

CITY OF MARION, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2013

**INTRODUCTORY
SECTION**

CITY OF MARION, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2013

Prepared By:

City Auditor

KELLY L. CARR

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CITY OF MARION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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**Kelly L Carr
Auditor**

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Marion, Ohio 43302

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Email:kcarr@marionohio.org

June 12, 2014

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 first Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. 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, 2013. 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 38,116, 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	73.32%
Commercial	18.19
Industrial	2.36
Agricultural	.06
Public Utility	6.07

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 231,071 volumes and 38,002 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 5.4 percent in 2006 to a high of 11.2 percent in 2009. For 2013, the rate has varied from 9 percent to 7.9 percent.

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. 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 5 percent of General Fund revenues for 2013. This was a drastic improvement from General Fund deficits in both 2011 and 2012. 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 five years, the City has removed one hundred forty 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 2013 and continuing into 2014, the City will be working on storm and sanitary sewer projects on N. Greenwood, Latourette, Ballentine, George, and Belmont streets.

ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Reports that conform 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.

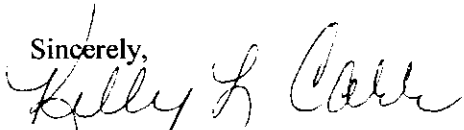
We believe our current report meets the Certificate of Achievement requirements are we our submitting our first CAFR to GFOA for consideration.

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 2013 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 first CAFR.

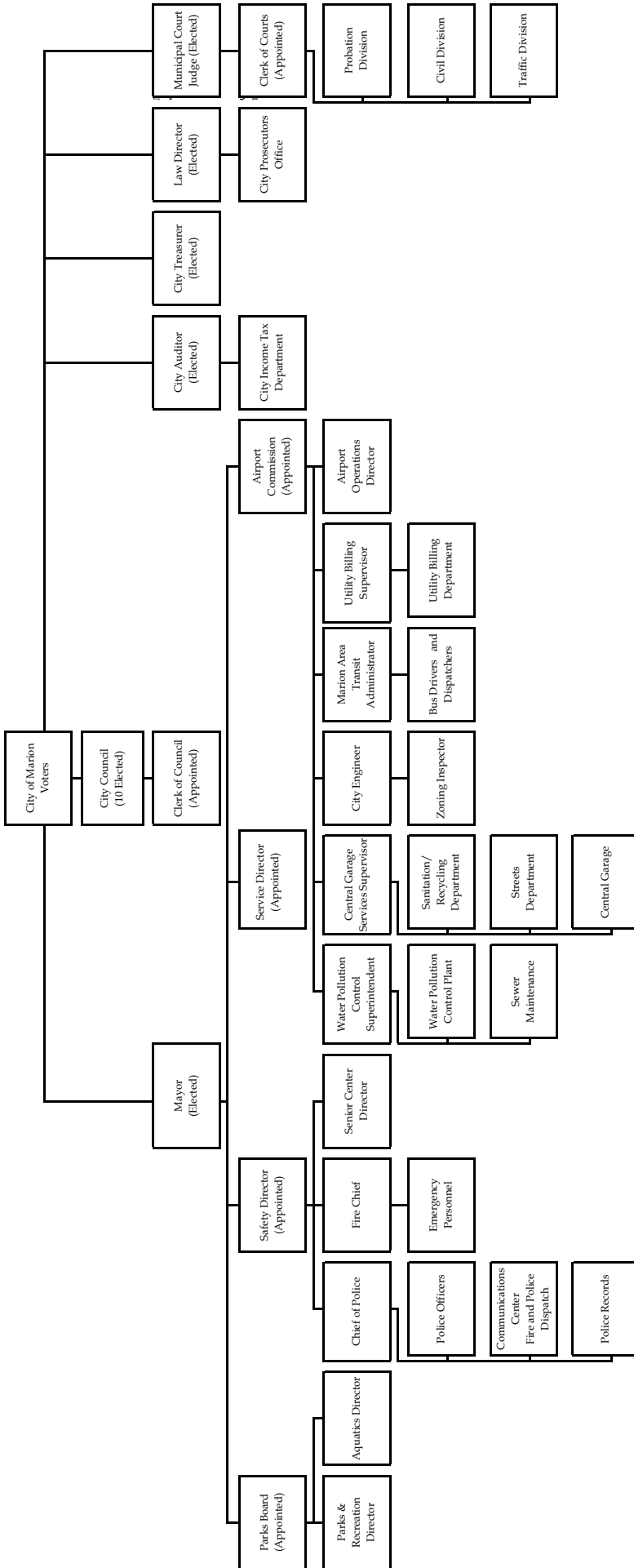
The continued dedication and hard work of my staff is also greatly appreciated. Without the cooperation of all involved, the preparation of this report would not have been possible.

Sincerely,



Kelly L. Carr
Marion City Auditor

CITY OF MARION ORGANIZATIONAL CHART



CITY OF MARION

PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marion, Marion County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Street Construction Maintenance and Repair Fund 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2014, 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 12, 2014

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CITY OF MARION
Marion County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
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, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2013 are as follows:

In total, the City's net position decreased less than 2 percent from the prior year; a decrease of 2 percent for governmental activities and a decrease of less than 1 percent for business-type activities.

General revenues made up 73 percent of the total revenues for governmental activities in 2013, and of this amount, 79 percent was provided through municipal income taxes, the most critical of the City's revenue sources.

Program revenues, primarily user charges, made up 96 percent 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 special revenue fund, 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 2013. 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, 2013
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 special revenue fund, 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, 2013
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 2013 and 2012.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Assets</u>						
Current and Other Assets	\$14,778,269	\$12,594,482	\$14,708,087	\$11,849,319	\$29,486,356	\$24,443,801
Capital Assets, Net	64,053,822	68,339,560	43,557,679	44,661,458	107,611,501	113,001,018
Total Assets	78,832,091	80,934,042	58,265,766	56,510,777	137,097,857	137,444,819
<u>Liabilities</u>						
Current and Other Liabilities	3,359,746	3,397,244	6,387,095	1,832,088	9,746,841	5,229,332
Long-Term Liabilities	9,008,582	9,648,588	40,114,781	42,903,153	49,123,363	52,551,741
Total Liabilities	12,368,328	13,045,832	46,501,876	44,735,241	58,870,204	57,781,073
Deferred Inflows of Resources	1,536,782	1,507,873	0	0	1,536,782	1,507,873
<u>Net Position</u>						
Net Investment in Capital Assets	59,629,506	63,770,617	10,522,092	11,273,829	70,151,598	75,044,446
Restricted	6,379,924	5,438,734	0	0	6,379,924	5,438,734
Unrestricted (Deficit)	(1,082,449)	(2,829,014)	1,241,798	501,707	159,349	(2,327,307)
Total Net Position	\$64,926,981	\$66,380,337	\$11,763,890	\$11,775,536	\$76,690,871	\$78,155,873

For governmental activities, the most significant change from the prior year was the increase in current and other assets and primarily reflected as cash and cash equivalents. This is largely the result of the additional .25 percent income tax that began collection in 2013 as well as a reduction in the income tax credit allowed for filers working in other cities but living in the City of Marion. While most of this additional revenue was restricted (thus the increase in restricted net position), this alleviated the burden on unrestricted resources and led to the increase in unrestricted net position as well. The decrease in net capital assets and the investment in capital assets was due to annual depreciation expense as well as a number of disposals.

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

The most significant change for business-type activities from the prior year was also the increase in current and other assets as well as the increase in current and other liabilities. This was due to bond anticipation notes issued during the latter part of the year and which remained unspent as of year end. The decrease in net capital assets and the investment in capital assets was due to annual depreciation expense.

Table 2 reflects the change in net position for 2013 and 2012.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$2,687,874	\$2,031,406	\$9,526,281	\$9,809,112	\$12,214,155	\$11,840,518
Operating Grants, Contributions, and Interest	3,679,557	4,852,977	0	0	3,679,557	4,852,977
Capital Grants, Contributions, and Interest	145,317	766,305	158,246	292,397	303,563	1,058,702
Total Program Revenues	<u>6,512,748</u>	<u>7,650,688</u>	<u>9,684,527</u>	<u>10,101,509</u>	<u>16,197,275</u>	<u>17,752,197</u>
General Revenues						
Property Taxes Levied for General Purposes	1,044,608	1,039,593	0	0	1,044,608	1,039,593
Property Taxes Levied for Police and Fire Pension	191,397	190,451	0	0	191,397	190,451
Payment in Lieu of Taxes	339,296	375,340	0	0	339,296	375,340
Municipal Income Taxes Levied for General Purposes	11,876,892	12,233,801	0	0	11,876,892	12,233,801
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	595,076	369,225	0	0	595,076	369,225
Municipal Income Taxes Levied for Police and Fire	1,396,953	0	0	0	1,396,953	0
Municipal Income Taxes Levied for Capital Improvements	332,204	370,907	0	0	332,204	370,907
Grants and Entitlements not Restricted to Specific Programs	1,318,417	1,273,569	0	0	1,318,417	1,273,569
Franchise Taxes	307,730	312,562	0	0	307,730	312,562
Interest	105,396	78,660	0	0	105,396	78,660
Other	514,059	213,899	394,217	745,296	908,276	959,195
Total General Revenues	<u>18,022,028</u>	<u>16,458,007</u>	<u>394,217</u>	<u>745,296</u>	<u>18,416,245</u>	<u>17,203,303</u>
Total Revenues	<u>24,534,776</u>	<u>24,108,695</u>	<u>10,078,744</u>	<u>10,846,805</u>	<u>34,613,520</u>	<u>34,955,500</u>

(continued)

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

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Program Expenses</u>						
Security of Persons and Property						
Police	\$6,485,461	\$5,757,434	\$0	\$0	\$6,485,461	\$5,757,434
Fire	5,662,188	4,843,734	0	0	5,662,188	4,843,734
Other	270,226	297,776	0	0	270,226	297,776
Public Health	391,484	447,973	0	0	391,484	447,973
Leisure Time Activities	860,761	920,509	0	0	860,761	920,509
Community Environment	563,133	1,401,447	0	0	563,133	1,401,447
Transportation						
Transit	1,175,948	1,071,114	0	0	1,175,948	1,071,114
Other	6,177,970	5,767,795	0	0	6,177,970	5,767,795
General Government						
Court	1,226,544	1,042,867	0	0	1,226,544	1,042,867
Other	3,052,278	4,455,649	0	0	3,052,278	4,455,649
Interest and Fiscal Charges	158,712	175,311	0	0	158,712	175,311
Sewer	0	0	5,452,035	5,270,225	5,452,035	5,270,225
Sanitation	0	0	1,666,855	2,146,238	1,666,855	2,146,238
Landfill	0	0	36,750	125,998	36,750	125,998
Storm Water	0	0	2,411,967	1,883,897	2,411,967	1,883,897
Aquatics Center	0	0	486,210	690,856	486,210	690,856
Total Expenses	<u>26,024,705</u>	<u>26,181,609</u>	<u>10,053,817</u>	<u>10,117,214</u>	<u>36,078,522</u>	<u>36,298,823</u>
Increase (Decrease) in Net Position						
Before Transfers	(1,489,929)	(2,072,914)	24,927	729,591	(1,465,002)	(1,343,323)
Transfers	36,573	(2,242,904)	(36,573)	2,242,904	0	0
Increase (Decrease) in Net Position	<u>(1,453,356)</u>	<u>(4,315,818)</u>	<u>(11,646)</u>	<u>2,972,495</u>	<u>(1,465,012)</u>	<u>(1,343,323)</u>
Net Position Beginning of Year	66,380,337	70,696,155	11,775,536	8,803,041	78,155,873	79,499,196
Net Position End of Year	<u>\$64,926,981</u>	<u>\$66,380,337</u>	<u>\$11,763,890</u>	<u>\$11,775,536</u>	<u>\$76,690,871</u>	<u>\$78,155,873</u>

The above table reflects the revenues and expenses for operating the City during 2013. For governmental activities, the change in total revenues was not significant, less than 2 percent; however, the distribution between program revenues and general revenues changed somewhat. Program revenues decreased almost 15 percent from 2012. The City received operating grant funding in the prior year for the transit system and also received a greater distribution of community housing improvement and community distress resources in 2012. The City also received capital grants in the prior year for street resurfacing and federal aviation resources for an airport project. This decrease in program revenues, however, was offset by an increase in general revenues. This was primarily due to the additional .25 percent income tax that began collection in 2013 and the change in the income tax credit allowance.

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

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As is to be expected, 95 percent of the revenues for business-type activities are received through charges for services provided to the users of the service. There was a modest decrease in charges for services and the decrease in capital grants is the result of grant funding received in the prior year for a storm water project.

Expenses for business-type activities change very little from the prior year in total. The decrease in sanitation expenses was related to uncollectible accounts expensed in the prior year. The increase in storm water costs was due to additional materials and supplies costs in 2013.

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	
	2013	2012	2013	2012
Security of Persons and Property				
Police	\$6,485,461	\$5,757,434	\$5,990,115	\$5,399,439
Fire	5,662,188	4,843,734	3,970,643	4,218,945
Other	270,226	297,776	270,226	297,776
Public Health	391,484	447,973	391,484	447,973
Leisure Time Activities	860,761	920,509	737,869	709,060
Community Environment	563,133	1,401,447	342,239	323,878
Transportation				
Transit	1,175,948	1,071,114	209,702	(365,749)
Other	6,177,970	5,767,795	4,626,551	3,452,587
General Government				
Court	1,226,544	1,042,867	81,396	132,863
Other	3,052,278	4,455,649	2,733,020	3,738,838
Interest and Fiscal Charges	158,712	175,311	158,712	175,311
Total Expenses	\$26,024,705	\$26,181,609	\$19,511,957	\$18,530,921

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 30 percent of the costs of operations for the fire department. Various grants, generally the CDBG and CHIP programs, provided for 39 percent of the costs of the community environment program. Charges for services and various grants and contributions provided for 34 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.

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GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund and the Street Construction, Maintenance, and Repair special revenue fund. The General Fund had a \$1.9 million increase in fund balance from the prior year and ended the year with a positive fund balance for the first time since 2009. The increase in income tax revenue and a 6 percent reduction in expenditures, primarily in general government costs, allowed for this increase.

Fund balance also increased in the Street Construction, Maintenance, and Repair Fund. Revenues increased 11 percent, again, largely due to the income tax increase for street maintenance. The fund continued to receive an operating subsidy from other funds of approximately \$706,000.

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.

Net position increased 11 percent in the Sewer Fund. There was a slight increase in charges for services revenue, although there was no change in the rate structure. Charges are based on consumption. There was also a modest increase in operating expenses but a decrease in interest expense associated with debt payments.

The Sanitation Fund had an 8 percent increase in net position. There was a decrease in both revenues and expenses from the prior year, both directly related to resident trash pick-up.

The Landfill Fund had an increase in net position for 2013. The Landfill stopped accepting waste in 1995; all costs at this point are related to postclosure activities.

The Storm Water Fund had an 18 percent decrease in net position largely due to a substantial increase in expenses (primarily for materials and supplies).

Net position decreased in the Aquatics Center Fund. Both revenues and expenses decreased from the prior year based on participation.

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 an increase of almost \$1.4 million from the original budget to the final budget as the City revised the estimate for income tax collection. Changes from the final budget to actual revenues were not significant. For expenditures, there were only modest changes from the original budget to the final budget. Near year end, the City revised its final budget to closely reflect actual expenditures; therefore, there are few variances between the final budget and actual expenditures

CITY OF MARION
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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2013, was \$64,053,822 and \$43,557,679, respectively (net of accumulated depreciation). The most significant additions for governmental activities included both ongoing and completed street improvements and completion of the HVAC system at City Hall. Disposals were primarily street replacements. The most significant additions for business-type activities were both ongoing and completed sewer and storm water improvements and a new sewer vacuum truck. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2013, the City had bond anticipation notes payable from governmental and business-type activities, in the amount of \$500,000 and \$5,680,000, respectively. New bond anticipation notes were issued for street resurfacing, the purchase of a recycling truck, and for ongoing sewer and storm water improvements. The City also had a number of long-term obligations outstanding including \$27,380,000 in general obligation bonds, \$447,664 in loans for an ODOT related project, \$1,247,071 in Ohio Public Works Commission loans, \$64,350 in capital loans, and \$13,675,355 in Ohio Water Development Authority loans. Of this debt, \$37,814,784 will be paid from business-type activities. The only new long-term debt issued during 2013 was a small OPWC loan for sewer 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 17, 18, and 19 to the basic financial statements.

CURRENT ISSUES

In 2012, City Council approved several changes to the City's income tax guidelines. They approved universal filing and reduced the income tax credit to other municipalities to 50 percent. In 2013, these changes generated approximately \$1.4 million. This enabled the City to recall all laid off police officers that had not taken another job and keep Fire Station #2 open 90 percent of the time. The goal is to keep this station open 100 percent of the time.

The Administration is beginning to work on the 2015 budget and the Mayor continues to work on retention and expansion with local businesses.

The City currently is working on negotiations with the IAFF, their contract expired in March 2014. Contracts for Police Gold, Police Blue, Co-Co, and Steelworkers will be up before the end of the year. AFSCME is currently in a wage re-opener negotiation.

The City has four new components of software available to employees, utility customers, income tax customers, and vendors. By July 1, 2014, the City's payroll will become paperless. The City will no longer be printing check stubs or W-2's. Employees will have online access to all their payroll information. Utility customers will now be able to login to their utility accounts and view detail history and current amounts owed. They will also have the choice to sign up for e-billing and go paperless. They can currently pay their bill online. Income tax customers will also be able to make payments to their accounts online. The City has also provided online access for our vendors. They can lookup purchase orders and check for invoice payments online.

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The City will be undertaking a large paving project in 2014. The total cost is around \$2.6 million. This will also include spot and patch repairs.

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, 2013

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,749,497	\$7,585,588	\$13,335,085
Accounts Receivable	1,012,542	6,840,297	7,852,839
Accrued Interest Receivable	13,028	0	13,028
Due from Other Governments	1,650,337	43,496	1,693,833
Municipal Income Taxes Receivable	3,174,892	0	3,174,892
Internal Balances	(106,102)	106,102	0
Prepaid Items	60,690	22,862	83,552
Materials and Supplies Inventory	402,972	109,742	512,714
Property Taxes Receivable	1,504,195	0	1,504,195
Payment in Lieu of Taxes Receivable	361,930	0	361,930
Notes Receivable	954,288	0	954,288
Nondepreciable Capital Assets	8,796,333	1,906,448	10,702,781
Depreciable Capital Assets, Net	55,257,489	41,651,231	96,908,720
Total Assets	78,832,091	58,265,766	137,097,857
<u>Liabilities</u>			
Accrued Wages Payable	543,943	115,730	659,673
Accounts Payable	1,406,061	71,573	1,477,634
Contracts Payable	80,574	224,487	305,061
Due to Other Governments	786,760	154,979	941,739
Retainage Payable	8,687	42,590	51,277
Matured Compensated Absences Payable	12,658	0	12,658
Accrued Interest Payable	21,063	97,736	118,799
Notes Payable	500,000	5,680,000	6,180,000
Long-Term Liabilities			
Due Within One Year	882,168	2,906,923	3,789,091
Due in More Than One Year	8,126,414	37,207,858	45,334,272
Total Liabilities	12,368,328	46,501,876	58,870,204
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,174,852	0	1,174,852
Payment in Lieu of Taxes	361,930	0	361,930
Total Deferred Inflows of Resources	1,536,782	0	1,536,782
<u>Net Position</u>			
Net Investment in Capital Assets	59,629,506	10,522,092	70,151,598
Restricted for			
Capital Projects	1,635,812	0	1,635,812
Street Construction, Maintenance, and Repair	2,844,398	0	2,844,398
Economic Development	780,869	0	780,869
Police and Fire Operations	275,710	0	275,710
Senior Citizens	207,899	0	207,899
Court Operations	131,084	0	131,084
Other Purposes	504,152	0	504,152
Unrestricted (Deficit)	(1,082,449)	1,241,798	159,349
Total Net Position	\$64,926,981	\$11,763,890	\$76,690,871

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$6,485,461	\$66,656	\$428,690	\$0
Fire	5,662,188	1,163,379	528,166	0
Other	270,226	0	0	0
Public Health	391,484	0	0	0
Leisure Time Activities	860,761	21,423	101,469	0
Community Environment	563,133	150	189,492	31,252
Transportation				
Transit	1,175,948	115,998	850,248	0
Other	6,177,970	23,350	1,414,004	114,065
General Government				
Court	1,226,544	977,759	167,389	0
Other	3,052,278	319,159	99	0
Interest and Fiscal Charges	158,712	0	0	0
Total Governmental Activities	26,024,705	2,687,874	3,679,557	145,317
<u>Business-Type Activities</u>				
Sewer	5,452,035	5,877,295	0	72,904
Sanitation	1,666,855	1,841,691	0	0
Landfill	36,750	593,251	0	0
Storm Water	2,411,967	1,049,516	0	85,342
Aquatics Center	486,210	164,528	0	0
Total Business-Type Activities	10,053,817	9,526,281	0	158,246
Total	\$36,078,522	\$12,214,155	\$3,679,557	\$303,563

