>\$371,695,800</u>	<u>100.00%</u>

		2005	
Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total City Assessed Valuation (2005 Collection Year)
Marion General Hospital	Hospital	\$12,801,142	3.15%
Ohio American Water	Utility	9,382,610	2.31
Nucor Steel	Manufacturing	7,865,200	1.94
Ohio Edison Company	Utility	6,021,490	1.48
Michael Maynard	Real Estate	5,045,571	1.24
Kevin Hensel	Real Estate	5,012,171	1.23
New Seton Square	Housing	3,630,028	0.90
MV/AGL Mallard Landing	Real Estate	3,600,000	0.89
Kinman Real Estate	Real Estate	3,558,657	0.88
RW Associates	Real Estate	3,292,971	0.81
	Total	60,209,840	14.83
	All Other Taxpayers	345,826,226	85.17
	Total Assessed Valuation	<u>\$406,036,066</u>	<u>100.00%</u>

Source: Marion County Auditor

City of Marion
Income Tax Revenue Base and Collections
Last Eight 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>
2014	2.00%	\$15,042,477	\$12,371,604	82.24%	\$1,497,107	9.95%	\$1,173,766	7.81%
2013	2.00	14,201,125	11,632,480	81.91	1,469,045	10.34	1,099,600	7.74
2012	1.75	12,973,933	11,064,451	85.28	1,160,201	8.94	749,281	5.78
2011	1.75	11,764,331	9,747,314	82.85	1,201,216	10.21	815,801	6.93
2010	1.75	12,586,726	10,905,471	86.64	945,066	7.51	736,189	5.85
2009	1.75	12,669,517	10,504,721	82.91	1,347,433	10.64	817,363	6.45
2008	1.75	14,012,195	11,709,273	83.56	1,411,850	10.08	891,072	6.36
2007	1.75	14,570,392	12,271,390	84.22	1,421,967	9.76	877,035	6.02

Source: City Records

Note: Information prior to 2007 is not available.

City of Marion
Sewer Utility Statistics
Last Six Years

Type of Customer	2014			2013		
	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
Residential						
Inside City Limits	713,152	\$2,845,852	\$2.78	726,914	\$2,978,103	\$2.61
Outside City Limits	28,458	129,996	3.24	28,822	130,399	3.09
Commercial						
Inside City Limits	475,506	1,381,162	2.92	504,307	1,506,463	2.77
Outside City Limits	45,779	<u>151,697</u>	3.09	41,271	<u>138,412</u>	3.09
Subtotal		<u>4,508,707</u>			<u>4,753,377</u>	
Residential Well						
Well	n/a	5,619	12.19	n/a	197,102	23.03
Sewer Well 1 Person	n/a	2,202	12.19	n/a	2,004	23.03
Sewer Well 2 People	n/a	4,202	18.68	n/a	3,763	33.42
Sewer Well 3 People	n/a	1,552	23.54	n/a	1,265	43.82
Sewer Well 4 People	n/a	796	26.78	n/a	922	54.21
Sewer Well 5 People	n/a	<u>0</u>	28.40	n/a	<u>258</u>	64.61
Subtotal		<u>14,371</u>			<u>205,314</u>	
Grand Total		<u><u>\$4,523,078</u></u>			<u><u>\$4,958,691</u></u>	

2012			2011			2010		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
588,011	\$2,283,210	\$2.61	761,031	\$2,760,144	\$2.35	n/a	\$2,295,334	\$2.30
20,076	116,242	3.09	30,567	129,469	2.83	n/a	116,865	2.77
443,243	1,271,528	2.77	545,917	1,509,213	2.50	n/a	1,296,241	2.45
34,498	<u>116,509</u>	3.09	41,147	<u>133,335</u>	2.83	n/a	<u>125,528</u>	2.77
	<u>3,787,489</u>			<u>4,532,161</u>			<u>3,833,968</u>	
n/a	36,202	23.03	n/a	21,013	20.82	n/a	17,618	20.60
n/a	1,668	23.03	n/a	1,703	20.82	n/a	1,379	20.60
n/a	2,877	33.42	n/a	3,540	30.22	n/a	2,947	29.70
n/a	1,271	43.82	n/a	1,748	39.62	n/a	1,482	38.97
n/a	597	54.21	n/a	815	49.02	n/a	861	48.16
n/a	<u>258</u>	64.61	n/a	<u>0</u>	58.42	n/a	<u>0</u>	57.34
	<u>42,873</u>			<u>28,819</u>			<u>24,287</u>	
	<u>\$3,830,362</u>			<u>\$4,560,980</u>			<u>\$3,858,255</u>	

(continued)

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

Type of Customer	2009		
	Consumption (CCF)	Billings	Rate
Residential			
Inside City Limits	n/a	\$2,271,940	\$2.16
Outside City Limits	n/a	119,811	2.66
Commercial			
Inside City Limits	n/a	1,260,115	2.34
Outside City Limits	n/a	<u>123,196</u>	2.66
Subtotal		<u>3,775,062</u>	
Residential Well			
Well	n/a	1,182	20.05
Sewer Well 1 Person	n/a	3,027	20.05
Sewer Well 2 People	n/a	75	28.68
Sewer Well 3 People	n/a	629	37.32
Sewer Well 4 People	n/a	423	45.95
Sewer Well 5 People	n/a	<u>137</u>	54.58
Subtotal		<u>5,473</u>	
Grand Total		<u>\$3,780,535</u>	

Source: City Utility Department

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

Information prior to 2009 is not available.

n/a - not applicable

City of Marion
Sanitation Utility Statistics
Last Five Years

	2014	2013	2012	2011	2010
Number of Accounts	12,293	12,439	11,930	10,002	10,002
Total Billed	\$3,443,328	\$3,189,987	\$2,717,722	\$2,227,749	\$1,761,468
Flat Rate Bi-Montly					
Residential					
Residential Through 4/30/13	n/a	40.66	38.50	38.50	38.50
Residential 5/1/13 Through 3/17/14	42.66	42.66	n/a	n/a	n/a
Residential After 3/18/14	22.00	n/a	n/a	n/a	n/a
Senior Residential Through 4/30/13	n/a	20.33	24.25	24.25	24.25
Senior Residential 5/1/13 Through 3/17/14	21.33	21.33	n/a	n/a	n/a
Senior Residential After 3/18/14	11.00	n/a	n/a	n/a	n/a
Commerical					
Commercial Bi-Monthly Pickup Through 4/30/13	n/a	37.46	n/a	n/a	n/a
Commercial Bi-Monthly Pickup 5/1/13 Through 3/17/14	38.46	38.46	n/a	n/a	n/a
Commercial Bi-Monthly Pickup After 3/18/14	39.13	n/a	n/a	n/a	n/a
5 Bags 1 Pickup Monthly Through 4/30/13	n/a	25.33	24.25	24.25	24.25
5 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	26.33	26.33	n/a	n/a	n/a
5 Bags 1 Pickup Monthly After 3/18/14	27.00	n/a	n/a	n/a	n/a
5 Bags 2 Pickup Monthly Through 4/30/13	n/a	50.66	48.50	48.50	48.50
5 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	52.66	52.66	n/a	n/a	n/a
5 Bags 2 Pickup Monthly After 3/18/14	27.00	n/a	n/a	n/a	n/a
6 Bags 1 Pickup Monthly Through 4/30/13	n/a	37.48	36.40	36.40	36.40
6 Bags 1 Pickup Monthly 5/1/13 Through 3/17/14	38.48	38.48	n/a	n/a	n/a
6 Bags 1 Pickup Monthly After 3/18/14	39.15	n/a	n/a	n/a	n/a
6 Bags 2 Pickup Monthly Through 4/30/13	n/a	74.96	72.80	72.80	72.80
6 Bags 2 Pickup Monthly 5/1/13 Through 3/17/14	76.99	76.99	n/a	n/a	n/a
6 Bags 2 Pickup Monthly After 3/18/14	77.66	n/a	n/a	n/a	n/a
6 Bags 3 Pickup Monthly Through 4/30/13	n/a	111.36	109.20	109.20	109.20
6 Bags 3 Pickup Monthly 5/1/13 Through 3/17/14	112.36	112.36	n/a	n/a	n/a
6 Bags 3 Pickup Monthly After 3/18/14	113.03	n/a	n/a	n/a	n/a
Trailer Park Flat Rate	280.24	279.57	279.57	279.57	279.57

Source: City Utility Department

Note: Information prior to 2010 is not available.

n/a - not applicable

City of Marion
Storm Water Utility Statistics
Last Six Years

Type of Customer	2014		2013		2012	
	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
Residential						
Bi-Monthly Through 3/18/14	n/a	n/a	\$613,527	\$8.32	\$503,850	\$8.32
Monthly After 3/18/14	565,870	\$4.16	n/a	n/a	n/a	n/a
Senior Bi-Monthly Discount Through 3/18/14	n/a	n/a	21,838	4.16	15,866	4.16
Senior Montly Discount After 3/18/14	18,430	2.08	n/a	n/a	n/a	n/a
Commercial						
Bi-Monthly	n/a	n/a	355,578	8.32	276,382	8.32
Monthly	<u>554,353</u>	4.16	<u>243,879</u>	4.16	<u>191,854</u>	4.16
Grand Total	<u>\$1,138,653</u>		<u>\$1,234,822</u>		<u>\$987,952</u>	

Source: City Utility Department

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

Information prior to 2009 is not available.

2011		2010		2009	
<u>Billings</u>	<u>Flat Rate</u>	<u>Billings</u>	<u>Flat Rate</u>	<u>Billings</u>	<u>Flat Rate</u>
\$626,222	\$8.32	\$542,317	\$8.32	\$565,208	\$8.32
n/a	n/a	n/a	n/a	n/a	n/a
17,790	4.16	14,925	4.16	15,520	4.16
n/a	n/a	n/a	n/a	n/a	n/a
219,952	8.32	232,566	8.32	278,291	8.32
<u>352,789</u>	4.16	<u>268,344</u>	4.16	<u>249,876</u>	n/a
<u><u>\$1,216,753</u></u>		<u><u>\$1,058,152</u></u>		<u><u>\$1,108,895</u></u>	