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
(\$5,990,115)	\$0	(\$5,990,115)
(3,970,643)	0	(3,970,643)
(270,226)	0	(270,226)
(391,484)	0	(391,484)
(737,869)	0	(737,869)
(342,239)	0	(342,239)
(209,702)	0	(209,702)
(4,626,551)	0	(4,626,551)
(81,396)	0	(81,396)
(2,733,020)	0	(2,733,020)
(158,712)	0	(158,712)
<u>(19,511,957)</u>	<u>0</u>	<u>(19,511,957)</u>
0	498,164	498,164
0	174,836	174,836
0	556,501	556,501
0	(1,277,109)	(1,277,109)
<u>0</u>	<u>(321,682)</u>	<u>(321,682)</u>
<u>0</u>	<u>(369,290)</u>	<u>(369,290)</u>
<u>(19,511,957)</u>	<u>(369,290)</u>	<u>(19,881,247)</u>
1,044,608	0	1,044,608
191,397	0	191,397
339,296	0	339,296
11,876,892	0	11,876,892
595,076	0	595,076
1,396,953	0	1,396,953
332,204	0	332,204
1,318,417	0	1,318,417
307,730	0	307,730
105,396	0	105,396
514,059	394,217	908,276
18,022,028	394,217	18,416,245
<u>36,573</u>	<u>(36,573)</u>	<u>0</u>
<u>18,058,601</u>	<u>357,644</u>	<u>18,416,245</u>
(1,453,356)	(11,646)	(1,465,002)
<u>66,380,337</u>	<u>11,775,536</u>	<u>78,155,873</u>
<u>\$64,926,981</u>	<u>\$11,763,890</u>	<u>\$76,690,871</u>

City of Marion
Balance Sheet
Governmental Funds
December 31, 2013

	General	Street Construction, Maintenance, and Repair	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,801,439	\$1,248,258	\$2,629,725	\$5,679,422
Accounts Receivable	1,010,617	0	1,889	1,012,506
Accrued Interest Receivable	13,028	0	0	13,028
Due from Other Governments	729,172	610,668	297,874	1,637,714
Municipal Income Taxes Receivable	1,587,446	126,996	1,460,450	3,174,892
Interfund Receivable	330,249	1,086,830	262,193	1,679,272
Prepaid Items	54,225	3,600	2,310	60,135
Materials and Supplies Inventory	26,347	138,441	490	165,278
Property Taxes Receivable	1,272,934	0	231,261	1,504,195
Payment in Lieu of Taxes Receivable	0	0	361,930	361,930
Notes Receivable	0	0	954,288	954,288
Total Assets	\$6,825,457	\$3,214,793	\$6,202,410	\$16,242,660
<u>Liabilities</u>				
Accrued Wages Payable	\$83,220	\$43,603	\$404,991	\$531,814
Accounts Payable	61,461	111,856	1,161,474	1,334,791
Contracts Payable	0	0	80,574	80,574
Due to Other Governments	395,091	38,070	343,445	776,606
Retainage Payable	0	0	8,687	8,687
Matured Compensated Absences Payable	0	4,214	8,444	12,658
Interfund Payable	1,352,836	27,256	375,086	1,755,178
Accrued Interest Payable	0	1,055	1,582	2,637
Notes Payable	0	200,000	300,000	500,000
Total Liabilities	1,892,608	426,054	2,684,283	5,002,945
<u>Deferred Inflows of Resources</u>				
Property Taxes	994,573	0	180,279	1,174,852
Payment in Lieu of Taxes	0	0	361,930	361,930
Unavailable Revenue	2,561,418	577,419	973,791	4,112,628
Total Deferred Inflows of Resources	3,555,991	577,419	1,516,000	5,649,410
<u>Fund Balance</u>				
Nonspendable	298,172	1,228,871	264,993	1,792,036
Restricted	0	982,449	3,223,280	4,205,729
Committed	1,416	0	5,110	6,526
Assigned	211,336	0	0	211,336
Unassigned (Deficit)	865,934	0	(1,491,256)	(625,322)
Total Fund Balance	1,376,858	2,211,320	2,002,127	5,590,305
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$6,825,457	\$3,214,793	\$6,202,410	\$16,242,660

See Accompanying Notes to the Basic Financial Statements

City of Marion
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2013

Total Governmental Fund Balance \$5,590,305

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

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

Governmental Activities	64,053,822	
Internal Service Fund	(1,575,881)	
		62,477,941

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

Accounts Receivable	927,255	
Accrued Interest Receivable	4,527	
Due from Other Governments	1,088,078	
Municipal Income Taxes Receivable	1,763,425	
Delinquent Property Taxes Receivable	329,343	
		4,112,628

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

(138,148)

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

Accrued Interest Payable	(15,132)	
General Obligation Bonds Payable	(4,429,950)	
General Obligation Bonds Payable - Internal Service Fund	1,131,250	
ODOT DRIP TIF Payable	(447,664)	
OPWC Loans Payable	(57,692)	
Capital Loans Payable	(64,350)	
Compensated Absences Payable	(4,008,926)	
Compensated Absences Payable - Internal Service Fund	49,623	
		(7,842,841)

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.

727,096

Net Position of Governmental Activities

\$64,926,981

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, 2013

	General	Street Construction, Maintenance, and Repair	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$1,041,505	\$0	\$190,752	\$1,232,257
Payment in Lieu of Taxes	0	0	339,296	339,296
Municipal Income Taxes	12,768,937	581,148	974,591	14,324,676
Charges for Services	1,059,493	2,750	116,148	1,178,391
Fees, Licenses, and Permits	361,659	20,600	0	382,259
Fines and Forfeitures	744,429	0	385,456	1,129,885
Intergovernmental	1,302,975	1,348,903	2,942,551	5,594,429
Interest	103,606	307	32,424	136,337
Other	232,395	113,853	261,186	607,434
Total Revenues	17,614,999	2,067,561	5,242,404	24,924,964
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,082,580	0	1,344,038	6,426,618
Fire	4,477,293	0	1,443,542	5,920,835
Other	270,226	0	0	270,226
Public Health	391,149	0	0	391,149
Leisure Time Activities	733,519	0	72,282	805,801
Community Environment	355,241	0	268,097	623,338
Transportation				
Transit	0	0	1,171,823	1,171,823
Other	261,123	2,079,596	108,122	2,448,841
General Government				
Court	828,220	0	372,107	1,200,327
Other	2,357,081	0	433,722	2,790,803
Debt Service:				
Principal Retirement	0	0	407,701	407,701
Interest and Fiscal Charges	0	1,853	160,052	161,905
Total Expenditures	14,756,432	2,081,449	5,781,486	22,619,367
Excess of Revenues Over (Under) Expenditures	2,858,567	(13,888)	(539,082)	2,305,597
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	3,850	0	0	3,850
Transfers In	37,149	705,744	611,036	1,353,929
Transfers Out	(960,541)	0	(401,999)	(1,362,540)
Total Other Financing Sources (Uses)	(919,542)	705,744	209,037	(4,761)
Changes in Fund Balance	1,939,025	691,856	(330,045)	2,300,836
Fund Balance (Deficit) Beginning of Year - Restated (Note 3)	(562,167)	1,519,464	2,332,172	3,289,469
Fund Balance End of Year	\$1,376,858	\$2,211,320	\$2,002,127	\$5,590,305

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, 2013

Changes in Fund Balance - Total Governmental Funds \$2,300,836

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	141,867	
Capital Outlay - Depreciable Capital Assets	368,261	
Capital Contributions	45,184	
Depreciation	(4,746,008)	
Depreciation - Internal Service Fund	44,711	
	44,711	(4,145,985)

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	(3,850)	
Gain on Disposal of Capital Assets	3,850	
Loss on Disposal of Capital Assets	(95,042)	
	(95,042)	(95,042)

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

Delinquent Property Taxes	3,748	
Municipal Income Taxes	(123,551)	
Charges for Services	306,950	
Fees, Licenses, and Permits	(1,881)	
Intergovernmental	(571,631)	
Interest	1,453	
Other	(9,126)	
	(9,126)	(394,038)

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	237,100	
ODOT DRIP TIF Payable	81,195	
OPWC Loans Payable	6,410	
Capital Loans Payable	82,996	
	82,996	407,701

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 3,193

Some expenses are 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	186,222	
Compensated Absences Payable - Internal Service Fund	(2,667)	
Separation Benefits Payable	299,533	
	299,533	483,088

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. (13,109)

Change in Net Position of Governmental Activities (\$1,453,356)

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$1,027,800	\$1,041,505	\$1,041,505	\$0
Municipal Income Taxes	11,339,105	12,340,762	12,448,112	107,350
Charges for Services	960,214	951,009	980,198	29,189
Fees, Licenses, and Permits	334,714	360,985	361,456	471
Fines and Forfeitures	765,450	763,954	763,954	0
Intergovernmental	917,814	1,058,559	1,111,864	53,305
Interest	62,300	97,743	97,743	0
Other	124,154	244,084	176,578	(67,506)
Total Revenues	15,531,551	16,858,601	16,981,410	122,809
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,373,632	5,477,962	5,477,962	0
Fire	4,732,907	4,958,659	4,958,659	0
Other	336,699	284,297	284,297	0
Public Health	391,149	391,149	391,149	0
Leisure Time Activities	246,866	235,992	235,494	498
Community Environment	331,562	355,241	355,241	0
Transportation				
Other	260,181	244,757	244,757	0
General Government				
Court	824,206	801,601	801,501	100
Other	2,491,501	2,655,464	2,654,999	465
Total Expenditures	14,988,703	15,405,122	15,404,059	1,063
Excess of Revenues Over Expenditures	542,848	1,453,479	1,577,351	123,872
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	1,028	1,068	40
Sale of Capital Assets	0	0	3,850	3,850
Advances In	0	34,000	34,000	0
Transfers In	181,767	37,149	37,149	0
Transfers Out	(724,615)	(584,372)	(584,372)	0
Total Other Financing Sources (Uses)	(542,848)	(512,195)	(508,305)	3,890
Changes in Fund Balance	0	941,284	1,069,046	127,762
Fund Balance Beginning of Year	737,276	737,276	737,276	0
Fund Balance End of Year	<u>\$737,276</u>	<u>\$1,678,560</u>	<u>\$1,806,322</u>	<u>\$127,762</u>

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2013

	<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	\$993,000	\$1,246,506	\$1,268,012	\$21,506
Charges for Services	2,800	2,750	2,750	0
Fees, Licenses, and Permits	16,000	20,200	20,600	400
Intergovernmental	1,305,500	1,329,740	1,345,908	16,168
Interest	150	290	307	17
Other	2,500	108,013	108,113	100
Total Revenues	2,319,950	2,707,499	2,745,690	38,191
<u>Expenditures</u>				
Current:				
Transportation	2,222,083	2,136,632	2,136,632	0
Debt Service:				
Interest and Fiscal Charges	0	798	798	0
Total Expenditures	2,222,083	2,137,430	2,137,430	0
Excess of Revenues Over Expenditures	97,867	570,069	608,260	38,191
<u>Other Financing Sources</u>				
Other Financing Sources	0	5,740	5,740	0
Bond Anticipation Notes Issued	0	200,000	200,000	0
Total Other Financing Sources	0	205,740	205,740	0
Changes in Fund Balance	97,867	775,809	814,000	38,191
Fund Balance Beginning of Year	434,258	434,258	434,258	0
Fund Balance End of Year	\$532,125	\$1,210,067	\$1,248,258	\$38,191

See Accompanying Notes to the Basic Financial Statements

City of Marion
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities				
	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$5,832,768	\$40,036	\$0	\$1,558,198	\$154,095
Accounts Receivable	2,536,656	3,669,827	0	633,814	0
Due from Other Governments	19,834	0	0	23,662	0
Interfund Receivable	553	0	0	0	0
Prepaid Items	14,219	1,907	137	5,609	990
Materials and Supplies Inventory	108,005	687	0	708	342
Total Current Assets	8,512,035	3,712,457	137	2,221,991	155,427
<u>Non-Current Assets</u>					
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	0	0	491	0	0
Nondepreciable Capital Assets	1,089,218	0	162,571	654,659	0
Depreciable Capital Assets, Net	21,480,845	329,705	0	16,496,657	3,344,024
Total Non-Current Assets	22,570,063	329,705	163,062	17,151,316	3,344,024
Total Assets	31,082,098	4,042,162	163,199	19,373,307	3,499,451
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	62,338	36,790	0	16,602	0
Accounts Payable	43,806	11,273	10,017	5,451	1,026
Contracts Payable	102,629	0	0	121,858	0
Due to Other Governments	55,513	74,522	124	17,275	7,545
Retainage Payable	19,421	0	0	23,169	0
Compensated Absences Payable	72,765	16,643	0	1,431	0
Interfund Payable	576	31,816	0	207	0
Accrued Interest Payable	40,301	211	529	44,723	11,972
Notes Payable	2,795,000	40,000	0	2,845,000	0
General Obligation Bonds Payable	335,478	0	0	521,122	0
OWDA Loans Payable	1,507,452	0	190,209	0	0
OPWC Loans Payable	114,287	0	0	21,787	0
Postclosure Costs Payable	0	0	125,749	0	0
Total Current Liabilities	5,149,566	211,255	326,628	3,618,625	20,543
<u>Non-Current Liabilities</u>					
Compensated Absences Payable	310,797	41,320	0	964	0
General Obligation Bonds Payable	8,330,887	0	170,000	9,727,563	3,865,000
OWDA Loans Payable	11,779,131	0	198,563	0	0
OPWC Loans Payable	745,988	0	0	307,317	0
Postclosure Costs Payable	0	0	1,730,328	0	0
Total Non-Current Liabilities	21,166,803	41,320	2,098,891	10,035,844	3,865,000
Total Liabilities	26,316,369	252,575	2,425,519	13,654,469	3,885,543
<u>Net Position</u>					
Net Investment in Capital Assets (Deficit)	2,930,993	329,705	162,571	7,167,068	(68,245)
Unrestricted (Deficit)	1,834,736	3,459,882	(2,424,891)	(1,448,230)	(317,847)
Total Net Position (Deficit)	\$4,765,729	\$3,789,587	(\$2,262,320)	\$5,718,838	(\$386,092)

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

Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities
Total Enterprise	Internal Service
\$7,585,097	\$70,075
6,840,297	36
43,496	12,623
553	107,952
22,862	555
109,742	237,694
<u>14,602,047</u>	<u>428,935</u>
491	0
1,906,448	61,943
41,651,231	1,513,938
<u>43,558,170</u>	<u>1,575,881</u>
<u>58,160,217</u>	<u>2,004,816</u>
115,730	12,129
71,573	71,270
224,487	0
154,979	10,154
42,590	0
90,839	8,962
32,599	0
97,736	3,294
5,680,000	0
856,600	50,000
1,697,661	0
136,074	0
125,749	0
<u>9,326,617</u>	<u>155,809</u>
353,081	40,661
22,093,450	1,081,250
11,977,694	0
1,053,305	0
1,730,328	0
<u>37,207,858</u>	<u>1,121,911</u>
<u>46,534,475</u>	<u>1,277,720</u>
10,522,092	444,631
1,103,650	282,465
11,625,742	<u><u>\$727,096</u></u>
<u>138,148</u>	
<u><u>\$11,763,890</u></u>	

City of Marion
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities				
	Sewer	Sanitation	Landfill	Storm Water	Aquatics Center
<u>Operating Revenues</u>					
Charges for Services	\$5,877,295	\$1,841,691	\$593,251	\$1,049,516	\$164,528
Other	36,103	104,302	0	23,247	12,494
Total Operating Revenues	<u>5,913,398</u>	<u>1,945,993</u>	<u>593,251</u>	<u>1,072,763</u>	<u>177,022</u>
<u>Operating Expenses</u>					
Personal Services	1,752,040	1,067,134	0	480,942	162,306
Contractual Services	727,235	432,704	0	156,148	65,636
Materials and Supplies	427,634	114,790	7,529	860,879	46,314
Depreciation	1,970,679	48,568	0	507,253	68,245
Other	640	0	0	0	40
Total Operating Expenses	<u>4,878,228</u>	<u>1,663,196</u>	<u>7,529</u>	<u>2,005,222</u>	<u>342,541</u>
Operating Income (Loss)	<u>1,035,170</u>	<u>282,797</u>	<u>585,722</u>	<u>(932,459)</u>	<u>(165,519)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Interest Expense	(573,511)	(476)	(29,221)	(406,523)	(143,669)
Loss on Disposal of Capital Assets	(30,092)	0	0	(15,092)	0
Other	0	0	0	0	218,071
Total Non-Operating Revenues (Expenses)	<u>(603,603)</u>	<u>(476)</u>	<u>(29,221)</u>	<u>(421,615)</u>	<u>74,402</u>
Income (Loss) before Contributions and Transfers	431,567	282,321	556,501	(1,354,074)	(91,117)
Capital Contributions	72,904	0	0	85,342	0
Transfers In	0	0	0	0	13,111
Transfers Out	0	0	0	0	(4,500)
Changes in Net Position	504,471	282,321	556,501	(1,268,732)	(82,506)
Net Position (Deficit) Beginning of Year	<u>4,261,258</u>	<u>3,507,266</u>	<u>(2,818,821)</u>	<u>6,987,570</u>	<u>(303,586)</u>
Net Position (Deficit) End 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>

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
\$9,526,281	\$1,073,724
176,146	5,635
<u>9,702,427</u>	<u>1,079,359</u>
3,462,422	305,475
1,381,723	53,107
1,457,146	655,119
2,594,745	44,711
680	0
<u>8,896,716</u>	<u>1,058,412</u>
805,711	20,947
(1,153,400)	(40,424)
(45,184)	0
<u>218,071</u>	<u>0</u>
<u>(980,513)</u>	<u>(40,424)</u>
(174,802)	(19,477)
158,246	0
13,111	0
<u>(4,500)</u>	<u>0</u>
(7,945)	(19,477)
	<u>746,573</u>
	<u>\$727,096</u>
<u>(3,701)</u>	
<u><u>(\$11,646)</u></u>	

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	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	\$6,071,564	\$1,837,234	\$271,728	\$1,169,733	\$164,528
Cash Payments for Personal Services	(1,718,338)	(1,109,554)	0	(480,942)	(192,020)
Cash Payments for Contractual Services	(766,769)	(719,489)	(52,290)	(153,768)	(68,837)
Cash Payments to Vendors	(614,771)	(114,929)	(7,529)	(1,032,558)	(46,656)
Cash Received from Other Revenues	36,103	104,302	0	23,247	15,475
Cash Payments for Other Expenses	(693)	0	0	0	(40)
Net Cash Provided by (Used for) Operating Activities	<u>3,007,096</u>	<u>(2,436)</u>	<u>211,909</u>	<u>(474,288)</u>	<u>(127,550)</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Other Revenue	0	0	0	0	218,071
Transfers In	0	0	0	0	13,111
Transfers Out	0	0	0	0	(4,500)
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>226,682</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Capital Grants	86,086	0	0	98,086	0
Principal Paid on Bond Anticipation Notes	(115,000)	0	0	(915,000)	0
Principal Paid on General Obligation Bonds	(330,696)	0	0	(513,454)	0
Principal Paid on OWDA Loans	(1,480,365)	0	(182,197)	0	0
Principal Paid on OPWC Loans	(114,288)	0	0	(21,787)	0
Interest Paid on Bond Anticipation Notes	(14,147)	(265)	0	(30,696)	0
Interest Paid on General Obligation Bonds	(313,560)	0	(6,344)	(367,221)	(143,669)
Interest Paid on OWDA Loans	(232,328)	0	(22,877)	0	0
Bond Anticipation Notes Issued	2,795,000	40,000	0	2,845,000	0
Acquisition of Capital Assets	(771,582)	0	0	(502,861)	0
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(490,880)</u>	<u>39,735</u>	<u>(211,418)</u>	<u>592,067</u>	<u>(143,669)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,516,216	37,299	491	117,779	(44,537)
Cash and Cash Equivalents Beginning of Year	<u>3,316,552</u>	<u>2,737</u>	<u>0</u>	<u>1,440,419</u>	<u>198,632</u>
Cash and Cash Equivalents End of Year	<u>\$5,832,768</u>	<u>\$40,036</u>	<u>\$491</u>	<u>\$1,558,198</u>	<u>\$154,095</u>

<u>Total Enterprise</u>	<u>Governmental Activities</u>
	<u>Internal Service</u>
\$9,514,787	\$1,042,686
(3,500,854)	(301,007)
(1,761,153)	(50,990)
(1,816,443)	(615,757)
179,127	6,813
(733)	0
<u>2,614,731</u>	<u>81,745</u>
218,071	0
13,111	0
(4,500)	0
<u>226,682</u>	<u>0</u>
184,172	0
(1,030,000)	0
(844,150)	(48,750)
(1,662,562)	0
(136,075)	0
(45,108)	0
(830,794)	(40,506)
(255,205)	0
5,680,000	0
(1,274,443)	0
<u>(214,165)</u>	<u>(89,256)</u>
2,627,248	(7,511)
<u>4,958,340</u>	<u>77,586</u>
<u>\$7,585,588</u>	<u>\$70,075</u>

(continued)

City of Marion
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013
(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)	\$1,035,170	\$282,797	\$585,722	(\$932,459)	(\$165,519)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	1,970,679	48,568	0	507,253	68,245
Provision for Uncollectible Accounts	0	(305,600)	0	0	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	193,925	(4,457)	0	120,217	2,981
Increase in Due from Other Governments	0	0	0	0	0
(Increase) Decrease in Interfund Receivable	291	0	0	0	0
(Increase) Decrease in Prepaid Items	(1,101)	2,499	(55)	587	(990)
(Increase) Decrease in Materials and Supplies Inventory	496	165	0	170	(342)
Increase (Decrease) in Accrued Wages Payable	14,433	10,248	0	4,037	(2,164)
Increase (Decrease) in Accounts Payable	(23,361)	8,813	(878)	3,261	(2,211)
Decrease in Contracts Payable	(192,119)	0	(10,697)	(162,580)	0
Increase (Decrease) in Due to Other Governments	189	(6,309)	0	(1,735)	815
Decrease in Retainage Payable	(11,235)	0	0	(7,500)	0
Increase (Decrease) Interfund Payable	(213)	10,043	(241,121)	(122)	0
Increase (Decrease) in Compensated Absences Payable	19,942	(49,203)	0	(5,417)	(28,365)
Decrease in Postclosure Costs Payable	0	0	(121,062)	0	0
Net Cash Provided by (Used for) Operating Activities	<u>\$3,007,096</u>	<u>(\$2,436)</u>	<u>\$211,909</u>	<u>(\$474,288)</u>	<u>(\$127,550)</u>

Non-Cash Capital Financing Activities

During 2013, the Sewer enterprise fund purchased capital assets and donated them to governmental funds, in the amount of \$30,092.