City of Marion
Principal Sewer Customers
Last Six Years

Customer	2014			2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$617,240	1	13.65%	\$624,814	1	12.60%	\$453,378	1	11.84%
North Central Correctional Institute	363,053	2	8.03	304,596	2	6.14	244,885	2	6.39
Sika Corporation	32,993	3	0.73						
Mark Kamann	31,188	4	0.69	22,721	4	0.46			
Kinman Real Estate	23,713	5	0.52	24,170	3	0.49	24,870	3	0.65
Nucor Steel	22,611	6	0.50						
Community Nursing	21,057	7	0.47	20,907	5	0.42	18,070	6	0.47
Fairview 1	18,115	8	0.40	14,455	9	0.29			
Nachurs	17,214	9	0.38	18,785	6	0.38	24,159	4	0.63
Multi County Correctional Institute	15,565	10	0.34	17,876	7	0.36	13,348	10	0.35
Silverline Building Products				14,850	8	0.30	20,955	5	0.55
Arcelormittal Tubular				14,176	10	0.29			
Chartwell Group							16,246	7	0.42
TSM Management							14,569	8	0.38
CSX Transportation, Inc.							13,520	9	0.35
John Curry									
Rotary Towers									
US Yachiyo									
Total	1,162,749		25.71	1,077,350		21.73	844,000		22.03
Balance from Other Customers	3,360,329		74.29	3,881,341		78.27	2,986,362		77.97
Total Billed	<u>\$4,523,078</u>		<u>100.00%</u>	<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.

Information prior to 2009 is not available.

2011			2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$547,820	1	12.02%	\$414,838	1	10.76%	\$359,510	1	9.51%
349,098	2	7.65	308,287	2	7.99	270,915	2	7.17
26,131	4	0.57	24,708	5	0.64	22,958	5	0.61
			60,630	3	1.57	87,340	3	2.31
18,651	6	0.41	15,229	8	0.39	15,175	7	0.40
26,144	3	0.57	26,219	4	0.68			
15,819	8	0.35	14,805	9	0.38	15,051	8	0.40
15,387	9	0.34	15,684	7	0.41	12,986	10	0.34
16,531	7	0.36						
24,919	5	0.55	23,771	6	0.62	29,378	4	0.78
12,985	10	0.28	12,487	10	0.32	16,344	6	0.43
						14,515	9	0.38
<u>1,053,485</u>		<u>23.10</u>	<u>916,658</u>		<u>23.76</u>	<u>844,172</u>		<u>22.33</u>
<u>3,507,495</u>		<u>76.90</u>	<u>2,941,597</u>		<u>76.24</u>	<u>2,936,363</u>		<u>77.67</u>
<u>\$4,560,980</u>		<u>100.00%</u>	<u>\$3,858,255</u>		<u>100.00%</u>	<u>\$3,780,535</u>		<u>100.00%</u>

City of Marion
Principal Sanitation Customers
Last Five Years

Customer	2014			2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Hampton Woods	\$12,938	1	0.37%	\$9,397	2	0.29%	\$9,245	2	0.34%
Kinman Real Estate	11,233	2	0.33	12,163	1	0.40	10,292	1	0.38
Lakes of Marion	8,480	3	0.25	7,439	3	0.23	7,319	3	0.27
David Delauder	3,936	4	0.11						
Villas at Center Park	2,621	5	0.08	1,984	7	0.06	1,952	8	0.07
Michael Gamble	2,089	6	0.06						
Bryan Timmon	1,688	7	0.05						
USWA Local 1949	1,654	8	0.05						
Vernie Williams	1,534	9	0.04						
Alan Gale	1,424	10	0.04						
Ethel Cochroan				2,630	4	0.08			
Carola Woodrum				2,296	5	0.07			
Sonja Troutman				2,020	6	0.06			
Reginald Blair				1,922	8	0.06			
Michael Cox				1,656	9	0.05			
Rebecca Lyons				1,480	10	0.05			
Mary Houston							2,297	4	0.08
N & L Rentals							2,087	5	0.08
Bobby May							2,083	6	0.08
John Osborne							2,028	7	0.07
Janeth Watkins							1,917	9	0.07
Harold Large							1,788	10	0.07
Lois Partipilo									
Rocky Bradford									
Charles Levings									
Rose Ann Seiter									
Martis Bracy									
Fairpark Baptist Church									
Mobile Meals									
Church of Nazarene									
Marion Public Library									
CWA Local 4371									
The Bainbridge Firm									
Debra Haire									
J & D Properties									
Total	47,597		1.38	42,987		1.35	41,008		1.51
Balance from Other Customers	<u>3,395,731</u>		<u>98.62</u>	<u>3,147,000</u>		<u>98.65</u>	<u>2,676,714</u>		<u>98.49</u>
Total Billed	<u>\$3,443,328</u>		<u>100.00%</u>	<u>\$3,189,987</u>		<u>100.00%</u>	<u>\$2,717,722</u>		<u>100.00%</u>

Source: City Utility Department

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

Information prior to 2010 is not available.

2011			2010		
Amount	Rank	Percentage	Amount	Rank	Percentage
\$8,982	2	0.40%			
10,981	1	0.50	\$10,632	1	0.61
7,110	3	0.32			
1,896	4	0.09			
			728	5	0.04
\$1,870	5	0.08			
1,820	6	0.08			
1,654	7	0.07			
1,533	8	0.07			
1,495	9	0.07			
1,445	10	0.06	1,424	2	0.08
			893	3	0.05
			874	4	0.05
			583	6	0.03
			486	7	0.03
			437	8	0.02
			385	9	0.02
			323	10	0.02
<u>38,786</u>		<u>1.74</u>	<u>16,765</u>		<u>\$0.95</u>
<u>2,188,963</u>		<u>98.26</u>	<u>1,744,703</u>		<u>99.05</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 Six Years

Customer	2014			2013			2012		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Nucor Steel	\$24,659	1	2.15%	\$49,200	1	4.00%	\$38,750	1	3.92%
North Central Correctional Institute	22,019	2	1.93	14,241	7	1.15	9,177	7	0.93
Marion Correctional Institute	21,930	3	1.93	25,524	2	2.07	18,275	2	1.85
GPS LLC	19,918	4	1.75	24,842	3	2.01	18,258	3	1.85
Marion Medical Center	16,369	5	1.44	17,687	5	1.43			
Graphic Packaging	13,618	6	1.20	15,850	6	1.28	12,483	5	1.26
Bunge North American Granary	10,938	7	0.96	17,771	4	1.44	12,365	6	1.25
General Recycling	10,009	8	0.88	10,536	8	0.85	7,525	9	0.76
Marion City School District	8,726	9	0.77	10,156	9	0.82	7,999	8	0.81
General Machine and Saw	7,588	10	0.67						
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	155,774		13.68	194,197		15.73	146,445		14.82
Balance from Other Customers	982,879		86.32	1,040,625		84.27	841,507		85.18
Total Billed	<u>\$1,138,653</u>		<u>100.00%</u>	<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.

Information prior to 2009 is not available.

2011			2010			2009		
Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
\$42,096	1	3.44%	\$17,613	3	1.67%	\$21,136	2	1.90%
12,236	7	1.01	12,235	7	1.16	12,235	7	1.10
21,930	2	1.80	21,930	1	2.07	21,930	1	1.98
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
16,404	4	1.35	16,404	4	1.55	16,472	5	1.49
10,536	8	0.87	7,525	9	0.71	9,407	9	0.85
8,726	9	0.72						
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
1,047,712		86.11	915,548		86.52	960,341		86.60
<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 Nine Years

Year	Gallons Treated (Per Million)	Parameter	Removal Rate	Average Pounds Removed (Per Day)
2014	3,234	Ammonia	94.8	n/a
		Biochemical Oxygen Demand	94.9	n/a
		Total Suspended Solids	87.3	n/a
		Phosphorus	62.5	n/a
2013	3,651	Ammonia	96.9	n/a
		Biochemical Oxygen Demand	97.4	n/a
		Total Suspended Solids	97.0	n/a
		Phosphorus	73.9	n/a
2012	3,273	Ammonia	96.4	612
		Biochemical Oxygen Demand	98.3	8,933
		Total Suspended Solids	97.6	8,523
		Phosphorus	57.5	138
2011	4,641	Ammonia	95.5	n/a
		Biochemical Oxygen Demand	97.8	n/a
		Total Suspended Solids	96.4	n/a
		Phosphorus	62.7	n/a
2010	3,792	Ammonia	95.9	n/a
		Biochemical Oxygen Demand	98.3	n/a
		Total Suspended Solids	97.9	n/a
		Phosphorus	50.4	n/a
2009	3,039	Ammonia	94.9	n/a
		Biochemical Oxygen Demand	98.0	n/a
		Total Suspended Solids	97.3	n/a
		Phosphorus	55.5	n/a
2008	3,733	Ammonia	91.0	702
		Biochemical Oxygen Demand	97.8	11,475
		Total Suspended Solids	96.9	9,732
		Phosphorus	48.9	173
2007	3,771	Ammonia	93.4	672
		Biochemical Oxygen Demand	97.6	12,284
		Total Suspended Solids	97.1	9,059
		Phosphorus	64.1	240
2006	3,754	Ammonia	93.4%	773
		Biochemical Oxygen Demand	97.9	11,345
		Total Suspended Solids	97.2	9,896
		Phosphorus	53.1	163

Source: City Utility Department

Note: Information prior to 2006 is not available.

n/a - not available

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

Year	Governmental Activities						Business-Type Activities			
	Bond Anticipation Notes	General Obligation Bonds	ODOT DRIP TIF	OPWC Loans	Capital Loans	Capital Leases	General Obligation Bonds	OWDA Loans	OPWC Loans	Capital Leases
2014	\$0	\$4,141,550	\$363,809	\$51,282	\$0	\$0	\$22,093,450	\$11,977,694	\$1,087,974	\$0
2013	0	4,429,950	447,664	57,692	64,350	0	22,950,050	13,675,355	1,189,379	0
2012	0	4,715,800	528,859	64,102	147,346	0	23,794,200	15,337,917	1,286,934	0
2011	0	4,997,250	607,478	70,512	227,245	0	13,362,750	16,966,329	1,423,009	0
2010	2,650,000	5,269,350	683,602	76,922	304,164	0	14,150,650	18,561,506	1,382,428	0
2009	5,160,000	765,000	757,312	80,127	378,213	39,581	5,022,850	20,124,330	1,247,446	0
2008	1,580,000	815,000	929,716	86,537	449,500	77,566	5,360,689	21,578,955	1,367,335	41,143
2007	2,980,000	865,000	1,115,124	92,947	518,128	114,018	5,683,621	22,941,019	1,487,224	121,404
2006	0	1,364,000	1,275,127	99,357	584,195	0	6,030,000	24,456,153	1,618,550	199,038
2005	0	1,433,000	1,428,541	105,767	647,798	0	6,325,000	25,941,525	1,738,438	274,132

Source: City Records

(1) See Schedule on S-46 for poulation and personal income.