During 2013, the Storm Water enterprise fund purchased capital assets and donated them to governmental funds, in the amount of \$15,092.

At December 31, 2013, the Sewer enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$2,269.

At December 31, 2013, the Storm Water enterprise fund had a receivable related to the acquisition of capital assets, in the amount of \$2,707.

See Accompanying Notes to the Basic Financial Statements

<u>Total Enterprise</u>	<u>Governmental Activities</u>
	<u>Internal Service</u>
805,711	\$20,947
2,594,745	44,711
(305,600)	0
312,666	7,760
0	(12,623)
291	(24,997)
940	1,627
489	(14,613)
26,554	3,160
(14,376)	53,904
(365,396)	0
(7,040)	(798)
(18,735)	0
(231,413)	0
(63,043)	2,667
<u>(121,062)</u>	<u>0</u>
<u>\$2,614,731</u>	<u>\$81,745</u>

City of Marion
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$54,820
Cash and Cash Equivalents in Segregated Accounts	<u>61,772</u>
Total Assets	<u><u>\$116,592</u></u>
<u>Liabilities</u>	
Undistributed Assets	<u><u>\$116,592</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 2013.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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.

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2013. 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2013.

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, 2013, but which were levied to finance 2014 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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".

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2013, investments included negotiable certificates of deposit, federal agency securities, and mutual funds. Investments are reported at fair value, which 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 2013 was \$103,606, which includes \$92,310 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, 2013, 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.

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 2013.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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".

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

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 from other funds.

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

A. Change in Accounting Principles

For 2013, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus". GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change to the City financial statements.

B. Restatement of Fund Balance

In the prior year, the City overstated the liability for construction retainage. The restatement had the following effect on fund balance as previously reported.

	General	Street Construction, Maintenance, and Repair	Other Governmental	Total Governmental Funds
Fund Balance (Deficit) at December 31, 2012	(\$562,167)	\$1,519,464	\$2,104,368	\$3,061,665
Retainage Payable	0	0	227,804	227,804
Adjusted Fund Balance (Deficit) at December 31, 2012	(\$562,167)	\$1,519,464	\$2,332,172	\$3,289,469

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2013, the following funds had a deficit fund balance/net position:

Fund Type/Fund	Deficit
Nonmajor Special Revenue Funds	
School Resource Officer	\$864
Police and Fire Pension	5,169
COPS Grant	9,169
Police, Dispatch, and Fire Income Tax	1,131,129
Marion Area Transit	42,166
Nonmajor Capital Projects Funds	
CDBG	7,131
Airport Improvement	38,691
Enterprise Funds	
Landfill	2,262,320
Aquatics Center	386,092

The deficit fund balances in the special revenue and capital project funds resulted from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit net position in the Landfill enterprise fund resulted from the requirement to report future postclosure costs. The City is setting aside resources to pay these future costs as they come due. The deficit net position in the Aquatics Center enterprise fund is due to the facility not generating enough revenue to cover the cost of its operation. The facility has only been operational for a year and a half.

B. Compliance

For the year ended December 31, 2013, the MMC Assistance special revenue fund and the Bond Retirement debt service fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$36,276 and \$10,000, respectively. The Auditor will review appropriations to ensure they are within amounts available.

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2013.

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
General Government - Other			
Auditor			
Personal Services	\$302,410	\$302,468	\$58

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE (continued)

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund (continued)			
General Government - Other (continued)			
Other General Government			
Contractual Services	\$106,686	\$106,793	\$107
Capital Projects Fund			
Tax Incremental Financing			
Debt Service			
Principal Retirement	81,195	87,605	6,410
Enterprise Funds			
Sewer			
Sewer			
Contractual Services	657,382	660,277	2,895
Sewer Improvement			
Capital Outlay	573,548	617,741	44,193
Storm Water			
Storm Water Utility			
Contractual Services	88,847	89,685	838
Storm Water			
Capital Outlay	45,365	98,086	52,721

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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
GAAP Basis	\$1,939,025	\$691,856
<u>Increases (Decreases) Due To</u>		
Revenue Accruals:		
Accrued 2012, Received in Cash 2013	1,274,343	138,370
Accrued 2013, Not Yet Received in Cash	(1,849,789)	545,499
Expenditure Accruals:		
Accrued 2012, Paid in Cash 2013	(1,592,610)	(315,920)
Accrued 2013, Not Yet Paid in Cash	491,806	257,138
Cash Adjustments:		
Unrecorded Activity 2012	(235,265)	0
Unrecorded Activity 2013	220,580	0
Prepaid Items	(22,052)	2,136
Materials and Supplies Inventory	279	665
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses into Financial Statement Fund Types	(39,940)	0
Advances In	34,000	0
Transfers In	0	(705,744)
Transfer Out	848,669	0
Bond Anticipation Notes Issued	0	200,000
Budget Basis	\$1,069,046	\$814,000

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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;
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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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, \$433,401 of the City's bank balance of \$3,188,710 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.

Investments

As of December 31, 2013, the City had the following investments:

	Fair Value	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Negotiable Certificates of Deposit	\$3,673,946	\$0	\$997,785	\$504,683	\$2,171,478
Federal Farm Credit Bank Notes	976,800	0	0	0	976,800
Federal Home Loan Bank Notes	969,210	0	0	0	969,210
Federal Home Loan Mortgage Corporation Notes	594,315	0	0	0	594,315
Federal National Mortgage Association Notes	499,130	0	0	0	499,130
Federal National Mortgage Association Bonds	246,720	0	0	0	246,720
Mutual Funds	3,727,169	3,727,169	0	0	0
	<u>\$10,687,290</u>	<u>\$3,727,169</u>	<u>\$997,785</u>	<u>\$504,683</u>	<u>\$5,457,653</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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. The mutual funds carry a rating of AA by Moody's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$3,673,946	34.38%
Federal Farm Credit Bank	976,800	9.14
Federal Home Loan Bank	969,210	9.07
Federal Home Loan Credit Bank	594,315	5.56
Federal National Mortgage Association	745,850	6.98

NOTE 7 - RECEIVABLES

Receivables at December 31, 2013, 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 \$918,408 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 thirty years. A summary of the changes in notes receivable during 2013 follows:

	Balance December 31, 2012	New Loans	Repayments	Balance December 31, 2013
Special Revenue Fund				
CDBG Revolving Loan	\$703,835	\$0	\$4,129	\$699,706
Debt Service Fund				
Harding Centre Loan	268,176	0	13,594	254,582
	<u>\$972,011</u>	<u>\$0</u>	<u>\$17,723</u>	<u>\$954,288</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 7 - RECEIVABLES (continued)

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

	Sewer	Sanitation	Storm Water	Total Enterprise Funds
Accounts Receivable	\$2,536,656	\$3,817,426	\$633,814	\$6,987,896
Less Allowance for Uncollectibles	0	(147,599)	0	(147,599)
Net Accounts Receivable	\$2,536,656	\$3,669,827	\$633,814	\$6,840,297

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$83,357
Local Government	350,092
Cigarette Tax	772
Estate Tax	266,797
Bullet Proof Vest Grant	9,250
Overtime Grant	18,068
Marion County Auditor	836
Total General Fund	729,172
Street Construction, Maintenance, and Repair	
Gasoline Tax	488,418
Motor Vehicle License Tax	122,250
Total Street Construction, Maintenance, and Repair	610,668
Total Major Funds	1,339,840
Nonmajor Funds	
Senior Citizens	
Ohio District 5 Area on Aging	6,958
State Highway	
Gasoline Tax	39,602
School Resource Officer	
School Resource Officer	8,765
Community Corrections	
Community Based Corrections	83,695
Police and Fire Pension	
Homestead and Rollback	15,108
Tangible Personal Property Tax	843
Total Police and Fire Pension	15,951

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
SAFER Grant	
SAFER Grant	\$133,602
Marion Area Transit	
Rural Transit Grant	458
Capital Improvements	
Department of Justice Grant	8,843
Total Nonmajor Funds	297,874
Internal Service	
Marion Township	909
Marion City School District	11,714
Total Internal Service	12,623
Total Governmental Activities	\$1,650,337
 Business-Type Activities	
Sewer	
Ohio Public Works Commission	\$19,834
Storm Water	
Ohio Public Works Commission	23,662
Total Business-Type Activities	\$43,496

NOTE 8 - MUNICIPAL INCOME TAXES

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

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2013 represent the collection of 2012 taxes. Real property taxes received in 2013 were levied after October 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 9 - PROPERTY TAXES (continued)

Public utility property tax revenues received in 2013 represent the collection of 2012 taxes. Public utility real and tangible personal property taxes received in 2013 became a lien on December 31, 2011, were levied after October 1, 2012, 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, 2013, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2013, was \$4.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Agricultural/Residential	\$271,196,890
Commercial/Industrial	75,958,200
Public Utility Real	155,630
Public Utility Personal	23,688,270
Total	<u>\$370,998,990</u>

NOTE 10 - PAYMENT IN LIEU OF TAXES

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$8,703,039	\$0	\$0	\$8,703,039
Construction in Progress	986,987	172,051	(1,065,744)	93,294
Total Nondepreciable Capital Assets	<u>9,690,026</u>	<u>172,051</u>	<u>(1,065,744)</u>	<u>8,796,333</u>
Depreciable Capital Assets				
Land Improvements	2,216,414	60,205	0	2,276,619
Buildings and Building Improvements	25,749,201	357,072	0	26,106,273
Equipment	2,472,435	0	0	2,472,435
Vehicles	4,866,072	0	(58,275)	4,807,797
Streets	138,096,024	1,031,728	(681,567)	138,446,185
Total Depreciable Capital Assets	<u>173,400,146</u>	<u>1,449,005</u>	<u>(739,842)</u>	<u>174,109,309</u>
Less Accumulated Depreciation for				
Land Improvements	(269,388)	(107,571)	0	(376,959)
Buildings and Building Improvements	(5,280,299)	(385,320)	0	(5,665,619)
Equipment	(1,252,148)	(160,933)	0	(1,413,081)
Vehicles	(2,356,164)	(257,685)	58,275	(2,555,574)
Streets	(105,592,613)	(3,834,499)	586,525	(108,840,587)
Total Accumulated Depreciation	<u>(114,750,612)</u>	<u>(4,746,008)</u>	<u>644,800</u>	<u>(118,851,820)</u>
Total Depreciable Capital Assets, Net	<u>58,649,534</u>	<u>(3,297,003)</u>	<u>(95,042)</u>	<u>55,257,489</u>
Governmental Activities Capital Assets, Net	<u>\$68,339,560</u>	<u>(\$3,124,952)</u>	<u>(\$1,160,786)</u>	<u>\$64,053,822</u>

During 2013, governmental funds accepted contributions of capital assets from business-type activities, in the amount of \$45,184.

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$699,886	\$0	\$0	\$699,886
Construction in Progress	1,195,893	1,205,819	(1,195,150)	1,206,562
Total Nondepreciable Capital Assets	<u>1,895,779</u>	<u>1,205,819</u>	<u>(1,195,150)</u>	<u>1,906,448</u>

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 11 - CAPITAL ASSETS (continued)

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Business-Type Activities (continued):				
Depreciable Capital Assets				
Land Improvements	\$96,191	\$0	\$0	\$96,191
Buildings	27,489,025	0	0	27,489,025
Equipment	4,614,642	19,155	0	4,633,797
Vehicles	1,494,039	311,176	0	1,805,215
Sewer and Storm Water Lines	39,929,700	1,149,966	(31,143)	41,048,523
Total Depreciable Capital Assets	<u>73,623,597</u>	<u>1,480,297</u>	<u>(31,143)</u>	<u>75,072,751</u>
Less Accumulated Depreciation for				
Land Improvements	(61,568)	(3,848)	0	(65,416)
Buildings	(11,399,842)	(1,647,400)	0	(13,047,242)
Equipment	(3,025,706)	(170,228)	0	(3,195,934)
Vehicles	(1,057,649)	(71,320)	0	(1,128,969)
Sewer and Storm Water Lines	(15,313,153)	(701,949)	31,143	(15,983,959)
Total Accumulated Depreciation	<u>(30,857,918)</u>	<u>(2,594,745)</u>	<u>31,143</u>	<u>(33,421,520)</u>
Total Depreciable Capital Assets, Net	<u>42,765,679</u>	<u>(1,114,448)</u>	<u>0</u>	<u>41,651,231</u>
Business-Type Activities Capital Assets, Net	<u>\$44,661,458</u>	<u>\$91,371</u>	<u>(\$1,195,150)</u>	<u>\$43,557,679</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$99,131
Security of Persons and Property - Fire	82,817
Public Health	335
Leisure Time Activities	52,043
Transportation - Transit	67,525
Transportation - Other	4,073,787
General Government - Court	9,922
General Government - Other	360,448
Total Depreciation Expense - Governmental Activities	<u>\$4,746,008</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at December 31, 2013, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Other Governmental	\$330,249
Due to Street Construction, Maintenance, and Repair Fund from:	
General	\$1,086,830
Due to Other Governmental Funds from:	
General	\$262,193
Due to Sewer Fund from:	
General	\$377
Other Governmental	176
Total Sewer Fund	\$553
Due to Internal Service Fund from:	
General	\$3,436
Street Construction, Maintenance, and Repair	27,256
Other Governmental	44,661
Sewer	576
Sanitation	31,816
Storm Water	207
Total Internal Service Fund	\$107,952

The balance due to the General Fund consists of loans made to provide working capital for operations or projects. Of this amount, \$217,600 will not be received within one year.

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

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

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

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 13 - RISK MANAGEMENT

The City participates in the Ohio Municipal Joint Self-Insurance Pool, a public entity shared risk pool. The City pays an annual premium to the pool for various types of insurance coverage. Member municipalities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal. During 2013, the City had the following insurance coverage:

Type of Coverage	Coverage	Deductible
Property	\$56,315,479	\$1,000
General Liability		
Aggregate	5,000,000	5,000
Law Enforcement Liability	5,000,000	5,000
Emergency Medical Services Liability	5,000,000	5,000
Employee Benefits Liability	1,000,000	5,000
Automobile Liability	5,000,000	0
Uninsured Motorists	40,000	0

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

For 2013, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS

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.

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, 2013, members in state and local classifications contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 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 1 percent for 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care increased to 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, 2013, 2012, and 2011 was \$1,187,296, \$987,383, and \$1,040,113, respectively. For 2013, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the member-directed plan for 2013 were \$23,495 made by the City and \$16,782 made by the plan members.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, 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 January 1, 2013, through May 31, 2013, the portion of the City's contribution used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of the City's contribution used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$703,887 and \$742,151 for the year ended December 31, 2013, \$564,630 and \$574,932 for the year ended December 31, 2012, and \$724,040 and \$654,610 for the year ended December 31, 2011. For 2013, 82 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 2012 and 2011.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care 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.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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 2013, 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 1 percent in 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care was raised to 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.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2013, 2012, and 2011 was \$63,695, \$251,980, and \$263,055, respectively. For 2013, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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 recent 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.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing, multiple-employer defined 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.

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 January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan 2.85 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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$104,404 and \$101,735 for the year ended December 31, 2013, \$179,353 and \$191,644 for the year ended December 31, 2012, and \$229,989 and \$207,935 for the year ended December 31, 2011. For 2013, 82 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 2012 and 2011.

NOTE 16 - OTHER EMPLOYEE BENEFITS

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

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

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

NOTE 17 - NOTES PAYABLE

The changes in the City's notes payable during 2013 were as follows:

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
<u>Governmental Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2012 Various Purpose	2.00%	\$300,000	\$0	\$300,000	\$0
2013 Various Purpose	1.75	0	500,000	0	500,000
Total Governmental Activities		<u>\$300,000</u>	<u>\$500,000</u>	<u>\$300,000</u>	<u>\$500,000</u>
<u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
2012 Various Purpose	2.00%	\$1,030,000	\$0	\$1,030,000	\$0
2013 Various Purpose	1.75	0	5,680,000	0	5,680,000
Total Business-Type Activities		<u>\$1,030,000</u>	<u>\$5,680,000</u>	<u>\$1,030,000</u>	<u>\$5,680,000</u>

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 17 - NOTES PAYABLE (continued)

On September 12, 2012, the City issued \$1,330,000 in bond anticipation notes; \$300,000 for City Hall improvements, \$115,000 for sewer improvements, and \$915,000 for storm water improvements. The notes matured on September 12, 2013.

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 mature on September 11, 2014. As of December 31, 2013, \$200,000 of the proceeds had been spent on items which were not capitalized and \$5,680,000 had not been spent.

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2010 Police and Fire Pension Refunding (Original Amount \$794,300)	2-4.3%	\$603,200	\$0	\$68,900	\$534,300	\$70,200
2010 Street Improvement (Original Amount \$1,598,850)	2-4.3	1,399,200	0	59,400	1,339,800	59,400
2010 Computer Equipment (Original Amount \$775,200)	2-4.3	678,400	0	28,800	649,600	28,800
2010 City Hall Roof (Original Amount \$110,000)	2-3.75	100,000	0	5,000	95,000	5,000
2010 Generator (Original Amount \$225,000)	2-3.75	205,000	0	10,000	195,000	10,000
2010 Fire Truck (Original Amount \$320,000)	2-3.75	260,000	0	30,000	230,000	30,000
2010 Police Records (Original Amount \$355,000)	2-3.75	290,000	0	35,000	255,000	35,000
2010 Central Garage (Original Amount \$1,376,250)	1.75-4	1,180,000	0	48,750	1,131,250	50,000
Total General Obligation Bonds		4,715,800	0	285,850	4,429,950	288,400

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u> (continued)						
Other Long-Term Obligations						
ODOT DRIP TIF						
(Original Amount \$2,105,884)	0.00%	\$528,859	\$0	\$81,195	\$447,664	\$83,855
OPWC Loan						
#CP10D Marion Williamsport Road Improvements						
(Original Amount \$128,202)	0.00	64,102	0	6,410	57,692	6,410
Capital Loans Payable	3.82	147,346	0	82,996	64,350	64,350
Compensated Absences Payable		4,192,481	177,065	360,620	4,008,926	439,153
Total Other Long-Term Obligations		4,932,788	177,065	531,221	4,578,632	593,768
Total Governmental Activities		\$9,648,588	\$177,065	\$817,071	\$9,008,582	\$882,168
	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose A						
(Original Amount \$7,786,650)	2-4.3%	\$6,199,200	\$0	\$552,900	\$5,646,300	\$561,600
2010 Various Purpose B						
(Original Amount \$7,183,750)	1.75-4	6,360,000	0	271,250	6,088,750	275,000
2012 Various Purpose						
(Original Amount \$11,235,000)	2-4	11,235,000	0	20,000	11,215,000	20,000
Total General Obligation Bonds		23,794,200	0	844,150	22,950,050	856,600
Other Long-Term Obligations						
OWDA Loans						
#2335 Solids Handling						
(Original Amount \$2,290,314)	4.56	572,489	0	154,457	418,032	161,581
#2336 Landfill Closure						
(Original Amount \$2,720,754)	4.35	570,969	0	182,197	388,772	190,209
#3397 WRRSP						
(Original Amount \$5,366,955)	1.50	2,883,615	0	269,359	2,614,256	273,415
#3398 WWTP Upgrade						
(Original Amount \$20,784,201)	1.50	11,310,844	0	1,056,549	10,254,295	1,072,456
Total OWDA Loans		15,337,917	0	1,662,562	13,675,355	1,697,661

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Business-Type Activities</u> (continued)						
OPWC Loans						
#CP06G Mary St Sanitary Sewer/Storm Water Replacement	0.00%	\$18,999	\$0	\$1,462	\$17,537	\$1,462
(Original Amount \$29,232)						
#CP10F Uncapher Ave/ Florence St Sanitary Sewer/ Storm Water Replacement	0.00	147,948	0	13,449	134,499	13,449
(Original Amount \$268,990)						
#CP16E Avondale Ave/ Catalina Dr Storm Water	0.00	56,611	0	5,960	50,651	5,960
(Original Amount \$119,185)						
#CP18A Industrial Depot Sanitary Sewer	0.00	20,955	0	10,478	10,477	10,477
(Original Amount \$157,168)						
#CP33E Water Pollution Control Upgrade	0.00	615,710	0	53,540	562,170	53,540
(Original Amount \$1,070,800)						
#CP522 Airport Industrial Park Sanitary Sewer	0.00	70,000	0	35,000	35,000	35,000
(Original Amount \$700,000)						
#CP14L Franconia Avenue Sanitary Sewer and Storm Water Replacement	0.00	102,436	0	3,594	98,842	3,594
(Original Amount \$107,827)						
#CP05K Oakgrove and Waterloo Sanitary Sewer and Storm Water Replacement	0.00	195,316	0	10,558	184,758	10,558
(Original Amount \$211,153)						
#CP04M Woodrow and Henry Sanitary Sewer and Storm Water Replacement	0.00	58,959	0	2,034	56,925	2,034
(Original Amount \$60,993)						
#CP04N Milburn Sewer and Sanitary Sewer Replacement	0.00	0	38,520	0	38,520	0
(Original Amount \$38,520)						
Total OPWC Loans		1,286,934	38,520	136,075	1,189,379	136,074
Compensated Absences Payable		506,963	0	63,043	443,920	90,839
Postclosure Costs Payable		1,977,139	0	121,062	1,856,077	125,749
Total Other Long-Term Obligations		2,484,102	0	184,105	2,299,997	216,588
Total Business-Type Activities		\$42,903,153	\$38,520	\$2,826,892	\$40,114,781	\$2,906,923

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds

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

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

As of December 31, 2013, all of the proceeds had been spent and \$341,040 was spent on items which were not capitalized.