Total Debt	Per Capita	Percentage of Personal Income
\$39,715,759	\$1,078.15	2.65%
42,814,440	1,123.27	2.71
45,875,158	1,243.09	3.81
37,654,573	1,019.40	3.22
43,078,622	1,170.46	3.75
33,574,859	938.47	2.95
32,286,441	897.79	2.63
35,918,485	999.40	2.98
35,626,420	984.94	2.98
37,894,201	1,040.25	3.15

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
2014	36,837	\$1,018,259,369	\$26,235,000	\$712.19	2.58%
2013	38,116	1,019,234,832	27,380,000	718.33	2.69
2012	36,904	1,022,429,413	28,510,000	772.54	2.79
2011	36,938	1,029,325,330	18,360,000	497.05	1.78
2010	36,805	1,089,730,620	19,420,000	527.65	1.78
2009	35,776	1,103,843,018	5,787,850	161.78	0.52
2008	35,962	1,219,675,888	6,175,689	171.73	0.51
2007	35,940	1,175,797,257	6,548,621	182.21	0.56
2006	36,171	1,183,757,671	7,394,000	204.42	0.62
2005	36,428	1,178,023,957	7,758,000	212.97	0.66

Source: City Records
Marion County Auditor

City of Marion
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2014

Political Subdivision	Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
City of Marion	<u>\$4,556,641</u>	100%	<u>\$4,556,641</u>
Marion County	2,585,000	33.40	863,390
Marion City School District	8,753,211	95.79	8,384,701
Elgin Local School District	29,925,000	0.27	80,798
Pleasant Local School District	845,000	19.11	161,480
River Valley Local School District	<u>10,110,000</u>	2.97	<u>300,267</u>
Total Overlapping Debt	<u>52,218,211</u>		<u>9,790,635</u>
Total	<u><u>\$56,774,852</u></u>		<u><u>\$14,347,276</u></u>

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 2014 collection year.

City of Marion
Computation of Legal Debt Margin
Last Ten Years

	2014	2013	2012	2011
Total Assessed Valuation	<u>\$371,695,800</u>	<u>\$370,998,990</u>	<u>\$371,313,240</u>	<u>\$373,481,150</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	39,028,059	38,954,894	38,987,890	39,215,521
Gross Indebtedness	43,259,359	48,994,440	47,205,158	47,054,573
Less Debt Outside Limitation				
Bond Anticipation Notes	2,588,500	5,680,000	1,030,000	9,400,000
General Obligation Revenue Bonds	22,093,450	22,950,050	23,794,200	13,362,750
OWDA Loans	11,977,694	13,675,355	15,337,917	16,966,329
OPWC Loans	1,139,256	1,247,071	1,351,036	1,493,521
ODOT DRIP TIF	<u>363,809</u>	<u>447,664</u>	<u>528,859</u>	<u>607,478</u>
Net Indebtedness	5,096,650	4,994,300	5,163,146	5,224,495
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,372</u>
Net Debt Within 10.5 Percent Limitation	<u>5,096,650</u>	<u>4,994,300</u>	<u>5,163,146</u>	<u>5,223,123</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$33,931,409</u>	<u>\$33,960,594</u>	<u>\$33,824,744</u>	<u>\$33,992,398</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	86.94%	87.18%	86.76%	86.68%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$20,443,269	\$20,404,944	\$20,422,228	\$20,541,463
Gross Indebtedness	43,259,359	48,994,440	47,205,158	47,054,573
Less Debt Outside Limitation				
Bond Anticipation Notes	2,588,500	5,680,000	1,030,000	9,400,000
General Obligation Bonds	22,093,450	22,950,050	23,794,200	13,362,750
OWDA Loans	11,977,694	13,675,355	15,337,917	16,966,329
OPWC Loans	1,139,256	1,247,071	1,351,036	1,493,521
ODOT DRIP TIF	<u>363,809</u>	<u>447,664</u>	<u>1,286,934</u>	<u>1,423,009</u>
Net Indebtedness	5,096,650	4,994,300	4,405,071	4,408,964
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,372</u>
Net Debt Within 5.5 Percent Limitation	<u>5,096,650</u>	<u>4,994,300</u>	<u>4,405,071</u>	<u>4,407,592</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$15,346,619</u>	<u>\$15,410,644</u>	<u>\$16,017,157</u>	<u>\$16,133,871</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	75.07%	75.52%	78.43%	78.54%

Source: City Records

2010	2009	2008	2007	2006	2005
<u>\$394,826,690</u>	<u>\$396,830,630</u>	<u>\$415,720,020</u>	<u>\$399,861,020</u>	<u>\$409,725,005</u>	<u>\$406,036,066</u>
41,456,802	41,667,216	43,650,602	41,985,407	43,021,126	42,633,787
48,978,622	44,174,859	43,761,441	41,698,485	42,626,420	45,149,201
5,900,000	10,600,000	8,625,000	5,440,000	4,725,000	4,725,000
14,150,650	5,022,850	5,360,689	5,683,621	6,030,000	6,325,000
18,561,506	20,124,330	21,578,955	22,941,019	24,456,153	25,941,525
1,459,350	1,327,573	1,453,872	1,580,171	1,717,907	1,844,205
<u>683,602</u>	<u>757,312</u>	<u>929,716</u>	<u>1,115,124</u>	<u>1,275,127</u>	<u>1,428,541</u>
8,223,514	6,342,794	5,813,209	4,938,550	4,422,233	4,884,930
0	3,528	0	0	711,043	622,066
<u>8,223,514</u>	<u>6,339,266</u>	<u>5,813,209</u>	<u>4,938,550</u>	<u>3,711,190</u>	<u>4,262,864</u>
<u>\$33,233,288</u>	<u>\$35,327,950</u>	<u>\$37,837,393</u>	<u>\$37,046,857</u>	<u>\$39,309,936</u>	<u>\$38,370,923</u>
80.16%	84.79%	86.68%	88.24%	91.37%	90.00%
\$21,715,468	\$21,825,685	\$22,864,601	\$21,992,356	\$22,534,875	\$22,331,984
48,978,622	44,174,859	43,761,441	41,698,485	42,626,420	45,149,201
5,900,000	10,600,000	8,625,000	5,440,000	4,725,000	4,725,000
14,150,650	5,022,850	5,360,689	5,683,621	6,030,000	6,325,000
18,561,506	20,124,330	21,578,955	22,941,019	24,456,153	25,941,525
1,459,350	1,327,573	1,453,872	1,580,171	1,717,907	1,844,205
<u>1,382,428</u>	<u>1,247,446</u>	<u>1,367,335</u>	<u>1,487,224</u>	<u>1,618,550</u>	<u>1,738,438</u>
7,524,688	5,852,660	5,375,590	4,566,450	4,078,810	4,575,033
0	3,528	0	0	711,043	622,066
<u>7,524,688</u>	<u>5,849,132</u>	<u>5,375,590</u>	<u>4,566,450</u>	<u>3,367,767</u>	<u>3,952,967</u>
<u>\$14,190,780</u>	<u>\$15,976,553</u>	<u>\$17,489,011</u>	<u>\$17,425,906</u>	<u>\$19,167,108</u>	<u>\$18,379,017</u>
65.35%	73.20%	76.49%	79.24%	85.06%	82.30%

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	
2014	\$6,262,241	\$3,501,196	\$2,761,045	\$1,621,739	\$205,241	\$1,826,980	1.51
2013	5,913,398	2,907,549	3,005,849	1,594,653	232,328	1,826,981	1.65
2012	5,811,035	2,602,260	3,208,775	1,770,227	258,804	2,029,031	1.58
2011	5,798,469	3,324,699	2,473,770	2,771,987	284,688	3,056,675	0.81
2010	5,880,088	3,162,262	2,717,826	1,682,590	309,999	1,992,589	1.36
2009	5,196,030	3,894,143	1,301,887	1,301,240	368,220	1,669,460	0.78
2008	5,729,157	3,472,497	2,256,660	1,321,942	263,278	1,585,220	1.42
2007	6,064,831	3,324,993	2,739,838	1,481,201	394,420	1,875,621	1.46
2006	5,675,276	4,074,635	1,600,641	1,457,367	n/a	1,457,367	1.10
2005	5,213,810	3,356,182	1,857,628	1,433,354	n/a	1,433,354	1.30

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

Note: Includes OWDA and OPWC loans.

n/a - not available

City of Marion
Pledged Revenue
Sanitation Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$2,547,643	\$1,941,227	\$606,416	\$0	\$0	\$0	0.00
2013	1,945,993	1,614,628	331,365	0	0	0	0.00
2012	2,833,718	2,088,947	744,771	0	0	0	0.00
2011	2,692,061	2,132,106	559,955	0	0	0	0.00
2010	1,656,342	1,986,446	(330,104)	0	0	0	0.00
2009	2,138,429	2,318,408	(179,979)	0	0	0	0.00
2008	2,206,014	2,127,171	78,843	0	0	0	0.00
2007	5,382,818	4,327,713	1,055,105	0	0	0	0.00
2006	2,412,369	1,825,066	587,303	134,808	n/a	134,808	4.36
2005	2,342,647	1,772,767	569,880	129,130	n/a	129,130	4.41

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

Note: Includes OWDA and OPWC loans.

n/a - not available

City of Marion
Pledged Revenue
Landfill Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$274,747	(\$70,452)	\$345,199	\$190,209	\$14,865	\$205,074	1.68
2013	593,251	7,529	585,722	182,197	22,877	205,074	2.86
2012	12,787	82,998	(70,211)	174,523	30,551	205,074	(0.34)
2011	207,925	(45,748)	207,925	298,328	37,902	336,230	0.62
2010	0	63,211	(63,211)	160,130	44,943	205,073	(0.31)
2009	346,431	(28,200)	346,431	153,385	51,688	205,073	1.69
2008	387,799	9,769	378,030	146,925	58,149	205,074	1.84
2007	242,009	18,962	223,047	140,736	64,338	205,074	1.09
2006	165,662	982,843	(817,181)	0	0	0	0.00
2005	172,203	879,481	(707,278)	0	0	0	0.00

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

City of Marion
Pledged Revenue
Storm Water Enterprise Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Coverage
2014	\$1,127,688	\$894,822	\$232,866	\$21,787	10.69
2013	1,072,763	1,497,969	(425,206)	21,787	(19.52)
2012	1,396,536	905,080	491,456	21,787	22.56
2011	1,104,209	1,204,884	(100,675)	720,012	(0.14)
2010	1,378,693	776,897	601,796	261,980	2.30
2009	1,167,233	1,092,362	74,871	13,086	5.72
2008	1,274,499	1,050,201	224,298	13,086	17.14
2007	1,317,122	749,688	567,434	13,085	43.37
2006	1,234,383	838,867	395,516	13,085	30.23
2005	1,243,050	743,814	499,236	12,307	40.57