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

Year	Amount
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:

Year	Amount
2023	\$240,000

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

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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:

Year	Amount
2025	\$260,000

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

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

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.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

As of December 31, 2013, the City had unspent proceeds of \$1,153,438 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:

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

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

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

Year	Amount
2031	\$970,000
2032	1,105,000

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

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 is paying the loan in equal quarterly payments over the ten-year life of the loan which will mature in 2014. The loan is being repaid from resources of the Capital Improvements capital projects fund.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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, and Storm Water 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.

OWDA monies spent on items which were not capitalized were \$2,614,256 in the Sewer enterprise fund and \$338,772 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 a portion of the 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 \$13,675,355 and \$986,689, respectively, and total principal to be paid on the OPWC loans (on completed projects for which amortization schedules are available) is \$1,150,859. Principal and interest paid in the Sewer enterprise fund for the current year was \$1,594,653 and \$232,328, \$182,197 and \$22,877 in the Landfill enterprise fund, and \$21,787 in the Storm Water enterprise fund. Total net revenues for the Sewer enterprise fund was \$3,005,849 and 585,722 in the Landfill enterprise fund. For 2013, the Storm Water enterprise fund had a net operating loss.

The City's legal debt margin was \$33,960,594 at December 31, 2013.

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2013, were as follows:

Year	Governmental Activities			
	General Obligation Bonds		ODOT DRIP TIF	
	Principal	Interest	Principal	Interest
2014	\$288,400	\$152,575	\$83,855	\$12,624
2015	294,700	146,410	86,602	10,082
2016	302,200	139,698	89,440	7,457
2017	310,950	132,065	92,370	4,745
2018	318,500	123,434	95,397	1,945
2019-2023	1,253,800	466,756	0	0
2024-2028	1,133,900	252,337	0	0
2029-2030	527,500	33,212	0	0
	<u>\$4,429,950</u>	<u>\$1,446,487</u>	<u>\$447,664</u>	<u>\$36,853</u>

Year	OPWC		
	Loan	Capital Loans	
	Principal	Principal	Interest
2014	\$6,410	\$64,350	\$1,233
2015	6,410	0	0
2016	6,411	0	0
2017	6,410	0	0
2018	6,410	0	0
2019-2022	25,641	0	0
	<u>\$57,692</u>	<u>\$64,350</u>	<u>\$1,233</u>

The Milburn sewer and sanitary sewer replacement project funded by an OPWC loan has not been completed. An amortization schedule for the repayment of the loan will not be available until the project is completed and, therefore, is not included in the following schedule.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, from the enterprise funds were as follows:

Year	Business-Type Activities				
	General Obligation Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2014	\$856,600	\$813,311	\$1,697,661	\$220,107	\$136,074
2015	880,300	795,376	1,733,730	184,038	90,597
2016	907,800	774,862	1,474,122	149,160	90,597
2017	919,050	751,521	1,407,582	126,289	90,597
2018	946,500	725,625	1,428,775	105,096	90,597
2019-2023	5,526,200	3,124,462	5,933,485	201,999	444,037
2024-2028	6,776,100	2,038,964	0	0	110,618
2029-2033	6,137,500	678,224	0	0	54,536
2034-2038	0	0	0	0	28,145
2039-2041	0	0	0	0	15,061
	<u>\$22,950,050</u>	<u>\$9,702,345</u>	<u>\$13,675,355</u>	<u>\$986,689</u>	<u>\$1,150,859</u>

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 19 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1995. The \$1,856,077 reported as landfill postclosure costs at December 31, 2013, 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, 2013, liability decreased from the prior year by \$121,062.

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.

NOTE 20 - FUND BALANCE

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

Fund Balance	General	Street Construction, Maintenance, and Repair	Other Governmental
Nonspendable for:			
Interfund Loans	\$217,600	\$1,086,830	\$262,193
Materials and Supplies Inventory	26,347	138,441	490
Prepaid Items	54,225	3,600	2,310
Total Nonspendable	<u>298,172</u>	<u>1,228,871</u>	<u>264,993</u>
Restricted for:			
Court Operations	0	0	528,100
Debt Retirement	0	0	1,283,255
Economic Development and Rehabilitation	0	0	788,510
Park Improvements	0	0	581
Police and Fire Operations	0	0	202,124
Railroad Crossing Improvements	0	0	56,125
Senior Citizen Activities	0	0	206,005
Street Maintenance and Construction	0	982,449	153,137
Youth Activities	0	0	5,443
Total Restricted	<u>0</u>	<u>982,449</u>	<u>3,223,280</u>

(continued)

City of Marion
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 20 - FUND BALANCE (continued)

Fund Balance	General	Street Construction, Maintenance, and Repair	Other Governmental
Committed for:			
Debt Retirement	\$0	\$0	\$5,110
Termination Benefits	1,416	0	0
Total Committed	1,416	0	5,110
Assigned for:			
Airport Improvements	144,625	0	0
Parking Meters	2,356	0	0
Recreation	1,474	0	0
Safety Patrol	395	0	0
Softball Field Improvements	23,976	0	0
Underground Storage Tank	11,000	0	0
Wellness	27,510	0	0
Total Assigned	211,336	0	0
Unassigned (Deficit)	865,934	0	(1,491,256)
Total Fund Balance	\$1,376,858	\$2,211,320	\$2,002,127

NOTE 21 - INTERFUND TRANSFERS

During 2013, the General Fund made transfers to the Street Construction, Maintenance, and Repair special revenue fund and other governmental funds, in the amount of \$705,744 and \$254,797, respectively, to subsidize operations in those funds.

Other governmental funds made transfers to the General Fund, in the amount of \$37,149, as authorized by the Municipal Court judge to pay for police related expenditures; to other governmental funds, in the amount of \$351,739, to subsidize activities in those funds; and to the Aquatics Center enterprise fund, in the amount of \$13,111, to subsidize operations of the facility.

The Aquatics Center enterprise fund made transfers to other governmental funds, in the amount of \$4,500, to reimburse those funds for expenditures made on behalf of the Aquatics Center.

NOTE 22 - INSURANCE POOLS

A. Ohio Municipal Joint Self-Insurance Pool

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

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

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

NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS

A. Marion County General Health District

The City participates in the Marion County General Health District, a jointly governed organization created according to the provisions of Ohio Revised Code Section 3709.07. The General Health District is governed by a Board of Health consisting of three members representing the City of Marion and appointed by the Mayor, three members representing Marion County and appointed by the District Advisory Council, and one member appointed by the Health District Licensing Council. Each participant's ability to influence the operations of the Health District is limited to its representation on the Board. During 2013, 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.

NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Marion Port Authority

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

NOTE 24 - CONTINGENT LIABILITIES

A. Litigation

There are currently no material matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2013, to December 31, 2013, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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**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:

American Recovery and Reinvestment Act (ARRA)

To account for grants received under the American Recovery and Reinvestment Act restricted to eligible expenditures as outlined in the grants.

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.

Violence Against Women

To account for resources received from Ohio Office of Criminal Justice Services restricted to providing domestic violence shelters, victim response teams, and victim advocacy and outreach services. For 2013, nothing was budgeted for this fund; therefore, no budgetary statement is presented.

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.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Community Corrections

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

Indigent Alcohol Monitoring

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

Probation Services

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

Enforcement and Education

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

Indigent Alcohol Driver

To account for fines 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 both the current pension contribution and the long-term accounting liability for police and fire.

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.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

SAFER Grant

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

Police, Dispatch, and Fire Income Tax

To account for a voted .875 percent income tax levy restricted to subsidizing operations of the police, dispatch, and fire departments. For 2013, nothing was budgeted for this fund; therefore, no budgetary statement is presented.

Community Distress

To account for state grants restricted for demolition/cleaning of sidewalks, streets, and sanitary projects in “distressed/rundown” areas of the City.

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.

Revolving Loans

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

Neighborhood Stabilization

To account for grants restricted for community development.

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.

(continued)

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 restricted for capital improvements.

Quarry Park

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

Busby Downtown Park

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

Airport Improvement

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

Street Improvement

To account for grants restricted for improving streets.

City of Marion
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	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	\$1,130,898	\$4,128	\$1,494,699	\$2,629,725
Accounts Receivable	1,889	0	0	1,889
Due from Other Governments	289,031	0	8,843	297,874
Municipal Income Taxes Receivable	1,396,953	0	63,497	1,460,450
Interfund Receivable	0	0	262,193	262,193
Prepaid Items	2,310	0	0	2,310
Materials and Supplies Inventory	490	0	0	490
Property Taxes Receivable	231,261	0	0	231,261
Payment in Lieu of Taxes Receivable	0	0	361,930	361,930
Notes Receivable	699,706	254,582	0	954,288
Total Assets	\$3,752,538	\$258,710	\$2,191,162	\$6,202,410
<u>Liabilities</u>				
Accrued Wages Payable	\$404,991	\$0	\$0	\$404,991
Accounts Payable	1,081,364	0	80,110	1,161,474
Contracts Payable	0	0	80,574	80,574
Due to Other Governments	343,445	0	0	343,445
Retainage Payable	551	0	8,136	8,687
Matured Compensated Absences Payable	8,444	0	0	8,444
Interfund Payable	52,837	253,600	68,649	375,086
Accrued Interest Payable	0	0	1,582	1,582
Notes Payable	0	0	300,000	300,000
Total Liabilities	1,891,632	253,600	539,051	2,684,283
<u>Deferred Inflows of Resources</u>				
Property Taxes	180,279	0	0	180,279
Payment in Lieu of Taxes	0	0	361,930	361,930
Unavailable Revenue	929,680	0	44,111	973,791
Total Deferred Inflows of Resources	1,109,959	0	406,041	1,516,000
<u>Fund Balance</u>				
Nonspendable	2,800	0	262,193	264,993
Restricted	1,939,444	0	1,283,836	3,223,280
Committed	0	5,110	0	5,110
Unassigned (Deficit)	(1,191,297)	0	(299,959)	(1,491,256)
Total Fund Balance	750,947	5,110	1,246,070	2,002,127
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$3,752,538	\$258,710	\$2,191,162	\$6,202,410

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Senior Citizens	State Highway	MMC Assistance	Court Computerization
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$215,510	\$146,416	\$92,454	\$80,737
Accounts Receivable	0	0	0	0
Due from Other Governments	6,958	39,602	0	0
Municipal Income Taxes Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	0
Total Assets	<u>\$222,468</u>	<u>\$186,018</u>	<u>\$92,454</u>	<u>\$80,737</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$3,360	\$0	\$0	\$0
Accounts Payable	997	0	3,173	0
Due to Other Governments	760	0	0	0
Retainage Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	8,000	0	0	0
Total Liabilities	<u>13,117</u>	<u>0</u>	<u>3,173</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	3,346	32,881	0	0
Total Deferred Inflows of Resources	<u>3,346</u>	<u>32,881</u>	<u>0</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	206,005	153,137	89,281	80,737
Unassigned (Deficit)	0	0	0	0
Total Fund Balance (Deficit)	<u>206,005</u>	<u>153,137</u>	<u>89,281</u>	<u>80,737</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$222,468</u>	<u>\$186,018</u>	<u>\$92,454</u>	<u>\$80,737</u>

Police Continuing Training	School Resource Officer	Community Corrections	Indigent Alcohol Monitoring	Probation Services	Enforcement and Education
\$11,331	\$3,908	\$404	\$43,581	\$133,880	\$9,562
0	0	0	0	0	0
0	8,765	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	0	0
0	0	0	0	0	0
<u>\$11,331</u>	<u>\$12,673</u>	<u>\$84,099</u>	<u>\$43,581</u>	<u>\$133,880</u>	<u>\$9,562</u>
\$0	\$2,733	\$8,564	\$0	\$1,905	\$0
0	0	0	337	0	0
0	2,039	8,973	0	891	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	4,772	17,537	337	2,796	0
0	0	0	0	0	0
0	8,765	41,848	0	0	0
0	8,765	41,848	0	0	0
0	0	0	0	0	0
11,331	0	24,714	43,244	131,084	9,562
0	(864)	0	0	0	0
<u>11,331</u>	<u>(864)</u>	<u>24,714</u>	<u>43,244</u>	<u>131,084</u>	<u>9,562</u>
<u>\$11,331</u>	<u>\$12,673</u>	<u>\$84,099</u>	<u>\$43,581</u>	<u>\$133,880</u>	<u>\$9,562</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013
(continued)

	Indigent Alcohol Driver	Railroad Grade Crossing Improvement	Special Project Treatment Court	Police and Fire Pension
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$149,000	\$56,125	\$16,932	\$0
Accounts Receivable	0	0	0	0
Due from Other Governments	0	0	0	15,951
Other Local Taxes Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	231,261
Notes Receivable	0	0	0	0
Total Assets	<u>\$149,000</u>	<u>\$56,125</u>	<u>\$16,932</u>	<u>\$247,212</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$0	\$0
Accounts Payable	6,892	0	0	0
Due to Other Governments	0	0	0	5,169
Retainage Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	0	0
Total Liabilities	<u>6,892</u>	<u>0</u>	<u>0</u>	<u>5,169</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	180,279
Unavailable Revenue	0	0	0	66,933
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>247,212</u>
<u>Fund Balance</u>				
Nonspendable	0	0	0	0
Restricted	142,108	56,125	16,932	0
Unassigned (Deficit)	0	0	0	(5,169)
Total Fund Balance (Deficit)	<u>142,108</u>	<u>56,125</u>	<u>16,932</u>	<u>(5,169)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$149,000</u>	<u>\$56,125</u>	<u>\$16,932</u>	<u>\$247,212</u>

COPS Grant	Marion Land Bank Program	SAFER Grant	Police, Dispatch, and Fire Income Tax	Revolving Loans	Marion Area Transit
\$0	\$6,641	\$0	\$0	\$81,714	\$29,631
0	1,000	0	0	0	889
0	0	133,602	0	0	458
0	0	0	1,396,953	0	0
0	0	0	0	0	2,310
0	0	0	0	0	490
0	0	0	0	0	0
0	0	0	0	699,706	0
<u>\$0</u>	<u>\$7,641</u>	<u>\$133,602</u>	<u>\$1,396,953</u>	<u>\$781,420</u>	<u>\$33,778</u>
\$0	\$0	\$0	\$364,670	\$0	\$23,759
0	0	0	1,064,162	0	5,803
9,169	0	0	294,355	0	22,089
0	0	0	0	551	0
0	0	0	8,444	0	0
0	0	0	20,544	0	24,293
<u>9,169</u>	<u>0</u>	<u>0</u>	<u>1,752,175</u>	<u>551</u>	<u>75,944</u>
0	0	0	0	0	0
0	0	0	775,907	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>775,907</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	2,800
0	7,641	133,602	0	780,869	0
(9,169)	0	0	(1,131,129)	0	(44,966)
<u>(9,169)</u>	<u>7,641</u>	<u>133,602</u>	<u>(1,131,129)</u>	<u>780,869</u>	<u>(42,166)</u>
<u>\$0</u>	<u>\$7,641</u>	<u>\$133,602</u>	<u>\$1,396,953</u>	<u>\$781,420</u>	<u>\$33,778</u>

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013
(continued)

	Youth Recreation	Law Enforcement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,443	\$47,629	\$1,130,898
Accounts Receivable	0	0	1,889
Due from Other Governments	0	0	289,031
Other Local Taxes Receivable	0	0	1,396,953
Prepaid Items	0	0	2,310
Materials and Supplies Inventory	0	0	490
Property Taxes Receivable	0	0	231,261
Notes Receivable	0	0	699,706
Total Assets	<u>\$5,443</u>	<u>\$47,629</u>	<u>\$3,752,538</u>
<u>Liabilities</u>			
Accrued Wages Payable	\$0	\$0	\$404,991
Accounts Payable	0	0	1,081,364
Due to Other Governments	0	0	343,445
Retainage Payable	0	0	551
Matured Compensated Absences Payable	0	0	8,444
Interfund Payable	0	0	52,837
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,891,632</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	0	180,279
Unavailable Revenue	0	0	929,680
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>1,109,959</u>
<u>Fund Balance</u>			
Nonspendable	0	0	2,800
Restricted	5,443	47,629	1,939,444
Unassigned (Deficit)	0	0	(1,191,297)
Total Fund Balance (Deficit)	<u>5,443</u>	<u>47,629</u>	<u>750,947</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$5,443</u>	<u>\$47,629</u>	<u>\$3,752,538</u>

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$30,710	\$1,283,255	\$94,885	\$909
Due from Other Governments	0	0	8,843	0
Municipal Income Taxes Receivable	0	0	63,497	0
Interfund Receivable	0	0	262,193	0
Payment in Lieu of Taxes Receivable	0	361,930	0	0
Total Assets	\$30,710	\$1,645,185	\$429,418	\$909
<u>Liabilities</u>				
Accounts Payable	\$940	\$0	\$75,669	\$0
Contracts Payable	31,376	0	0	0
Retainage Payable	5,525	0	0	0
Interfund Payable	0	0	0	782
Accrued Interest Payable	0	0	1,582	0
Notes Payable	0	0	300,000	0
Total Liabilities	37,841	0	377,251	782
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	361,930	0	0
Unavailable Revenue	0	0	44,111	0
Total Deferred Inflows of Resources	0	361,930	44,111	0
<u>Fund Balance</u>				
Nonspendable	0	0	262,193	0
Restricted	0	1,283,255	0	127
Unassigned (Deficit)	(7,131)	0	(254,137)	0
Total Fund Balance (Deficit)	(7,131)	1,283,255	8,056	127
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$30,710	\$1,645,185	\$429,418	\$909

(continued)

City of Marion
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013
(continued)

	Busby Downtown Park	Airport Improvement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$454	\$84,486	\$1,494,699
Due from Other Governments	0	0	8,843
Municipal Income Taxes Receivable	0	0	63,497
Interfund Receivable	0	0	262,193
Payment in Lieu of Taxes Receivable	0	0	361,930
Total Assets	\$454	\$84,486	\$2,191,162
<u>Liabilities</u>			
Accounts Payable	\$0	\$3,501	\$80,110
Contracts Payable	0	49,198	80,574
Retainage Payable	0	2,611	8,136
Interfund Payable	0	67,867	68,649
Accrued Interest Payable	0	0	1,582
Notes Payable	0	0	300,000
Total Liabilities	0	123,177	539,051
<u>Deferred Inflows of Resources</u>			
Payment in Lieu of Taxes	0	0	361,930
Unavailable Revenue	0	0	44,111
Total Deferred Inflows of Resources	0	0	406,041
<u>Fund Balance</u>			
Nonspendable	0	0	262,193
Restricted	454	0	1,283,836
Unassigned (Deficit)	0	(38,691)	(299,959)
Total Fund Balance (Deficit)	454	(38,691)	1,246,070
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$454	\$84,486	\$2,191,162

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$190,752	\$0	\$0	\$190,752
Payment in Lieu of Taxes	0	0	339,296	339,296
Municipal Income Taxes	621,046	0	353,545	974,591
Charges for Services	116,148	0	0	116,148
Fines and Forfeitures	385,456	0	0	385,456
Intergovernmental	2,207,528	0	735,023	2,942,551
Interest	1,172	31,252	0	32,424
Other	204,707	0	56,479	261,186
Total Revenues	3,726,809	31,252	1,484,343	5,242,404
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,344,038	0	0	1,344,038
Fire	1,443,542	0	0	1,443,542
Leisure Time Activities	72,282	0	0	72,282
Community Environment	127,428	0	140,669	268,097
Transportation				
Transit	1,171,823	0	0	1,171,823
Other	0	0	108,122	108,122
General Government				
Court	372,107	0	0	372,107
Other	146,311	0	287,411	433,722
Debt Service:				
Principal Retirement	0	237,100	170,601	407,701
Interest and Fiscal Charges	0	131,647	28,405	160,052
Total Expenditures	4,677,531	368,747	735,208	5,781,486
Excess of Revenues Over (Under) Expenditures	(950,722)	(337,495)	749,135	(539,082)
<u>Other Financing Sources (Uses)</u>				
Transfers In	251,649	354,887	4,500	611,036
Transfers Out	(120,840)	0	(281,159)	(401,999)
Total Other Financing Sources (Uses)	130,809	354,887	(276,659)	209,037
Changes in Fund Balance	(819,913)	17,392	472,476	(330,045)
Fund Balance (Deficit) Beginning of Year	1,570,860	(12,282)	773,594	2,332,172
Fund Balance End of Year	\$750,947	\$5,110	\$1,246,070	\$2,002,127

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	ARRA	Senior Citizens	EMS Grant	Municipal Court Docket Specialist
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	159,833	112,821	0	0
Interest	0	337	0	0
Other	0	28,883	0	0
Total Revenues	159,833	142,041	0	0
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	0	443	0
Leisure Time Activities	0	72,282	0	0
Community Environment	0	0	0	0
Transportation				
Transit	209,367	0	0	0
General Government				
Court	0	0	0	14,359
Other	0	0	0	0
Total Expenditures	209,367	72,282	443	14,359
Excess of Revenues Over (Under) Expenditures	(49,534)	69,759	(443)	(14,359)
<u>Other Financing Sources (Uses)</u>				
Transfers In	1,086	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	1,086	0	0	0
Changes in Fund Balance	(48,448)	69,759	(443)	(14,359)
Fund Balance (Deficit) Beginning of Year	48,448	136,246	443	14,359
Fund Balance (Deficit) End of Year	\$0	\$206,005	\$0	\$0