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)
2014	36,837	\$1,497,534,561	\$40,653	4,377	5.30%
2013	38,116	1,582,766,900	41,525	4,460	7.90
2012	36,904	1,205,395,352	32,663	4,521	7.20
2011	36,938	1,169,826,460	31,670	4,606	8.40
2010	36,805	1,148,352,805	31,201	4,798	10.20
2009	35,776	1,137,211,712	31,787	4,967	11.20
2008	35,962	1,228,461,920	34,160	5,038	7.00
2007	35,940	1,206,290,160	33,564	5,151	5.50
2006	36,171	1,195,994,115	33,065	5,069	5.40
2005	36,428	1,204,491,820	33,065	5,482	6.20

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, 2014		December 31, 2005		Rank	Percentage of Total Employment
		Number of Employees	Rank	Number of Employees	Rank		
Marion General Hospital	Hospital	1,496	1	11.52%	1,076	1	7.37%
Marion City School District	School District	845	2	6.51	798	2	5.47
Marion Correctional Institute	Correctional Facility	653	3	5.03	450	4	3.08
North Central Correctional Institute	Correctional Facility	512	4	3.94	491	3	3.36
Marion Area Physicians	Medical	429	5	3.30			
Marion Industries	Manufacturing	386	6	2.97			
City of Marion	Government	357	7	2.75	346	6	2.37
Nucor Steel	Manufacturing	286	8	2.20	228	10	1.56
Marion County	Government	271	9	2.09	280	7	1.92
US Yachiyo	Manufacturing	235	10	1.81			
Frederick C Smith Clinic	Medical				450	5	3.08
AHP	Manufacturing				230	8	1.58
Marion Independent Physicians	Medical				229	9	1.56
	Total	<u>5,470</u>		<u>42.12%</u>	<u>4,578</u>		<u>31.35%</u>
	Total City Employment	<u>12,987</u>			<u>14,601</u>		

Source: City Auditor

Note: 2014 employment is based on 2010 census.

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

Function/Program	2014	2013	2012	2011	2010
Security of Persons and Property					
Police	63	57	52	69	75
Fire	57	53	49	51	59
Leisure Time Activities	19	19	22	28	29
Transportation					
Transit	19	20	20	21	19
Other	17	22	21	22	26
Basic Utility Services					
Sewer	28	29	28	32	32
Solid Waste	16	16	13	18	15
Billing Services	4	4	4	4	4
General Government					
Court	20	21	21	19	19
Other	49	44	45	46	49
Totals	<u>292</u>	<u>285</u>	<u>275</u>	<u>310</u>	<u>327</u>

Source: City Auditor

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

Note: Information prior to 2010 is not available.

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

Function/Program	2014	2013	2012	2011	2010
Security of Persons and Property - Police					
Total Calls for Services	37,828	39,106	36,711	38,481	43,162
Number of Traffic Citations Issued	915	594	319	1,838	3,780
Number of Felony Criminal Arrests	2,789	565	593	635	536
Number of Accident Reports Completed	605	887	732	743	821
DUI Arrests	62	39	60	110	118
Motor Vehicle Accidents	1,037	1,149	2,142	2,115	2,377
Gasoline Costs of Fleet	\$113,449	\$122,394	\$105,178	\$104,028	\$120,043
Gasoline Usage in Gallons	36,295	38,043	31,614	n/a	45,357
Community Policing Auxillary Hours	1,000	2,790	2,553	2,608	3,222
Security of Persons and Property - Fire					
Structure Fires	69	69	48	48	50
Fires with Loss	50	63	47	42	43
Fires with Losses Exceeding \$10,000	22	33	7	19	20
Total Fire Losses	\$779,776	\$979,720	\$304,100	\$900,880	\$650,206
Number of EMS Calls	5,902	6,140	6,041	5,916	4,529
Leisure Time Activities					
Swimming Pool Receipts	\$94,789	\$122,778	\$195,061	n/a	\$16,209
Aquatics Center Seasonal Admissions	16,920	18,038	40,979	n/a	n/a
Park Shelter Rentals	\$16,075	\$11,631	\$15,575	\$8,056	\$10,220
Concession Receipts	\$44,327	\$41,777	\$78,363	n/a	\$465
Basic Utility Services					
Refuse Disposal per Year (in tons)	11,847	12,240	12,277	13,362	12,543
Yard Waste per Year (in tons)	315	554	533	521	703
Leaf Pickup (in yards)	3,081	1,320	2,280	2,550	3,562
Salt Usage (in tons)	2,226	1,526	1,016	2,738	2,282
Sanitary Sewer Customers	12,206	12,298	12,526	12,598	12,618
Sanitation Customers	12,614	12,439	11,930	10,002	10,022
Storm Water Customers	12,316	12,660	12,779	12,871	12,891
Sanitary Sewer Inspections	7,696	5,497	3,841	3,525	3,528
Storm Water Inspections	190	145	111	180	144
Sanitary Blockage	390	369	238	208	243
Odor Complaints	75	65	85	127	156
Sanitary Lines Cleaned or Jetted (in feet)	521,096	373,540	336,880	453,767	498,878
Storm Water Lines Cleaned or Jetted (in feet)	17,000	6,800	8,800	4,748	5,622
Excavations	51	44	40	50	79
Manhole Repairs	17	18	13	41	34
Catch Basins Repaired	82	235	203	232	290
Degreased (in feet)	19,000	600	500	n/a	1,100
Root Cut or Control in Feet	9,139	5,299	5,060	6,088	5,520
Sanitary Lines Televised (in feet)	11,054	8,539	8,297	3,484	10,933
Storm Water Lines Televised (in feet)	3,877	946	4,743	585	1,969
Percentage of Biosolides Suspended or Removed	97%	97%	98%	98%	98%
Biosolids Land Applied	1,362	1,160	1,305	269	n/a
Gallons of Wastewater Treated (in millions)	3,234	3,651	3,273	4,641	3,792
Gallons of Wastewater ByPass (in millions)	50	106	28	179	n/a
Transportation					
Total Transit Ridership	177,000	195,139	193,283	190,480	184,068
Hot Mix Asphalt (in tons)	196	786	211	486	90
Cold Mix Asphalt (in tons)	359	184	209	276	250
Tack Used (in gallons)	185	738	339	816	591
Aggregate Used (in tons)	905	0	12	590	70
General Government					
Council and Clerk					
Number of Ordinances Passed	81	91	84	99	119
Number of Resolutions Passed	27	24	26	27	21
Engineering Excavation Permits Issued	779	694	721	708	656