State Highway	MMC Assistance	Court Computerization	Violence Against Women	Police Continuing Training	School Resource Officer
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	146,015	79,827	0	0	0
78,962	0	0	0	0	40,593
338	0	0	0	0	0
0	7,601	0	0	0	0
<u>79,300</u>	<u>153,616</u>	<u>79,827</u>	<u>0</u>	<u>0</u>	<u>40,593</u>
0	0	0	0	6,250	87,812
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	118,577	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>118,577</u>	<u>0</u>	<u>0</u>	<u>6,250</u>	<u>87,812</u>
<u>79,300</u>	<u>35,039</u>	<u>79,827</u>	<u>0</u>	<u>(6,250)</u>	<u>(47,219)</u>
0	0	0	20,000	0	74,474
0	(120,840)	0	0	0	0
<u>0</u>	<u>(120,840)</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>74,474</u>
79,300	(85,801)	79,827	20,000	(6,250)	27,255
<u>73,837</u>	<u>175,082</u>	<u>910</u>	<u>(20,000)</u>	<u>17,581</u>	<u>(28,119)</u>
<u>\$153,137</u>	<u>\$89,281</u>	<u>\$80,737</u>	<u>\$0</u>	<u>\$11,331</u>	<u>(\$864)</u>

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013
(continued)

	Community Corrections	Indigent Alcohol Monitoring	Probation Services	Enforcement and Education
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	28,318	92,069	908
Intergovernmental	167,389	0	0	0
Interest	0	0	0	0
Other	2,797	0	99	0
Total Revenues	<u>170,186</u>	<u>28,318</u>	<u>92,168</u>	<u>908</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	226,106	10,190	0	0
Other	0	0	60,883	0
Total Expenditures	<u>226,106</u>	<u>10,190</u>	<u>60,883</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(55,920)</u>	<u>18,128</u>	<u>31,285</u>	<u>908</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	78,955	0	19,736	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>78,955</u>	<u>0</u>	<u>19,736</u>	<u>0</u>
Changes in Fund Balance	23,035	18,128	51,021	908
Fund Balance (Deficit) Beginning of Year	<u>1,679</u>	<u>25,116</u>	<u>80,063</u>	<u>8,654</u>
Fund Balance (Deficit) End of Year	<u>\$24,714</u>	<u>\$43,244</u>	<u>\$131,084</u>	<u>\$9,562</u>

Indigent Alcohol Driver	Railroad Grade Crossing Improvement	Special Project Treatment Court	Police and Fire Pension	COPS Grant	Marion Land Bank Program
\$0	\$0	\$0	\$190,752	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
24,036	6,500	7,783	0	0	0
0	0	0	37,307	229,853	0
0	0	0	0	0	0
0	0	0	0	0	6,950
<u>24,036</u>	<u>6,500</u>	<u>7,783</u>	<u>228,059</u>	<u>229,853</u>	<u>6,950</u>
0	0	0	118,931	227,581	0
0	0	0	124,493	0	0
0	0	0	0	0	0
0	0	0	0	0	810
0	0	0	0	0	0
0	0	2,875	0	0	0
85,428	0	0	0	0	0
<u>85,428</u>	<u>0</u>	<u>2,875</u>	<u>243,424</u>	<u>227,581</u>	<u>810</u>
(61,392)	6,500	4,908	(15,365)	2,272	6,140
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(61,392)	6,500	4,908	(15,365)	2,272	6,140
203,500	49,625	12,024	10,196	(11,441)	1,501
<u>\$142,108</u>	<u>\$56,125</u>	<u>\$16,932</u>	<u>(\$5,169)</u>	<u>(\$9,169)</u>	<u>\$7,641</u>

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013
(continued)

	Clean Ohio Assistance	SAFER Grant	Police, Dispatch, and Fire Income Tax	Community Distress
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	621,046	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	109,655	571,857	0	0
Interest	0	0	0	0
Other	0	0	0	13,098
Total Revenues	109,655	571,857	621,046	13,098
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	863,114	0
Fire	0	429,545	889,061	0
Leisure Time Activities	0	0	0	0
Community Environment	39,037	0	0	38,973
Transportation				
Transit	0	0	0	0
General Government				
Court	0	0	0	0
Other	0	0	0	0
Total Expenditures	39,037	429,545	1,752,175	38,973
Excess of Revenues Over (Under) Expenditures	70,618	142,312	(1,131,129)	(25,875)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Changes in Fund Balance	70,618	142,312	(1,131,129)	(25,875)
Fund Balance (Deficit) Beginning of Year	(70,618)	(8,710)	0	25,875
Fund Balance (Deficit) End of Year	\$0	\$133,602	(\$1,131,129)	\$0

CHIP Grant	Revolving Loans	Neighborhood Stabilization	Marion Area Transit	Youth Recreation	Law Enforcement
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	150	0	115,998	0	0
0	0	0	0	0	0
0	0	0	699,258	0	0
0	497	0	0	0	0
0	16,761	0	71,036	0	57,482
0	17,408	0	886,292	0	57,482
0	0	0	0	0	40,350
0	0	0	0	0	0
0	0	0	0	0	0
17,929	16,826	13,853	0	0	0
0	0	0	962,456	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,929	16,826	13,853	962,456	0	40,350
(17,929)	582	(13,853)	(76,164)	0	17,132
0	0	0	57,398	0	0
0	0	0	0	0	0
0	0	0	57,398	0	0
(17,929)	582	(13,853)	(18,766)	0	17,132
17,929	780,287	13,853	(23,400)	5,443	30,497
\$0	\$780,869	\$0	(\$42,166)	\$5,443	\$47,629

(continued)

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013
(continued)

	Total
<u>Revenues</u>	
Property Taxes	\$190,752
Municipal Income Taxes	621,046
Charges for Services	116,148
Fines and Forfeitures	385,456
Intergovernmental	2,207,528
Interest	1,172
Other	204,707
	3,726,809
 <u>Expenditures</u>	
Current:	
Security of Persons and Property	
Police	1,344,038
Fire	1,443,542
Leisure Time Activities	72,282
Community Environment	127,428
Transportation	
Transit	1,171,823
General Government	
Court	372,107
Other	146,311
	4,677,531
Total Expenditures	4,677,531
Excess of Revenues Over (Under) Expenditures	(950,722)
 <u>Other Financing Sources (Uses)</u>	
Transfers In	251,649
Transfers Out	(120,840)
	130,809
Total Other Financing Sources (Uses)	130,809
Changes in Fund Balance	(819,913)
Fund Balance (Deficit) Beginning of Year	1,570,860
Fund Balance (Deficit) End of Year	\$750,947

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	<u>Bond Retirement</u>	<u>Harding Center Loan</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$0	\$31,252	\$31,252
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	237,100	0	237,100
Interest and Fiscal Charges	117,787	13,860	131,647
Total Expenditures	354,887	13,860	368,747
Excess of Revenues Over (Under) Expenditures	(354,887)	17,392	(337,495)
<u>Other Financing Sources</u>			
Transfers In	354,887	0	354,887
Changes in Fund Balance	0	17,392	17,392
Fund Balance (Deficit) Beginning of Year	0	(12,282)	(12,282)
Fund Balance End of Year	<u>\$0</u>	<u>\$5,110</u>	<u>\$5,110</u>

City of Marion
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	CDBG	Tax Incremental Financing	Capital Improvements	Quarry Park
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$339,296	\$0	\$0
Municipal Income Taxes	0	0	353,545	0
Intergovernmental	149,958	0	0	0
Other	449	0	19,903	0
Total Revenues	150,407	339,296	373,448	0
<u>Expenditures</u>				
Current:				
Community Environment	140,669	0	0	0
Transportation				
Other	0	1,537	701	0
General Government				
Other	0	0	287,411	0
Debt Service:				
Principal Retirement	0	87,605	82,996	0
Interest and Fiscal Charges	0	15,031	13,374	0
Total Expenditures	140,669	104,173	384,482	0
Excess of Revenues Over (Under) Expenditures	9,738	235,123	(11,034)	0
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	4,500	0
Transfers Out	0	(110,768)	(170,391)	0
Total Other Financing Sources (Uses)	0	(110,768)	(165,891)	0
Changes in Fund Balance	9,738	124,355	(176,925)	0
Fund Balance (Deficit) Beginning of Year	(16,869)	1,158,900	184,981	127
Fund Balance (Deficit) End of Year	(\$7,131)	\$1,283,255	\$8,056	\$127

Busby Downtown Park	Airport Improvement	Street Improvement	Total
\$0	\$0	\$0	\$339,296
0	0	0	353,545
0	114,065	471,000	735,023
0	36,127	0	56,479
0	150,192	471,000	1,484,343
0	0	0	140,669
0	105,884	0	108,122
0	0	0	287,411
0	0	0	170,601
0	0	0	28,405
0	105,884	0	735,208
0	44,308	471,000	749,135
0	0	0	4,500
0	0	0	(281,159)
0	0	0	(276,659)
0	44,308	471,000	472,476
454	(82,999)	(471,000)	773,594
<u>\$454</u>	<u>(\$38,691)</u>	<u>\$0</u>	<u>\$1,246,070</u>

City of Marion
Combining Statements - Fiduciary Funds

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

Agency Funds

Insurance Proceeds

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

Rotary

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

Municipal Court

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

City of Marion
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
<u>Insurance Proceeds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$22,898	\$4,000	\$0	\$26,898
<u>Liabilities</u>				
Undistributed Assets	\$22,898	\$4,000	\$0	\$26,898
<u>Rotary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$23,134	\$4,788	\$0	\$27,922
<u>Liabilities</u>				
Undistributed Assets	\$23,134	\$4,788	\$0	\$27,922
<u>Municipal Court</u>				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$71,727	\$61,772	\$71,727	\$61,772
Due from External Parties	1,002	0	1,002	0
Total Assets	\$72,729	\$61,772	\$72,729	\$61,772
<u>Liabilities</u>				
Undistributed Assets	\$72,729	\$61,772	\$72,729	\$61,772
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$46,032	\$8,788	\$0	\$54,820
Cash and Cash Equivalents in Segregated Accounts	71,727	61,772	71,727	61,772
Due from External Parties	1,002	0	1,002	0
Total Assets	\$118,761	\$70,560	\$72,729	\$116,592
<u>Liabilities</u>				
Undistributed Assets	\$118,761	\$70,560	\$72,729	\$116,592

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

City of Marion
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,027,800	\$1,041,505	\$1,041,505	\$0
Municipal Income Taxes	11,339,105	12,340,762	12,448,112	107,350
Charges for Services	960,214	951,009	980,198	29,189
Fees, Licenses, and Permits	334,714	360,985	361,456	471
Fines and Forfeitures	765,450	763,954	763,954	0
Intergovernmental	917,814	1,058,559	1,111,864	53,305
Interest	62,300	97,743	97,743	0
Other	124,154	244,084	176,578	(67,506)
Total Revenues	15,531,551	16,858,601	16,981,410	122,809
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police				
Police Department				
Personal Services	4,195,643	4,290,717	4,290,717	0
Travel and Transportation	3,000	0	0	0
Contractual Services	299,600	262,108	262,108	0
Materials and Supplies	136,000	146,805	146,805	0
Total Police Department	4,634,243	4,699,630	4,699,630	0
Dispatch				
Personal Services	680,889	712,876	712,876	0
Contractual Services	56,500	59,506	59,506	0
Materials and Supplies	2,000	1,945	1,945	0
Capital Outlay	0	4,005	4,005	0
Total Dispatch	739,389	778,332	778,332	0
Total Police	5,373,632	5,477,962	5,477,962	0
Fire				
Fire Department				
Personal Services	4,322,587	4,562,577	4,562,577	0
Travel and Transportation	3,000	56	56	0
Contractual Services	311,840	275,373	275,373	0
Materials and Supplies	95,280	116,540	116,540	0
Capital Outlay	0	4,000	4,000	0
Other	200	113	113	0
Total Fire	4,732,907	4,958,659	4,958,659	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, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Other				
City/County Disaster Services				
Contractual Services	\$18,418	\$18,418	\$18,418	\$0
Street Lighting				
Contractual Services	318,281	265,879	265,879	0
Total Other	336,699	284,297	284,297	0
Total Security of Persons and Property	10,443,238	10,720,918	10,720,918	0
Public Health				
Health Administration				
Contractual Services	391,149	391,149	391,149	0
Leisure Time Activities				
Senior Citizens				
Personal Services	199,216	198,979	198,481	498
Contractual Services	44,150	34,289	34,289	0
Materials and Supplies	3,500	2,724	2,724	0
Total Leisure Time Activities	246,866	235,992	235,494	498
Community Environment				
Planning and Economic Development				
Contractual Services	331,562	355,241	355,241	0
Transportation				
Other				
Airport				
Personal Services	159,809	130,725	130,725	0
Contractual Services	90,110	92,814	92,814	0
Materials and Supplies	10,262	8,944	8,944	0
Capital Outlay	0	12,274	12,274	0
Total Transportation	260,181	244,757	244,757	0
General Government				
Court				
Municipal Court				
Personal Services	776,268	758,894	758,894	0
Travel and Transportation	2,500	1,091	1,091	0
Contractual Services	29,038	30,097	29,997	100
Materials and Supplies	16,400	11,519	11,519	0
Total Court	824,206	801,601	801,501	100

(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, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Other				
Mayor				
Personal Services	\$123,879	\$122,341	\$122,341	\$0
Contractual Services	0	446	446	0
Materials and Supplies	300	296	296	0
Total Mayor	124,179	123,083	123,083	0
Auditor				
Personal Services	308,496	302,410	302,468	(58)
Contractual Services	33,500	37,548	37,548	0
Materials and Supplies	5,000	4,994	4,994	0
Total Auditor	346,996	344,952	345,010	(58)
Income Tax				
Personal Services	161,773	158,928	158,928	0
Contractual Services	13,950	5,951	5,397	554
Materials and Supplies	11,200	11,320	11,320	0
Total Income Tax	186,923	176,199	175,645	554
Treasurer				
Personal Services	7,675	8,229	8,229	0
Travel and Transportation	80	0	0	0
Contractual Services	312	626	626	0
Materials and Supplies	300	0	0	0
Total Treasurer	8,367	8,855	8,855	0
Law Director				
Personal Services	329,192	300,201	300,201	0
Contractual Services	3,663	3,429	3,429	0
Materials and Supplies	3,000	2,717	2,717	0
Total Law Director	335,855	306,347	306,347	0
Service Safety Director				
Personal Services	192,896	184,292	184,292	0
Contractual Services	42,548	35,916	35,916	0
Materials and Supplies	1,800	1,267	1,267	0
Other	1,800	30	30	0
Total Service Safety Director	239,044	221,505	221,505	0
Civil Service				
Personal Services	5,103	5,088	5,088	0
Contractual Services	5,000	2,576	2,576	0
Materials and Supplies	600	266	266	0
Total Civil Service	10,703	7,930	7,930	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, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Council				
Personal Services	\$123,506	\$125,207	\$125,207	\$0
Contractual Services	8,300	6,398	6,398	0
Materials and Supplies	1,100	808	808	0
Other	300	0	0	0
Total Council	133,206	132,413	132,413	0
City Hall				
Personal Services	63,681	63,988	63,988	0
Contractual Services	256,458	345,264	345,264	0
Materials and Supplies	83,250	54,519	54,519	0
Total City Hall	403,389	463,771	463,771	0
Engineer				
Personal Services	285,138	264,969	264,969	0
Contractual Services	13,000	7,828	7,752	76
Materials and Supplies	8,100	5,011	5,011	0
Capital Outlay	0	1,800	1,800	0
Other	875	905	905	0
Total Engineer	307,113	280,513	280,437	76
Other General Government				
Contractual Services	120,726	106,686	106,793	(107)
Other	275,000	483,210	483,210	0
Total Other General Government	395,726	589,896	590,003	(107)
Total Other	2,491,501	2,655,464	2,654,999	465
Total General Government	3,315,707	3,457,065	3,456,500	565
Total Expenditures	14,988,703	15,405,122	15,404,059	1,063
Excess of Revenues Over Expenditures	542,848	1,453,479	1,577,351	123,872
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	0	1,028	1,068	40
Sale of Capital Assets	0	0	3,850	3,850
Advances In	0	34,000	34,000	0
Transfers In	181,767	37,149	37,149	0
Transfers Out	(724,615)	(584,372)	(584,372)	0
Total Other Financing Sources (Uses)	(542,848)	(512,195)	(508,305)	3,890
Changes in Fund Balance	0	941,284	1,069,046	127,762
Fund Balance Beginning of Year	737,276	737,276	737,276	0
Fund Balance End of Year	\$737,276	\$1,678,560	\$1,806,322	\$127,762

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, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$952	\$952	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	952	952	0
Fund Balance Beginning of Year	464	464	464	0
Fund Balance End of Year	<u>\$464</u>	<u>\$1,416</u>	<u>\$1,416</u>	<u>\$0</u>

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

City of Marion
Parks Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Charges for Services	\$8,999	\$12,880	\$12,880	\$0
Other	0	7,010	7,010	0
Total Revenues	8,999	19,890	19,890	0
<u>Expenditures</u>				
Current:				
Leisure Time Activities				
Parks				
Personal Services	406,905	397,087	397,087	0
Contractual Services	72,140	68,240	68,240	0
Materials and Supplies	30,500	28,306	28,306	0
Other	300	125	125	0
Total Expenditures	509,845	493,758	493,758	0
Excess of Revenues Under Expenditures	(500,846)	(473,868)	(473,868)	0
<u>Other Financing Sources</u>				
Transfers In	500,846	472,500	472,500	0
Changes in Fund Balance	0	(1,368)	(1,368)	0
Fund Balance Beginning of Year	3,495	3,495	3,495	0
Fund Balance End of Year	<u>\$3,495</u>	<u>\$2,127</u>	<u>\$2,127</u>	<u>\$0</u>

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

City of Marion
Underground Storage Tank Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	11,000	11,000	11,000	0
Fund Balance End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

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

City of Marion
Kauffman Dog Park Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$97	\$97	\$0
<u>Expenditures</u>				
Current:				
Leisure Time Activities				
Parks				
Materials and Supplies	1,825	448	448	0
Changes in Fund Balance	(1,825)	(351)	(351)	0
Fund Balance Beginning of Year	1,825	1,825	1,825	0
Fund Balance End of Year	\$0	\$1,474	\$1,474	\$0

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

City of Marion
 Airport Industrial Park Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$8,279	\$8,279	\$0
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Airport				
Contractual Services	8,500	1,267	1,267	0
Changes in Fund Balance	(8,500)	7,012	7,012	0
Fund Balance Beginning of Year	138,431	138,431	138,431	0
Fund Balance End of Year	<u>\$129,931</u>	<u>\$145,443</u>	<u>\$145,443</u>	<u>\$0</u>

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

City of Marion
Softball Field Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Charges for Services	\$4,000	\$8,543	\$8,543	\$0
<u>Expenditures</u>				
Current:				
Leisure Time Activities				
Recreation				
Capital Outlay	4,000	2,358	2,358	0
Changes in Fund Balance	0	6,185	6,185	0
Fund Balance Beginning of Year	17,791	17,791	17,791	0
Fund Balance End of Year	<u>\$17,791</u>	<u>\$23,976</u>	<u>\$23,976</u>	<u>\$0</u>

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

City of Marion
Safety Patrol Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	395	395	395	0
Fund Balance End of Year	<u>\$395</u>	<u>\$395</u>	<u>\$395</u>	<u>\$0</u>

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

City of Marion
Parking Meter Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0	0
Changes in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	2,356	2,356	2,356	0
Fund Balance End of Year	<u>\$2,356</u>	<u>\$2,356</u>	<u>\$2,356</u>	<u>\$0</u>

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

City of Marion
Wellness Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Other	\$0	\$37,647	\$37,647	\$0
<u>Expenditures</u>				
Current:				
General Government				
Other				
Other General Government				
Other	0	10,137	10,137	0
Changes in Fund Balance	0	27,510	27,510	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$27,510</u>	<u>\$27,510</u>	<u>\$0</u>

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

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Municipal Income Taxes	993,000	1,246,506	1,268,012	21,506
Charges for Services	2,800	2,750	2,750	0
Fees, Licenses, and Permits	16,000	20,200	20,600	400
Intergovernmental	1,305,500	1,329,740	1,345,908	16,168
Interest	150	290	307	17
Other	2,500	108,013	108,113	100
Total Revenues	2,319,950	2,707,499	2,745,690	38,191
<u>Expenditures</u>				
Current:				
Transportation				
Other				
Streets				
Personal Services	1,177,755	1,016,396	1,016,396	0
Contractual Services	674,900	799,173	799,173	0
Materials and Supplies	343,428	257,138	257,138	0
Capital Outlay	5,000	44,925	44,925	0
Other	21,000	19,000	19,000	0
Total Transportation	2,222,083	2,136,632	2,136,632	0
Debt Service:				
Interest and Fiscal Charges	0	798	798	0
Total Expenditures	2,222,083	2,137,430	2,137,430	0
Excess of Revenues Over Expenditures	97,867	570,069	608,260	38,191
<u>Other Financing Sources</u>				
Other Financing Sources	0	5,740	5,740	0
Bond Anticipation Notes Issued	0	200,000	200,000	0
Total Other Financing Sources	0	205,740	205,740	0
Changes in Fund Balance	97,867	775,809	814,000	38,191
Fund Balance Beginning of Year	434,258	434,258	434,258	0
Fund Balance End of Year	\$532,125	\$1,210,067	\$1,248,258	\$38,191