Source: City Records

n/a - not available

2009	2008	2007	2006	2005
42,050	45,968	42,807	43,345	43,055
3,473	3,237	2,677	1,857	1,681
526	498	451	517	610
748	812	1,176	1,117	1,210
141	149	97	90	101
621	644	913	831	906
\$74,715	\$127,309	\$122,465	\$107,043	\$89,354
45,944	42,319	47,239	47,171	44,221
n/a	n/a	1,688	2,752	2,600
46	54	60	50	43
41	46	45	40	36
21	28	17	11	7
\$836,600	\$994,550	\$752,150	\$568,170	\$285,210
4,363	4,600	4,663	4,356	4,590
n/a	\$17,486	\$18,863	\$21,210	\$25,489
n/a	n/a	n/a	n/a	n/a
n/a	\$10,665	\$7,760	\$7,635	\$8,900
n/a	\$111	\$9,286	\$9,084	\$12,970
12,647	13,305	13,540	13,094	13,608
847	1,336	714	1,021	914
5,938	4,296	4,940	5,893	4,567
2,152	2,354	2,341	527	3,450
12,700	13,202	13,167	13,254	13,315
10,104	10,606	10,595	10,608	10,816
12,973	12,475	12,455	12,523	12,610
3,404	4,018	3,919	3,979	2,464
289	339	268	287	329
274	444	461	366	333
101	152	154	87	111
501,906	461,500	468,066	420,545	334,245
6,716	11,615	10,650	11,765	16,350
40	57	47	41	23
33	45	43	33	21
343	462	379	515	524
2,500	19,191	6,200	3,825	1,840
10,721	16,979	1,810	1,810	1,500
19,924	13,561	13,895	10,909	9,715
1,155	5,989	6,628	5,017	10,125
98%	98%	98%	98%	97%
3,055	3,117	3,325	2,440	4,255
3,039	3,733	3,771	3,754	3,506
10	59	78	79	230
180,054	185,072	173,929	161,872	171,104
83	895	1,296	764	524
250	530	168	269	278
427	1,305	464	994	415
132	132	323	614	313
99	133	115	96	107
27	25	46	30	44
660	677	695	575	447

City of Marion
Capital Assets by Function/Program
Last Seven Years

Function/Program	2014	2013	2012	2011	2010
Security of Persons and Property-Police					
Stations	1	1	1	1	1
Vehicles	30	30	33	38	36
Security of Persons and Property-Fire					
Stations	3	3	3	3	3
Vehicles	13	13	13	14	14
Public Health					
Buildings	2	2	2	2	2
Leisure Time Activities					
Buildings	7	7	7	7	7
Number of Parks	19	19	19	19	19
Number of Playgrounds	12	12	12	12	12
Number of Swimming Pools	1	1	1	1	1
Vehicles	9	8	8	10	10
Transportation - Transit					
Bus Terminal	1	1	1	1	1
Vehicles	15	16	16	19	15
Transportation - Other					
Airport Buildings	3	3	3	3	3
Other Buildings	3	3	3	3	3
Streets (miles)	311	311	311	311	311
Vehicles	22	21	21	21	21
General Government - Court					
Buildings	1	1	1	1	1
Vehicles	0	1	1	1	1
General Government - Other					
Buildings	4	4	4	4	4
Vehicles	1	1	1	2	2
Sewer					
Sewer Lines (miles)	134	134	134	134	132
Vehicles	16	15	14	16	16
Sanitation					
Vehicles	13	13	13	14	14
Storm Water					
Storm Water Lines (miles)	135	135	135	135	134
Vehicles	15	15	15	17	17

Source: City Records

Note: Information prior to 2008 is not available.

2009	2008
1	1
36	34
3	3
14	13
2	2
7	7
19	18
12	11
1	1
9	9
1	1
16	17
3	3
3	3
311	311
20	20
1	1
1	1
4	4
1	1
128	127
16	15
14	14
131	130
17	16

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Dave Yost • Auditor of State

CITY OF MARION

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2015**