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,220,940	\$6,262,429	\$41,489
Bond Anticipation Notes Issued	2,795,000	2,795,000	0
Grants	41,893	86,086	44,193
Other	36,086	36,103	17
Total Revenues	9,093,919	9,179,618	85,699
<u>Expenses</u>			
Personal Services			
Sewer	1,718,704	1,718,338	366
Contractual Services			
Sewage Replacement	93,293	93,293	0
Sewer	657,382	660,277	(2,895)
Sewage Improvement	88,237	88,237	0
Total Contractual Services	838,912	841,807	(2,895)
Materials and Supplies			
Sewer	335,131	335,131	0
Capital Outlay			
Sewage Replacement	346,287	346,287	0
Sewer	12,156	12,156	0
Sewage Improvement	573,548	617,741	(44,193)
Total Capital Outlay	931,991	976,184	(44,193)
Other			
Sewer	693	693	0
Debt Service:			
Principal Retirement	2,043,554	2,040,349	3,205
Interest Expense	560,035	560,035	0
Total Debt Service	2,603,589	2,600,384	3,205
Total Expenses	6,429,020	6,472,537	(43,517)
Changes in Fund Balance	2,664,899	2,707,081	42,182
Fund Balance Beginning of Year	3,316,605	3,316,605	0
Fund Balance End of Year	\$5,981,504	\$6,023,686	\$42,182

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,917,619	\$1,944,682	\$27,063
Bond Anticipation Notes Issued	40,000	40,000	0
Other	104,292	104,302	10
Total Revenues	<u>2,061,911</u>	<u>2,088,984</u>	<u>27,073</u>
<u>Expenses</u>			
Personal Services			
Sanitation	1,109,928	1,109,554	374
Contractual Services			
Sanitation	719,702	719,489	213
Materials and Supplies			
Sanitation	110,258	110,258	0
Capital Outlay			
Sanitation	4,671	4,671	0
Debt Service:			
Interest Expense	265	265	0
Total Expenses	<u>1,944,824</u>	<u>1,944,237</u>	<u>587</u>
Changes in Fund Balance	117,087	144,747	27,660
Fund Balance Beginning of Year	<u>2,737</u>	<u>2,737</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$119,824</u></u>	<u><u>\$147,484</u></u>	<u><u>\$27,660</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$512,500	\$512,500	\$0
<u>Expenses</u>			
Contractual Services			
Landfill	52,290	52,290	0
Materials and Supplies			
Landfill	1,912	1,912	0
Capital Outlay			
Landfill	5,617	5,617	0
Debt Service:			
Principal Retirement	182,197	182,197	0
Interest Expense	29,221	29,221	0
Total Debt Service	211,418	211,418	0
Total Expenses	271,237	271,237	0
Changes in Fund Balance	241,263	241,263	0
Fund Balance (Deficit) Beginning of Year	(240,772)	(240,772)	0
Fund Balance End of Year	\$491	\$491	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,208,350	\$1,220,421	\$12,071
Bond Anticipation Notes Issued	2,845,000	2,845,000	0
Grants	45,365	98,086	52,721
Other	23,237	23,247	10
Total Revenues	4,121,952	4,186,754	64,802
<u>Expenses</u>			
Personal Services			
Storm Water Utility	481,609	480,942	667
Contractual Services			
Storm Water Utility	88,847	89,685	(838)
Storm Water Improvement	140,756	140,756	0
Total Contractual Services	229,603	230,441	(838)
Materials and Supplies			
Storm Water Utility	79,440	79,440	0
Capital Outlay			
Storm Water Utility	20,012	20,012	0
Storm Water	45,365	98,086	(52,721)
Storm Water Improvement	1,261,208	1,261,208	0
Total Capital Outlay	1,326,585	1,379,306	(52,721)
Debt Service:			
Principal Retirement	1,453,446	1,450,241	3,205
Interest Expense	397,917	397,917	0
Total Debt Service	1,851,363	1,848,158	3,205
Total Expenses	3,968,600	4,018,287	(49,687)
Changes in Fund Balance	153,352	168,467	15,115
Fund Balance Beginning of Year	1,440,419	1,440,419	0
Fund Balance End of Year	\$1,593,771	\$1,608,886	\$15,115

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$164,528	\$164,528	\$0
Other	229,046	229,046	0
Total Revenues	<u>393,574</u>	<u>393,574</u>	<u>0</u>
<u>Expenses</u>			
Personal Services			
Aquatics Center	192,020	192,020	0
Contractual Services			
Aquatics Center	68,837	68,837	0
Materials and Supplies			
Aquatics Center	33,545	33,545	0
Other			
Aquatics Center	40	40	0
Debt Service:			
Interest Expense	<u>143,669</u>	<u>143,669</u>	<u>0</u>
Total Expenses	<u>438,111</u>	<u>438,111</u>	<u>0</u>
Changes in Fund Balance	(44,537)	(44,537)	0
Fund Balance Beginning of Year	<u>198,632</u>	<u>198,632</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$154,095</u></u>	<u><u>\$154,095</u></u>	<u><u>\$0</u></u>

City of Marion
ARRA 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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$185,696	\$185,696	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Contractual Services	35,712	35,712	0
Capital Outlay	173,655	173,655	0
Total Expenditures	209,367	209,367	0
Changes in Fund Balance	(23,671)	(23,671)	0
Fund Balance Beginning of Year	23,671	23,671	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$111,902	\$112,660	\$758
Interest	318	337	19
Other	28,849	28,883	34
	<hr/>	<hr/>	<hr/>
Total Revenues	141,069	141,880	811
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Senior Citizens			
Personal Services	76,557	76,557	0
Travel and Transportation	1,232	1,232	0
Contractual Services	11,328	11,328	0
Materials and Supplies	7,472	7,472	0
	<hr/>	<hr/>	<hr/>
Total Expenditures	96,589	96,589	0
Changes in Fund Balance	44,480	45,291	811
Fund Balance Beginning of Year	170,219	170,219	0
Fund Balance End of Year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$214,699	\$215,510	\$811

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Capital Outlay	443	443	0
Changes in Fund Balance	(443)	(443)	0
Fund Balance Beginning of Year	443	443	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Municipal Court Docket Specialist Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	14,359	14,359	0
Changes in Fund Balance	(14,359)	(14,359)	0
Fund Balance Beginning of Year	14,359	14,359	0
Fund Balance End of Year	\$0	\$0	\$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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$78,732	\$78,732	\$0
Interest	318	338	20
	79,050	79,070	20
Total Revenues			
	79,050	79,070	20
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	79,050	79,070	20
Fund Balance Beginning of Year	67,346	67,346	0
Fund Balance End of Year	\$146,396	\$146,416	\$20

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$148,356	\$148,356	\$0
Other	7,601	7,601	0
Total Revenues	155,957	155,957	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	5,070	5,070	0
Travel and Transportation	3,513	3,513	0
Contractual Services	70,900	70,900	0
Materials and Supplies	12,118	12,118	0
Capital Outlay	28,614	28,614	0
Total Expenditures	120,215	120,215	0
Excess of Revenues Over Expenditures	35,742	35,742	0
<u>Other Financing Uses</u>			
Transfers Out	(241,680)	(120,840)	120,840
Changes in Fund Balance	(205,938)	(85,098)	120,840
Fund Balance Beginning of Year	169,662	169,662	0
Fund Balance (Deficit) End of Year	(\$36,276)	\$84,564	\$120,840

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$75,033	\$75,033	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	75,033	75,033	0
Fund Balance Beginning of Year	899	899	0
Fund Balance End of Year	\$75,932	\$75,932	\$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, 2013

	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	6,250	6,250	0
Changes in Fund Balance	(6,250)	(6,250)	0
Fund Balance Beginning of Year	17,581	17,581	0
Fund Balance End of Year	\$11,331	\$11,331	\$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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$40,593	\$40,593	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	91,034	91,034	0
Excess of Revenues			
Under Expenditures	(50,441)	(50,441)	0
<u>Other Financing Sources</u>			
Transfers In	54,474	54,474	0
Changes in Fund Balance	4,033	4,033	0
Fund Balance (Deficit) Beginning of Year	(125)	(125)	0
Fund Balance End of Year	<u>\$3,908</u>	<u>\$3,908</u>	<u>\$0</u>

City of Marion
Community Corrections Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$167,389	\$167,389	\$0
Other	2,797	2,797	0
Total Revenues	170,186	170,186	0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Personal Services	231,573	231,573	0
Materials and Supplies	2,447	2,447	0
Total Expenditures	234,020	234,020	0
Excess of Revenues Under Expenditures	(63,834)	(63,834)	0
<u>Other Financing Sources</u>			
Transfers In	63,955	63,955	0
Changes in Fund Balance	121	121	0
Fund Balance Beginning of Year	283	283	0
Fund Balance End of Year	\$404	\$404	\$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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$29,885	\$30,572	\$687
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	10,962	10,962	0
Changes in Fund Balance	18,923	19,610	687
Fund Balance Beginning of Year	23,445	23,445	0
Fund Balance End of Year	\$42,368	\$43,055	\$687

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$92,788	\$92,788	\$0
Other	99	99	0
Total Revenues	92,887	92,887	0
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Personal Services	63,911	63,911	0
Travel and Transportation	1,462	1,462	0
Contractual Services	5,681	5,681	0
Materials and Supplies	5,762	5,762	0
Capital Outlay	906	906	0
Total Expenditures	77,722	77,722	0
Excess of Revenues Over Expenditures	15,165	15,165	0
<u>Other Financing Sources</u>			
Transfers In	19,736	19,736	0
Changes in Fund Balance	34,901	34,901	0
Fund Balance Beginning of Year	94,131	94,131	0
Fund Balance End of Year	<u>\$129,032</u>	<u>\$129,032</u>	<u>\$0</u>

City of Marion
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$902	\$902	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	902	902	0
Fund Balance Beginning of Year	8,604	8,604	0
Fund Balance End of Year	\$9,506	\$9,506	\$0

City of Marion
Indigent Alcohol Driver Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$24,413	\$24,413	\$0
<u>Expenditures</u>			
Current:			
General Government			
Other			
Other General Government			
Contractual Services	84,212	84,212	0
Changes in Fund Balance	(59,799)	(59,799)	0
Fund Balance Beginning of Year	207,775	207,775	0
Fund Balance End of Year	<u>\$147,976</u>	<u>\$147,976</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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$6,500	\$6,500	\$0
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	6,500	6,500	0
Fund Balance Beginning of Year	<u>49,625</u>	<u>49,625</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$56,125</u></u>	<u><u>\$56,125</u></u>	<u><u>\$0</u></u>

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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$7,408	\$7,408	\$0
<u>Expenditures</u>			
Current:			
General Government			
Court			
Municipal Court			
Contractual Services	573	573	0
Materials and Supplies	2,302	2,302	0
Total Expenditures	2,875	2,875	0
Changes in Fund Balance	4,533	4,533	0
Fund Balance Beginning of Year	12,024	12,024	0
Fund Balance End of Year	<u>\$16,557</u>	<u>\$16,557</u>	<u>\$0</u>

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$190,752	\$190,752	\$0
Intergovernmental	37,307	37,307	0
Total Revenues	228,059	228,059	0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	116,400	116,400	0
Fire			
Fire Department			
Personal Services	116,400	116,400	0
Contractual Services	5,455	5,455	0
Total Fire	121,855	121,855	0
Total Expenditures	238,255	238,255	0
Changes in Fund Balance	(10,196)	(10,196)	0
Fund Balance Beginning of Year	10,196	10,196	0
Fund Balance End of Year	\$0	\$0	\$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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$229,853	\$229,853	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Personal Services	229,853	229,853	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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$7,451	\$7,451	\$0
<u>Expenditures</u>			
Current:			
Community Environment Marion Land Bank Program Contractual Services	<u>810</u>	<u>810</u>	<u>0</u>
Changes in Fund Balance	6,641	6,641	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$6,641</u></u>	<u><u>\$6,641</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$109,655	\$109,655	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Clean Ohio			
Contractual Services	109,655	109,655	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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$438,255	\$438,255	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire			
Fire Department			
Personal Services	438,255	438,255	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Community Distress 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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Other	\$13,098	\$13,098	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Community Distress Program			
Contractual Services	<u>38,973</u>	<u>38,973</u>	<u>0</u>
Changes in Fund Balance	(25,875)	(25,875)	0
Fund Balance Beginning of Year	<u>25,875</u>	<u>25,875</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
CHIP			
Contractual Services	17,929	17,929	0
Changes in Fund Balance	(17,929)	(17,929)	0
Fund Balance Beginning of Year	17,929	17,929	0
Fund Balance End of Year	\$0	\$0	\$0

City of Marion
Revolving Loans Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$150	\$150	\$0
Interest	483	497	14
Other	20,890	20,890	0
	<hr/>	<hr/>	<hr/>
Total Revenues	21,523	21,537	14
<u>Expenditures</u>			
Current:			
Community Environment			
Revolving Loan			
Contractual Services	16,275	16,275	0
	<hr/>	<hr/>	<hr/>
Changes in Fund Balance	5,248	5,262	14
Fund Balance Beginning of Year	76,452	76,452	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	<u>\$81,700</u>	<u>\$81,714</u>	<u>\$14</u>

City of Marion
 Neighborhood Stabilization 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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Neighborhood Stabilization			
Contractual Services	13,853	13,853	0
Changes in Fund Balance	(13,853)	(13,853)	0
Fund Balance Beginning of Year	13,853	13,853	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$116,192	\$119,069	\$2,877
Intergovernmental	721,473	721,473	0
Other	71,036	71,036	0
	<u>908,701</u>	<u>911,578</u>	<u>2,877</u>
Total Revenues			
<u>Expenditures</u>			
Current:			
Transportation			
Transit			
Marion Area Transit			
Personal Services	668,118	668,118	0
Contractual Services	106,070	106,070	0
Materials and Supplies	154,603	154,603	0
Capital Outlay	12,669	12,669	0
	<u>941,460</u>	<u>941,460</u>	<u>0</u>
Total Expenditures			
Excess of Revenues			
Under Expenditures	(32,759)	(29,882)	2,877
<u>Other Financing Sources</u>			
Transfers In	57,398	57,398	0
Changes in Fund Balance	24,639	27,516	2,877
Fund Balance Beginning of Year	2,115	2,115	0
Fund Balance End of Year	<u>\$26,754</u>	<u>\$29,631</u>	<u>\$2,877</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, 2013

	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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$58,482	\$57,482	(\$1,000)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police			
Police Department			
Contractual Services	40,350	40,350	0
Changes in Fund Balance	18,132	17,132	(1,000)
Fund Balance Beginning of Year	30,497	30,497	0
Fund Balance End of Year	\$48,629	\$47,629	(\$1,000)

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$86,839	\$86,839	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	247,100	237,100	10,000
Interest and Fiscal Charges	117,787	117,787	0
Total Expenditures	364,887	354,887	10,000
Excess of Revenues Under Expenditures	(278,048)	(268,048)	10,000
<u>Other Financing Sources</u>			
Transfers In	268,048	268,048	0
Changes in Fund Balance	(10,000)	0	10,000
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	(\$10,000)	\$0	\$10,000

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$31,252	\$31,252	\$0
Other	13,594	13,594	0
	44,846	44,846	0
Total Revenues	44,846	44,846	0
<u>Expenditures</u>			
Debt Service:			
Interest and Fiscal Charges	13,860	13,860	0
	13,860	13,860	0
Excess of Revenues Over Expenditures	30,986	30,986	0
<u>Other Financing Uses</u>			
Advances Out	(34,000)	(34,000)	0
	(34,000)	(34,000)	0
Changes in Fund Balance	(3,014)	(3,014)	0
Fund Balance Beginning of Year	7,142	7,142	0
	7,142	7,142	0
Fund Balance End of Year	\$4,128	\$4,128	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$151,354	\$151,354	\$0
Other	449	449	0
	151,803	151,803	0
<u>Expenditures</u>			
Current:			
Community Environment			
CDBG Formula Grant			
Contractual Services	126,419	126,419	0
	25,384	25,384	0
Changes in Fund Balance	25,384	25,384	0
Fund Balance Beginning of Year	5,326	5,326	0
Fund Balance End of Year	\$30,710	\$30,710	\$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, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$339,296	\$339,296	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Contractual Services	1,537	1,537	0
Debt Service:			
Principal Retirement	81,195	87,605	(6,410)
Interest and Fiscal Charges	15,031	15,031	0
Total Debt Service	96,226	102,636	(6,410)
Total Expenditures	97,763	104,173	6,410
Excess of Revenues Over Expenditures	241,533	235,123	(6,410)
<u>Other Financing Uses</u>			
Transfers Out	(110,768)	(110,768)	0
Changes in Fund Balance	130,765	124,355	0
Fund Balance Beginning of Year	1,158,900	1,158,900	0
Fund Balance End of Year	<u>\$1,289,665</u>	<u>\$1,283,255</u>	<u>\$0</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$356,487	\$362,895	\$6,408
Other	16,401	24,403	8,002
Total Revenues	372,888	387,298	14,410
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Parks			
Capital Outlay	13,111	13,111	0
Transportation			
Other			
Airport			
Contractual Services	701	701	0
General Government			
Other			
Other General Government			
Contractual Services	1,010	1,010	0
Capital Outlay	314,541	314,541	0
Total General Government	315,551	315,551	0
Debt Service:			
Principal Retirement	382,996	382,996	0
Interest and Fiscal Charges	11,792	11,792	0
Total Debt Service	394,788	394,788	0
Total Expenditures	724,151	724,151	0
Excess of Revenues Under Expenditures	(351,263)	(336,853)	14,410
<u>Other Financing Sources (Uses)</u>			
Bond Anticipation Notes Issued	300,000	300,000	0
Transfers Out	(157,280)	(157,280)	0
Total Other Financing Sources (Uses)	142,720	142,720	0
Changes in Fund Balance	(208,543)	(194,133)	14,410
Fund Balance Beginning of Year	289,018	289,018	0
Fund Balance End of Year	\$80,475	\$94,885	\$14,410

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, 2013

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

City of Marion
 Busby Downtown Park Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2013

	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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$124,030	\$124,030	\$0
Other	36,127	36,127	0
Total Revenues	<u>160,157</u>	<u>160,157</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Airport			
Contractual Services	40,000	40,000	0
Capital Outlay	42,216	42,216	0
Total Expenditures	<u>82,216</u>	<u>82,216</u>	<u>0</u>
Changes in Fund Balance	77,941	77,941	0
Fund Balance Beginning of Year	<u>6,545</u>	<u>6,545</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$84,486</u></u>	<u><u>\$84,486</u></u>	<u><u>\$0</u></u>

City of Marion
Street 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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$471,000	\$471,000	\$0
<u>Expenditures</u>			
Current:			
Transportation			
Other			
Street			
Capital Outlay	471,000	471,000	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
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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,042,686	\$1,042,686	\$0
Other	6,813	6,813	0
Total Revenues	<u>1,049,499</u>	<u>1,049,499</u>	<u>0</u>
<u>Expenses</u>			
Personal Services			
Central Garage	<u>301,007</u>	<u>301,007</u>	<u>0</u>
Contractual Services			
Central Garage	<u>50,990</u>	<u>50,990</u>	<u>0</u>
Materials and Supplies			
Central Garage	<u>614,236</u>	<u>614,236</u>	<u>0</u>
Capital Outlay			
Central Garage	<u>1,521</u>	<u>1,521</u>	<u>0</u>
Debt Service:			
Principal Retirement	48,750	48,750	0
Interest and Fiscal Charges	<u>40,506</u>	<u>40,506</u>	<u>0</u>
Total Debt Service	<u>89,256</u>	<u>89,256</u>	<u>0</u>
Total Expenses	<u>1,057,010</u>	<u>1,057,010</u>	<u>0</u>
Changes in Fund Balance	(7,511)	(7,511)	0
Fund Balance Beginning of Year	<u>77,586</u>	<u>77,586</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$70,075</u></u>	<u><u>\$70,075</u></u>	<u><u>\$0</u></u>

**STATISTICAL
SECTION**

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**City of Marion
Statistical Section**

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

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-42
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-45
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)

	2013	2012	2011	2010	2009
Governmental Activities					
Net Investment in Capital Assets	\$59,629,506	\$63,770,617	\$66,187,425	\$69,544,904	\$51,096,131
Restricted for					
Capital Projects	1,635,812	1,471,021	3,764,288	3,528,533	1,801,212
Debt Service	0	0	0	0	3,528
Other Purposes	4,744,112	3,967,713	3,388,543	4,082,600	3,044,512
Unrestricted (Deficit)	<u>(1,082,449)</u>	<u>(2,829,014)</u>	<u>(2,644,101)</u>	<u>(2,899,468)</u>	<u>656,797</u>
Total Governmental Activities Net Position	<u>64,926,981</u>	<u>66,380,337</u>	<u>70,696,155</u>	<u>74,256,569</u>	<u>56,602,180</u>
Business-Type Activities					
Net Investment in Capital Assets	10,522,092	11,273,829	11,772,304	11,323,625	9,668,849
Unrestricted (Deficit)	<u>1,241,798</u>	<u>501,707</u>	<u>(2,969,263)</u>	<u>(3,706,206)</u>	<u>872,040</u>
Total Business-Type Activities Net Position	<u>11,763,890</u>	<u>11,775,536</u>	<u>8,803,041</u>	<u>7,617,419</u>	<u>10,540,889</u>
Primary Government					
Net Investment in Capital Assets	70,151,598	75,044,446	77,959,729	80,868,529	60,764,980
Restricted	6,379,924	5,438,734	7,152,831	7,611,133	4,849,252
Unrestricted (Deficit)	<u>159,349</u>	<u>(2,327,307)</u>	<u>(5,613,364)</u>	<u>(6,605,674)</u>	<u>1,528,837</u>
Total Primary Government Net Position	<u>\$76,690,871</u>	<u>\$78,155,873</u>	<u>\$79,499,196</u>	<u>\$81,873,988</u>	<u>\$67,143,069</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$52,708,806	\$54,707,830	\$26,324,560	\$27,627,548	\$29,816,593
4,319,245	4,739,264	701,356	336,909	0
0	0	1,126,372	1,070,457	436,477
3,189,653	2,744,508	4,209,700	3,388,916	3,596,838
1,842,861	2,823,505	2,531,953	2,342,932	1,694,703
<u>62,060,565</u>	<u>65,015,107</u>	<u>34,893,941</u>	<u>34,766,762</u>	<u>35,544,611</u>
9,611,372	10,147,834	10,818,900	7,978,067	10,458,375
3,145,811	3,195,362	6,342,804	7,188,299	3,810,935
<u>12,757,183</u>	<u>13,343,196</u>	<u>17,161,704</u>	<u>15,166,366</u>	<u>14,269,310</u>
62,320,178	64,855,664	37,143,460	35,605,615	40,274,968
7,508,898	7,483,772	6,037,428	4,796,282	4,033,315
4,988,672	6,018,867	8,874,757	9,531,231	5,505,638
<u>\$74,817,748</u>	<u>\$78,358,303</u>	<u>\$52,055,645</u>	<u>\$49,933,128</u>	<u>\$49,813,921</u>

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

	2013	2012	2011	2010	2009
<u>Expenses</u>					
Governmental Activities					
Security of Persons and Property					
Police	\$6,485,461	\$5,757,434	\$6,641,183	\$7,637,515	\$7,537,407
Fire	5,662,188	4,843,734	5,864,658	6,205,475	6,202,510
Other	270,226	297,776	258,206	274,704	272,940
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	391,484	447,973	489,284	636,408	1,119,073
Leisure Time Activities	860,761	920,509	1,126,954	1,420,937	1,438,764
Community Environment	563,133	1,401,447	2,572,072	1,363,569	953,077
Transportation					
Transit	1,175,948	1,071,114	922,873	820,298	1,038,671
Other	6,177,970	5,767,795	6,600,017	5,090,213	5,149,912
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	1,226,544	1,042,867	976,447	1,001,001	996,558
Other	3,052,278	4,455,649	2,994,209	3,874,215	3,125,248
Court/Other	n/a	n/a	n/a	n/a	n/a
Interest and Fiscal Charges	158,712	175,311	182,157	315,718	231,842
Total Governmental Activities Expenses	26,024,705	26,181,609	28,628,060	28,640,053	28,066,002
Business-Type Activities					
Sewer	5,452,035	5,270,225	5,796,461	5,795,346	6,408,838
Sanitation	1,666,855	2,146,238	2,196,659	2,039,259	2,413,915
Landfill	36,750	125,998	(5,259)	108,154	23,488
Storm Water	2,411,967	1,883,897	2,299,682	1,640,079	2,023,313
Aquatics Center	486,210	690,856	297,524	0	0
Other Enterprise	0	0	0	0	0
Total Business-Type Activities Expenses	10,053,817	10,117,214	10,585,067	9,582,838	10,869,554
Total Primary Government Expenses	36,078,522	36,298,823	39,213,127	38,222,891	38,935,556
<u>Program Revenues</u>					
Governmental Activities					
Charges for Services					
Security of Persons and Property					
Police	66,656	65,097	83,637	45,231	86,899
Fire	1,163,379	558,023	1,096,237	0	1,205,648
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	0	0	92,729	66,786	318,173
Leisure Time Activities	21,423	21,382	64,557	397,010	81,146
Community Environment	150	0	0	0	0
Transportation					
Transit	115,998	109,913	138,484	21,751	124,740
Other	23,350	30,343	47,411	108,231	93,834
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	977,759	906,277	952,556	1,115,245	1,131,030
Other	319,159	340,371	287,796	431,029	525,199
Court/Other	n/a	n/a	n/a	n/a	n/a
Total Charges for Services	2,687,874	2,031,406	2,763,407	2,185,283	3,566,669
Operating Grants, Contributions, and Interest	3,679,557	4,852,977	5,328,581	4,403,920	3,177,575
Capital Grants, Contributions, and Interest	145,317	766,305	342,991	263,176	429,800
Total Governmental Activities Program Revenues	6,512,748	7,650,688	8,434,979	6,852,379	7,174,044

2008	2007	2006	2005	2004
\$7,355,049	n/a	n/a	n/a	n/a
6,518,445	n/a	n/a	n/a	n/a
296,923	n/a	n/a	n/a	n/a
n/a	13,133,723	12,817,584	12,377,788	12,347,085
1,232,594	1,169,331	1,031,373	1,095,225	1,057,747
1,461,268	1,401,953	1,330,251	1,444,992	1,204,147
1,258,080	729,756	712,498	1,142,518	950,850
953,341	n/a	n/a	n/a	n/a
5,170,585	n/a	n/a	n/a	n/a
n/a	6,216,734	5,389,641	4,510,220	5,324,767
839,695	n/a	n/a	n/a	n/a
4,493,935	n/a	n/a	n/a	n/a
n/a	4,148,279	3,361,750	4,327,417	7,432,531
177,152	215,063	254,425	246,410	400,100
<u>29,757,067</u>	<u>27,014,839</u>	<u>24,897,522</u>	<u>25,144,570</u>	<u>28,717,227</u>
5,864,515	5,854,979	4,721,052	5,107,030	3,912,213
2,200,037	4,418,705	1,905,078	1,964,451	2,083,863
67,918	83,300	0	0	0
1,777,633	1,489,054	1,139,391	1,188,927	1,489,641
0	0	0	0	0
0	0	986,450	984,875	1,066,719
<u>9,910,103</u>	<u>11,846,038</u>	<u>8,751,971</u>	<u>9,245,283</u>	<u>8,552,436</u>
<u>39,667,170</u>	<u>38,860,877</u>	<u>33,649,493</u>	<u>34,389,853</u>	<u>37,269,663</u>
50,742	n/a	n/a	n/a	n/a
1,120,905	n/a	n/a	n/a	n/a
n/a	1,566,185	896,163	1,037,033	497,527
305,291	348,240	267,984	242,156	203,158
101,074	102,485	70,143	86,849	85,528
0	1,622,999	0	20,923	10,901
113,501	n/a	n/a	n/a	n/a
190,473	n/a	n/a	n/a	n/a
n/a	295,990	108,285	207,022	746,359
1,255,592	n/a	n/a	n/a	n/a
28,568	n/a	n/a	n/a	n/a
n/a	1,216,846	936,230	815,606	854,087
3,166,146	5,152,745	2,278,805	2,409,589	2,397,560
4,099,975	3,496,511	3,395,689	2,254,641	3,258,596
499,392	641,574	1,022,366	934,962	1,120,086
<u>7,765,513</u>	<u>9,290,830</u>	<u>6,696,860</u>	<u>5,599,192</u>	<u>6,776,242</u>

(continued)

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

	2013	2012	2011	2010	2009
Business-Type Activities					
Charges for Services					
Sewer	\$5,877,295	\$5,580,190	\$5,777,897	\$5,757,769	\$5,157,868
Sanitation	1,841,691	2,823,504	2,660,450	1,636,510	2,130,332
Landfill	593,251	0	207,000	0	346,431
Storm Water	1,049,516	1,134,130	1,089,014	1,224,273	1,133,667
Aquatics Center	164,528	271,288	0	0	0
Other Enterprise	0	0	0	0	0
Total Charges for Services	<u>9,526,281</u>	<u>9,809,112</u>	<u>9,734,361</u>	<u>8,618,552</u>	<u>8,768,298</u>
Operating Grants, Contributions, and Interest	0	0	131,206	0	0
Capital Grants, Contributions, and Interest	<u>158,246</u>	<u>292,397</u>	<u>1,990,553</u>	<u>1,373,492</u>	<u>200,531</u>
Total Business-Type Activities Program Revenues	<u>9,684,527</u>	<u>10,101,509</u>	<u>11,856,120</u>	<u>9,992,044</u>	<u>8,968,829</u>
Total Primary Government Program Revenues	<u>16,197,275</u>	<u>17,752,197</u>	<u>20,291,099</u>	<u>16,844,423</u>	<u>16,142,873</u>
Net Expense (Revenue)					
Governmental Activities	19,511,957	18,530,921	20,193,081	21,787,674	20,891,958
Business-Type Activities	<u>369,290</u>	<u>15,705</u>	<u>(1,271,053)</u>	<u>(409,206)</u>	<u>1,900,725</u>
Total Primary Government Net Expense	<u>19,881,247</u>	<u>18,546,626</u>	<u>18,922,028</u>	<u>21,378,468</u>	<u>22,792,683</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes Levied for General Purposes	1,044,608	1,039,593	1,081,136	1,138,506	1,153,111
Property Taxes Levied for Police and Fire Pension	191,397	190,451	196,399	207,376	209,572
Payment in Lieu of Taxes	339,296	375,340	366,126	361,716	357,782
Municipal Income Taxes Levied for General Purposes	11,876,892	12,233,801	11,166,623	11,831,522	11,865,486
Municipal Income Taxes Levied for Street Construction, Maintenance, and Repair	595,076	369,225	279,941	377,602	526,254
Municipal Income Taxes Levied for Police and Fire	1,396,953	0	0	0	0
Municipal Income Taxes Levied for Capital Improvements	332,204	370,907	317,767	377,602	277,777
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	1,318,417	1,273,569	2,146,727	1,936,793	2,313,482
Franchise Taxes	307,730	312,562	297,964	288,289	272,225
Interest	105,396	78,660	166,410	333,457	184,976
Other	514,059	213,899	252,278	137,018	388,661
Transfers	<u>36,573</u>	<u>(2,242,904)</u>	<u>361,296</u>	<u>1,643,729</u>	<u>395,394</u>
Total Governmental Activities	<u>18,058,601</u>	<u>14,215,103</u>	<u>16,632,667</u>	<u>18,633,610</u>	<u>17,944,720</u>
Business-Type Activities					
Interest	0	0	0	0	49,182
Other	394,217	745,296	275,865	296,571	30,643
Transfers	<u>(36,573)</u>	<u>2,242,904</u>	<u>(361,296)</u>	<u>(1,643,729)</u>	<u>(395,394)</u>
Total Business-Type Activities	<u>357,644</u>	<u>2,988,200</u>	<u>(85,431)</u>	<u>(1,347,158)</u>	<u>(315,569)</u>
Total Primary Government	<u>18,416,245</u>	<u>17,203,303</u>	<u>16,547,236</u>	<u>17,286,452</u>	<u>17,629,151</u>
Changes in Net Position					
Governmental Activities	(1,453,356)	(4,315,818)	(3,560,414)	(3,154,064)	(2,947,238)
Business-Type Activities	<u>(11,646)</u>	<u>2,972,495</u>	<u>1,185,622</u>	<u>(937,952)</u>	<u>(2,216,294)</u>
Total Primary Government	<u>(\$1,465,002)</u>	<u>(\$1,343,323)</u>	<u>(\$2,374,792)</u>	<u>(\$4,092,016)</u>	<u>(\$5,163,532)</u>

2008	2007	2006	2005	2004
\$5,633,817	\$5,996,259	\$5,650,246	\$5,183,510	\$5,284,383
2,178,230	5,367,630	2,412,369	2,342,647	2,490,913
387,799	240,750	0	0	0
1,182,881	1,271,615	1,234,383	1,243,050	1,229,631
0	0	0	0	0
0	0	165,662	172,203	153,678
9,382,727	12,876,254	9,462,660	8,941,410	9,158,605
0	3,648	705,677	703,772	641,438
0	0	253,810	386,362	365,863
9,382,727	12,879,902	10,422,147	10,031,544	10,165,906
17,148,240	22,170,732	17,119,007	15,630,736	16,942,148
21,991,554	17,724,009	18,200,662	19,545,378	21,940,985
527,376	(1,033,864)	(1,670,176)	(786,261)	(1,613,470)
22,518,930	16,690,145	16,530,486	18,759,117	20,327,515
1,219,923	1,144,917	n/a	n/a	n/a
221,481	207,531	n/a	n/a	n/a
0	0	377,705	317,303	297,931
13,131,320	13,816,172	n/a	n/a	n/a
592,725	328,401	n/a	n/a	n/a
0	0	n/a	n/a	n/a
288,150	425,819	n/a	n/a	n/a
n/a	n/a	13,321,308	13,480,983	13,056,411
n/a	n/a	1,540,724	1,225,248	1,410,955
n/a	n/a	94,138	84,982	2,209
n/a	n/a	384,520	391,731	337,018
2,472,533	2,101,134	1,884,999	1,858,652	2,037,798
171,252	204,551	169,191	159,298	164,048
392,497	814,664	633,496	333,022	199,337
273,752	211,571	136,608	996,805	98,103
273,379	0	(214,848)	(80,495)	(94,603)
19,037,012	19,254,760	18,327,841	18,767,529	17,509,207
124,191	92,218	25,030	30,300	0
90,551	38,308	85,284	0	0
(273,379)	0	214,848	80,495	94,603
(58,637)	130,526	325,162	110,795	94,603
18,978,375	19,385,286	18,653,003	18,878,324	17,603,810
(2,954,542)	1,530,751	127,179	(777,849)	(4,431,778)
(586,013)	1,164,390	1,995,338	897,056	1,708,073
(\$3,540,555)	\$2,695,141	\$2,122,517	\$119,207	(\$2,723,705)

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

	2013	2012	2011	2010	2009
General Fund					
Reserved	\$0	\$0	\$0	\$422,439	\$480,799
Unreserved (Deficit)	0	0	0	(1,247,645)	917,957
Nonspendable	298,172	58,799	333,735	n/a	n/a
Committed	1,416	464	159,519	n/a	n/a
Assigned	211,336	170,522	158,086	n/a	n/a
Unassigned (Deficit)	865,934	(791,952)	(1,365,380)	n/a	n/a
Total General Fund	<u>1,376,858</u>	<u>(562,167)</u>	<u>(714,040)</u>	<u>(825,206)</u>	<u>1,398,756</u>
All Other Governmental Funds					
Reserved	0	0	0	1,977,893	1,240,387
Unreserved, Designated for Termination Benefits	0	0	0	504,426	713,644
Unreserved, Reported in Special Revenue Funds	0	0	0	742,483	1,161,949
Debt Service Funds (Deficit)	0	0	0	(385,823)	3,528
Capital Projects Funds (Deficit)	0	0	0	2,916,582	1,507,327
Nonspendable	1,493,864	1,550,143	1,526,649	n/a	n/a
Restricted	4,205,729	3,377,141	5,630,820	n/a	n/a
Committed	5,110	0	0	n/a	n/a
Assigned	0	0	1,372	n/a	n/a
Unassigned (Deficit)	(1,491,256)	(1,075,648)	(1,103,141)	n/a	n/a
Total All Other Governmental Funds	<u>4,213,447</u>	<u>3,851,636</u>	<u>6,055,700</u>	<u>5,755,561</u>	<u>4,626,835</u>
Total Governmental Funds	<u>\$5,590,305</u>	<u>\$3,289,469</u>	<u>\$5,341,660</u>	<u>\$4,930,355</u>	<u>\$6,025,591</u>

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

2008	2007	2006	2005	2004
\$452,612	\$486,424	\$217,301	\$275,075	\$115,494
2,756,095	3,619,500	5,300,128	4,144,253	3,726,939
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>3,208,707</u>	<u>4,105,924</u>	<u>5,517,429</u>	<u>4,419,328</u>	<u>3,842,433</u>
2,187,819	2,227,960	2,450,889	2,477,977	1,465,118
709,112	693,123	0	0	0
1,353,949	862,397	2,104,247	1,034,996	1,165,245
0	0	0		552,433
(412,672)	491,977	(575,469)	(772,303)	(231,700)
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>3,838,208</u>	<u>4,275,457</u>	<u>3,979,667</u>	<u>2,740,670</u>	<u>2,951,096</u>
<u>\$7,046,915</u>	<u>\$8,381,381</u>	<u>\$9,497,096</u>	<u>\$7,159,998</u>	<u>\$6,793,529</u>

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

	2013	2012	2011	2010	2009
<u>Revenues</u>					
Property Taxes	\$1,232,257	\$1,213,171	\$1,221,951	\$1,306,032	\$1,316,619
Payment in Lieu of Taxes	339,296	375,340	366,126	361,716	345,570
Municipal Income Taxes	14,324,676	12,679,571	12,740,356	11,743,061	12,640,346
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	1,178,391	1,242,226	1,198,228	1,676,046	1,827,413
Fees, Licenses, and Permits	382,259	366,646	351,163	326,653	363,818
Fines and Forfeitures	1,129,885	1,059,463	1,124,168	1,249,299	1,214,293
Intergovernmental	5,594,429	6,623,132	7,670,115	6,299,197	5,636,142
Interest	136,337	95,821	192,345	374,695	247,914
Other	607,434	292,905	955,275	474,041	451,298
Total Revenues	24,924,964	23,948,275	25,819,727	23,810,740	24,043,413
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	6,426,618	5,492,807	6,778,386	7,552,410	7,671,074
Fire	5,920,835	4,812,830	5,526,469	6,125,357	6,261,289
Other	270,226	297,776	258,206	274,704	272,940
Police/Fire/Other	n/a	n/a	n/a	n/a	n/a
Public Health	391,149	447,638	488,966	636,090	1,194,396
Leisure Time Activities	805,801	932,545	1,114,921	1,403,075	1,385,622
Community Environment	623,338	1,401,447	2,572,072	1,363,569	1,000,594
Transportation					
Transit	1,171,823	1,578,161	1,197,923	807,806	1,001,456
Other	2,448,841	2,793,121	3,354,214	4,682,823	3,565,728
Transit/Other	n/a	n/a	n/a	n/a	n/a
General Government					
Court	1,200,327	1,014,527	976,173	997,407	973,975
Other	2,790,803	4,349,368	3,081,972	4,066,325	3,376,243
Court/Other	n/a	n/a	n/a	n/a	n/a
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	407,701	397,628	634,053	3,905,795	338,086
Current Refunding	0	0	0	0	0
Interest and Fiscal Charges	161,905	175,472	192,662	296,264	226,984
Debt Retirement	n/a	n/a	n/a	n/a	n/a
Total Expenditures	22,619,367	23,693,320	26,176,017	32,111,625	27,268,387
Excess of Revenues Over (Under) Expenditures	2,305,597	254,955	(356,290)	(8,300,885)	(3,224,974)
<u>Other Financing Sources (Uses)</u>					
Bond Anticipation Notes Issued	0	0	0	2,650,000	0
General Obligation Bonds Issued	0	0	0	4,178,350	0
Loan Proceeds	0	0	0	0	3,780,000
Current Refunding	0	0	0	(250,000)	(1,580,000)
Payment to Refunded Bond Escrow Agent	0	0	0	(790,010)	0
Sale of Capital Assets	3,850	23,400	0	2,300	3,650
Inception of Capital Lease	0	0	0	0	0
Other Financing Uses	0	0	0	0	0
Transfers In	1,353,929	1,551,743	2,029,580	3,585,003	1,701,215
Transfers Out	(1,362,540)	(3,882,289)	(1,663,985)	(1,941,274)	(1,701,215)
Total Other Financing Sources (Uses)	(4,761)	(2,307,146)	365,595	7,434,369	2,203,650
Changes in Fund Balance	\$2,300,836	(\$2,052,191)	\$9,305	(\$866,516)	(\$1,021,324)
Debt Service as a Percentage of Noncapital Expenditures	2.58%	2.67%	3.30%	0.92%	2.24%

2008	2007	2006	2005	2004
\$1,401,185	\$1,404,796	n/a	n/a	n/a
338,367	478,042	471,843	317,303	297,931
14,113,112	13,443,747	n/a	n/a	n/a
n/a	n/a	16,231,668	14,717,576	14,297,423
0	0	27,496	21,599	57,852
1,360,963	1,505,323	1,158,442	1,411,442	894,054
279,947	265,113	1,245,906	1,098,054	1,138,372
1,297,980	1,186,232	n/a	n/a	n/a
6,917,210	5,620,098	5,749,625	5,961,442	5,751,775
416,423	812,342	633,496	333,022	204,993
314,710	308,992	136,608	996,805	441,031
<u>26,439,897</u>	<u>25,024,685</u>	<u>25,655,084</u>	<u>24,857,243</u>	<u>23,083,431</u>
7,397,210	n/a	n/a	n/a	n/a
6,195,101	n/a	n/a	n/a	n/a
296,923	n/a	n/a	n/a	n/a
n/a	13,220,977	12,332,999	12,068,033	11,595,209
1,231,500	1,168,061	1,039,432	1,116,784	1,057,747
1,471,093	1,421,739	1,217,766	1,737,465	1,202,793
1,351,027	729,756	702,043	1,142,518	787,660
1,117,012	n/a	n/a	n/a	n/a
3,172,806	n/a	n/a	n/a	n/a
n/a	5,849,580	3,632,581	3,632,726	4,517,992
824,660	n/a	n/a	n/a	n/a
4,188,079	n/a	n/a	n/a	n/a
n/a	3,993,892	3,267,290	4,110,970	3,607,851
0	0	295,323	78,479	940,445
346,898	312,462	292,427	282,736	0
0	70,000	0	0	0
190,754	189,357	188,017	240,568	0
n/a	n/a	n/a	n/a	382,649
<u>27,783,063</u>	<u>26,955,824</u>	<u>22,967,878</u>	<u>24,410,279</u>	<u>24,092,346</u>
<u>(1,343,166)</u>	<u>(1,931,139)</u>	<u>2,687,206</u>	<u>446,964</u>	<u>(1,008,915)</u>
1,580,000	1,580,000	0	0	0
0	0	0	0	0
0	0	0	0	723,975
(1,580,000)	(700,000)	0	0	0
0	0	0	0	0
8,700	5,200	0	0	0
0	149,000	0	0	0
0	0	0	0	(164,509)
1,732,944	1,986,977	1,658,369	1,113,175	1,126,412
<u>(1,732,944)</u>	<u>(1,986,977)</u>	<u>(2,008,477)</u>	<u>(1,193,670)</u>	<u>(1,221,014)</u>
<u>8,700</u>	<u>1,034,200</u>	<u>(350,108)</u>	<u>(80,495)</u>	<u>464,864</u>
<u>(\$1,334,466)</u>	<u>(\$896,939)</u>	<u>\$2,337,098</u>	<u>\$366,469</u>	<u>(\$544,051)</u>
2.08%	2.04%	2.15%	2.31%	0.00%

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			
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
2004	258,836,880	71,434,240	943,631,771	19,559,020	22,226,159

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	\$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
43,721,000	174,884,000	393,551,140	1,140,741,930	34.50	4.20

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

	2013	2012	2011	2010	2009
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	11.5500
Marion City School District	41.2200	41.2500	40.3600	40.3600	40.3600
Elgin Local School District	45.7500	45.7800	46.1700	46.1700	37.6800
Pleasant Local School District	47.1300	47.1300	47.5900	47.5900	47.5900
Ridgedale Local School District	45.6900	45.7000	46.5200	46.5200	46.5200
River Valley Local School District	38.8900	38.8900	38.4100	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.

2008	2007	2006	2005	2004
\$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	10.7500	11.0500	11.0500
40.7500	40.2600	40.6300	44.5300	44.5300
38.2600	37.7700	37.8500	37.8500	37.8500
47.7700	47.7700	48.2300	48.0900	48.3200
47.6800	47.6000	47.3900	47.3900	47.3900
43.5000	43.5000	44.3700	44.3700	44.8800
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 Nine 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
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.
The presentation will be updated as new information becomes available.

Information prior to 2005 is not 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
\$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
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
2004	180,421	21,419	201,840	163,245	90.48

Source: Marion County Auditor

Note: The County's current reporting system does not track delinquency tax collections by tax year.
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>
\$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
5,295	168,540	83.50	27,843	13.79

City of Marion
Principal Taxpayers
Current Year and Eight Years Ago

		2013	
Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total City Assessed Valuation (2013 Collection Year)
Marion General Hospital	Hospital	\$14,484,885	3.90%
Ohio American Water	Utility	11,856,340	3.20
Ohio Edison Company	Utility	8,314,520	2.24
Nucor Steel	Manufacturing	6,008,371	1.62
Kevin Hensel	Real Estate	4,960,285	1.34
Michael Maynard	Real Estate	4,094,028	1.10
Kinman Real Estate	Real Estate	4,003,457	1.08
MV/AGL Mallard Landing	Real Estate	3,750,000	1.01
HCRA Properties	Real Estate	3,558,514	0.96
Marion 309 LLC	Real Estate	2,879,228	0.78
	Total	63,909,628	17.23
	All Other Taxpayers	307,089,362	82.77
	Total Assessed Valuation	<u>\$370,998,990</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

Note: Information prior to 2005 is not available.

City of Marion
Income Tax Revenue Base and Collections
Last Seven 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>
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 Five Years

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

Source: City Utility Department

Note: Information prior to 2009 is not available.

n/a - not applicable

2011			2010			2009		
Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate	Consumption (CCF)	Billings	Rate
761,031	\$2,760,144	\$2.35	n/a	\$2,295,334	\$2.30	n/a	\$2,271,940	\$2.16
30,567	129,469	2.83	n/a	116,865	2.77	n/a	119,811	2.66
545,917	1,509,213	2.50	n/a	1,296,241	2.45	n/a	1,260,115	2.34
41,147	<u>133,335</u>	2.83	n/a	<u>125,528</u>	2.77	n/a	<u>123,196</u>	2.66
	<u>4,532,161</u>			<u>3,833,968</u>			<u>3,775,062</u>	
n/a	21,013	20.82	n/a	17,618	20.60	n/a	1,182	20.05
n/a	1,703	20.82	n/a	1,379	20.60	n/a	3,027	20.05
n/a	3,540	30.22	n/a	2,947	29.70	n/a	75	28.68
n/a	1,748	39.62	n/a	1,482	38.97	n/a	629	37.32
n/a	815	49.02	n/a	861	48.16	n/a	423	45.95
n/a	<u>0</u>	58.42	n/a	<u>0</u>	57.34	n/a	<u>137</u>	54.58
	<u>28,819</u>			<u>24,287</u>			<u>5,473</u>	
	<u>\$4,560,980</u>			<u>\$3,858,255</u>			<u>\$3,780,535</u>	

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City of Marion
Sanitation Utility Statistics
Last Four Years

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

Type of Customer	2013		2012		2011	
	Billings	Flat Rate	Billings	Flat Rate	Billings	Flat Rate
Residential						
Bi-Monthly	\$613,527	\$8.32	\$503,850	\$8.32	\$626,222	\$8.32
Senior Bi-Monthly Discount	21,838	4.16	15,866	4.16	17,790	4.16
Commercial						
Bi-Monthly	355,578	8.32	276,382	8.32	219,952	8.32
Senior Bi-Monthly Discount	<u>243,879</u>	4.16	<u>191,854</u>	4.16	<u>352,789</u>	4.16
Grand Total	<u>\$1,234,822</u>		<u>\$987,952</u>		<u>\$1,216,753</u>	

Source: City Utility Department

Note: Information prior to 2009 is not available.

<u>2010</u>		<u>2009</u>	
<u>Billings</u>	<u>Flat Rate</u>	<u>Billings</u>	<u>Flat Rate</u>
\$542,317	\$8.32	\$565,208	\$8.32
14,925	4.16	15,520	4.16
232,566	8.32	278,291	8.32
<u>268,344</u>	4.16	<u>249,876</u>	4.16
<u>\$1,058,152</u>		<u>\$1,108,895</u>	

City of Marion
Principal Sewer Customers
Last Five Years

Customer	2013			2012			2011		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Marion Correctional Institute	\$624,814	1	12.60%	\$453,378	1	11.84%	\$547,820	1	12.02%
North Central Correctional Institute	304,596	2	6.14	244,885	2	6.39	349,098	2	7.65
Kinman Real Estate	24,170	3	0.49	24,870	3	0.65	26,131	4	0.57
Mark Kamann	22,721	4	0.46						
Community Nursing	20,907	5	0.42	18,070	6	0.47	18,651	6	0.41
Nachurs	18,785	6	0.38	24,159	4	0.63	26,144	3	0.57
Multi County Correctional Institute	17,876	7	0.36	13,348	10	0.35	15,819	8	0.35
Silverline Building Products	14,850	8	0.30	20,955	5	0.55	15,387	9	0.34
Fairview 1	14,455	9	0.29						
Arcelormittal Tubular	14,176	10	0.29						
Chartwell Group				16,246	7	0.42			
TSM Management				14,569	8	0.38	16,531	7	0.36
CSX Transportation, Inc.				13,520	9	0.35			
John Curry							24,919	5	0.55
Rotary Towers							12,985	10	0.28
Nucor Steel									
US Yachiyo									
Total	1,077,350		21.73	844,000		22.03	1,053,485		23.10
Balance from Other Customers	3,881,341		78.27	2,986,362		77.97	3,507,495		76.90
Total Billed	<u>\$4,958,691</u>		<u>100.00%</u>	<u>\$3,830,362</u>		<u>100.00%</u>	<u>\$4,560,980</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.

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

City of Marion
Principal Sanitation Customers
Last Four Years

Customer	2013			2012			2011		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Kinman Real Estate	\$12,163	1	0.40%	\$10,292	1	0.38%	\$10,981	1	0.50%
Hampton Woods	9,397	2	0.29	9,245	2	0.34	8,982	2	0.40
Lakes of Marion	7,439	3	0.23	7,319	3	0.27	7,110	3	0.32
Ethel Cochroan	2,630	4	0.08						
Carola Woodrum	2,296	5	0.07						
Sonja Troutman	2,020	6	0.06						
Villas at Center Park	1,984	7	0.06	1,952	8	0.07	1,896	4	0.09
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							\$1,870	5	0.08
Rocky Bradford							1,820	6	0.08
Charles Levings							1,654	7	0.07
Rose Ann Seiter							1,533	8	0.07
Martis Bracy							1,495	9	0.07
Fairpark Baptist Church							1,445	10	0.06
Mobile Meals									
Church of Nazarene									
USWA Local 1949									
Marion Public Library									
CWA Local 4371									
The Bainbridge Firm									
Debra Haire									
J & D Properties									
Total	42,987		1.35	41,008		1.51	38,786		1.74
Balance from Other Customers	3,147,000		98.65	2,676,714		98.49	2,188,963		98.26
Total Billed	<u>\$3,189,987</u>		<u>100.00%</u>	<u>\$2,717,722</u>		<u>100.00%</u>	<u>\$2,227,749</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.

<u>2010</u>		
<u>Amount</u>	<u>Rank</u>	<u>Percentage</u>
\$10,632	1	0.61%
1,424	2	0.08
893	3	0.05
874	4	0.05
728	5	0.04
583	6	0.03
486	7	0.03
437	8	0.02
385	9	0.02
<u>323</u>	10	<u>0.02</u>
16,765		\$0.95
<u>1,744,703</u>		<u>99.05</u>
<u>\$1,761,468</u>		<u>100.00%</u>

City of Marion
Principal Storm Water Customers
Last Five Years

Customer	2013			2012			2011		
	Amount	Rank	Percentage	Amount	Rank	Percentage	Amount	Rank	Percentage
Nucor Steel	\$49,200	1	4.00%	\$38,750	1	3.92%	\$42,096	1	3.44%
Marion Correctional Institute	25,524	2	2.07	18,275	2	1.85	21,930	2	1.80
GPS LLC	24,842	3	2.01	18,258	3	1.85	19,918	3	1.64
Bunge North American Granary	17,771	4	1.44	12,365	6	1.25	16,404	4	1.35
Marion Medical Center	17,687	5	1.43						
Graphic Packaging	15,850	6	1.28	12,483	5	1.26	13,618	6	1.12
North Central Correctional Institute	14,241	7	1.15	9,177	7	0.93	12,236	7	1.01
General Recycling	10,536	8	0.85	7,525	9	0.76	10,536	8	0.87
Marion City School District	10,156	9	0.82	7,999	8	0.81	8,726	9	0.72
Kinman Real Estate	8,390	10	0.68	6,608	10	0.67	7,208	10	0.59
Clinic Investment				15,005	4	1.52	16,369	5	1.35
Ohio Department of Youth Services									
Total	194,197		15.73	146,445		14.82	169,041		13.89
Balance from Other Customers	<u>1,040,625</u>		<u>84.27</u>	<u>841,507</u>		<u>85.18</u>	<u>1,047,712</u>		<u>86.11</u>
Total Billed	<u>\$1,234,822</u>		<u>100.00%</u>	<u>\$987,952</u>		<u>100.00%</u>	<u>\$1,216,753</u>		<u>100.00%</u>

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.

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

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City of Marion
Wastewater Treated with Parameter Removal Data
Last Eight Years

Year	Gallons Treated (Per Million)	Parameter	Removal Rate	Average Pounds Removed (Per Day)
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
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
2004	0	1,501,000	1,575,637	112,177	709,028	0	6,605,000	27,130,462	1,843,017	346,768

Source: City Records

- (1) See Schedule on S-42 for population and personal income. These ratios are calculated using population and personal income for the prior calendar year.

Total Debt	Per Capita	Percentage of Personal Income
\$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
39,823,089	1,082.56	3.27

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
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
2004	36,786	1,140,741,930	8,106,000	220.36	0.71

Source: City Records
Marion County Auditor

City of Marion
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2013

Political Subdivision	Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
City of Marion	\$4,999,656	100%	\$4,999,656
Marion County	2,655,000	33.40	886,770
Marion City School District	9,814,124	95.79	9,400,949
Elgin Local School District	30,425,000	0.27	82,148
Pleasant Local School District	1,045,000	19.11	199,700
River Valley Local School District	11,120,000	2.97	330,264
Total Overlapping Debt	55,059,124		10,899,830
Total	\$60,058,780		\$15,899,486

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 2013 collection year.

City of Marion
Computation of Legal Debt Margin
Last Ten Years

	2013	2012	2011	2010
Total Assessed Valuation	<u>\$370,998,990</u>	<u>\$371,313,240</u>	<u>\$373,481,150</u>	<u>\$394,826,690</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	38,954,894	38,987,890	39,215,521	41,456,802
Gross Indebtedness	48,994,440	47,205,158	47,054,573	48,978,622
Less Debt Outside Limitation				
Bond Anticipation Notes	5,680,000	1,030,000	9,400,000	5,900,000
General Obligation Revenue Bonds	22,950,050	23,794,200	13,362,750	14,150,650
OWDA Loans	13,675,355	15,337,917	16,966,329	18,561,506
OPWC Loans	1,247,071	1,351,036	1,493,521	1,459,350
ODOT DRIP TIF	<u>447,664</u>	<u>528,859</u>	<u>607,478</u>	<u>683,602</u>
Net Indebtedness	4,994,300	5,163,146	5,224,495	8,223,514
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>1,372</u>	<u>0</u>
Net Debt Within 10.5 Percent Limitation	<u>4,994,300</u>	<u>5,163,146</u>	<u>5,223,123</u>	<u>8,223,514</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$33,960,594</u>	<u>\$33,824,744</u>	<u>\$33,992,398</u>	<u>\$33,233,288</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	87.18%	86.76%	86.68%	80.16%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$20,404,944	\$20,422,228	\$20,541,463	\$21,715,468
Gross Indebtedness	48,994,440	47,205,158	47,054,573	48,978,622
Less Debt Outside Limitation				
Bond Anticipation Notes	5,680,000	1,030,000	9,400,000	5,900,000
General Obligation Bonds	22,950,050	23,794,200	13,362,750	14,150,650
OWDA Loans	13,675,355	15,337,917	16,966,329	18,561,506
OPWC Loans	1,247,071	1,351,036	1,493,521	1,459,350
ODOT DRIP TIF	<u>447,664</u>	<u>1,286,934</u>	<u>1,423,009</u>	<u>1,382,428</u>
Net Indebtedness	4,994,300	4,405,071	4,408,964	7,524,688
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>1,372</u>	<u>0</u>
Net Debt Within 5.5 Percent Limitation	<u>4,994,300</u>	<u>4,405,071</u>	<u>4,407,592</u>	<u>7,524,688</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$15,410,644</u>	<u>\$16,017,157</u>	<u>\$16,133,871</u>	<u>\$14,190,780</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	75.52%	78.43%	78.54%	65.35%

Source: City Records

2009	2008	2007	2006	2005	2004
<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>	<u>\$393,551,140</u>
41,667,216	43,650,602	41,985,407	43,021,126	42,633,787	41,322,870
44,174,859	43,761,441	41,698,485	42,626,420	45,149,201	43,925,089
10,600,000	8,625,000	5,440,000	4,725,000	4,725,000	2,322,000
5,022,850	5,360,689	5,683,621	6,030,000	6,325,000	6,605,000
20,124,330	21,578,955	22,941,019	24,456,153	25,941,525	27,130,462
1,327,573	1,453,872	1,580,171	1,717,907	1,844,205	1,955,194
757,312	929,716	1,115,124	1,275,127	1,428,541	1,575,637
6,342,794	5,813,209	4,938,550	4,422,233	4,884,930	4,336,796
3,528	0	0	711,043	622,066	552,443
<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>3,784,353</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>	<u>\$37,538,517</u>
84.79%	86.68%	88.24%	91.37%	90.00%	90.84%
\$21,825,685	\$22,864,601	\$21,992,356	\$22,534,875	\$22,331,984	\$21,645,313
44,174,859	43,761,441	41,698,485	42,626,420	45,149,201	43,925,089
10,600,000	8,625,000	5,440,000	4,725,000	4,725,000	2,322,000
5,022,850	5,360,689	5,683,621	6,030,000	6,325,000	6,605,000
20,124,330	21,578,955	22,941,019	24,456,153	25,941,525	27,130,462
1,327,573	1,453,872	1,580,171	1,717,907	1,844,205	1,955,194
1,247,446	1,367,335	1,487,224	1,618,550	1,738,438	1,843,017
5,852,660	5,375,590	4,566,450	4,078,810	4,575,033	4,069,416
3,528	0	0	711,043	622,066	552,443
<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>3,516,973</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>	<u>\$18,128,340</u>
73.20%	76.49%	79.24%	85.06%	82.30%	83.75%

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	
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
2004	5,284,383	2,520,158	2,764,225	1,410,518	n/a	1,410,518	1.96

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	
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
2004	2,490,913	1,839,796	651,117	159,113	n/a	159,113	4.09

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	
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)	253,673	298,328	37,902	336,230	0.75
2010	0	63,211	(63,211)	160,130	44,943	205,073	(0.31)
2009	346,431	(28,200)	374,631	153,385	51,688	205,073	1.83
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
2004	153,678	906,650	(752,972)	0	0	0	0.00

Source: City Records

(1) Includes operating revenues and interest.

(2) Total operating expenses exclusive of depreciation.

n/a - not available

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
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
2004	1,229,631	521,985	707,646	12,307	57.50

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)
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
2004	36,786	1,216,329,090	33,065	5,592	6.60

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, 2013			December 31, 2004		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Marion General Hospital	Hospital	1,469	1	11.31%	796	2	6.07%
Marion City School District	School District	844	2	6.50	613	4	4.67
Marion Correctional Institute	Correctional Facility	640	3	4.93	1,289	1	9.83
North Central Correctional Institute	Correctional Facility	521	4	4.01			
Marion Industries	Manufacturing	423	5	3.26			
Marion Area Physicians	Medical	391	6	3.01			
City of Marion	Government	371	7	2.86	367	6	2.80
Marion County	Government	271	8	2.09	295	7	2.25
Nucor Steel	Manufacturing	259	9	1.99	368	5	2.81
US Yachiyo	Manufacturing	224	10	1.72			
Frederick C Smith Clinic	Medical				764	3	5.82
Marion Independent Physicians	Medical				254	8	1.94
AHP	Manufacturing				238	9	1.81
Marion Ancillary	Medical				192	10	1.46
	Total	<u>5,413</u>		<u>41.68%</u>	<u>5,176</u>		<u>39.46%</u>
	Total City Employment	<u>12,987</u>			<u>13,117</u>		

Source: City Auditor

Note: 2013 employment is based on 2010 census.

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City of Marion
 Full-Time City Government Employees by Function/Program
 Last Four Years

Function/Program	2013	2012	2011	2010
Security of Persons and Property				
Police	57	52	69	75
Fire	53	49	51	59
Leisure Time Activities	19	22	28	29
Transportation				
Transit	20	20	21	19
Other	22	21	22	26
Basic Utility Services				
Sewer	29	28	32	32
Solid Waste	16	13	18	15
Billing Services	4	4	4	4
General Government				
Court	21	21	19	19
Other	44	45	46	49
Totals	<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	2013	2012	2011	2010	2009
Security of Persons and Property - Police					
Total Calls for Services	39,106	36,711	38,481	43,162	42,050
Number of Traffic Citations Issued	594	319	1,838	3,780	3,473
Number of Felony Criminal Arrests	565	593	635	536	526
Number of Accident Reports Completed	887	732	743	821	748
DUI Arrests	39	60	110	118	141
Motor Vehicle Accidents	1,149	2,142	2,115	2,377	621
Gasoline Costs of Fleet	\$122,394	\$105,178	\$104,028	\$120,043	\$74,715
Gasoline Usage in Gallons	38,043	31,614	n/a	45,357	45,944
Community Policing Auxillary Hours	2,790	2,553	2,608	3,222	n/a
Security of Persons and Property - Fire					
Structure Fires	69	48	48	50	46
Fires with Loss	63	47	42	43	41
Fires with Losses Exceeding \$10,000	33	7	19	20	21
Total Fire Losses	\$979,720	\$304,100	\$900,880	\$650,206	\$836,600
Number of EMS Calls	6,140	6,041	5,916	4,529	4,363
Leisure Time Activities					
Swimming Pool Receipts	\$122,778	\$195,061	n/a	\$16,209	n/a
Aquatics Center Seasonal Admissions	18,038	40,979	n/a	n/a	n/a
Park Shelter Rentals	\$11,631	\$15,575	\$8,056	\$10,220	n/a
Concession Receipts	\$41,777	\$78,363	n/a	\$465	n/a
Basic Utility Services					
Refuse Disposal per Year (in tons)	12,240	12,277	13,362	12,543	12,647
Yard Waste per Year (in tons)	554	533	521	703	847
Leaf Pickup (in yards)	1,320	2,280	2,550	3,562	5,938
Salt Usage (in tons)	1,526	1,016	2,738	2,282	2,152
Sanitary Sewer Customers	12,298	12,526	12,598	12,618	12,700
Sanitation Customers	12,439	11,930	10,002	10,022	10,104
Storm Water Customers	12,660	12,779	12,871	12,891	12,973
Sanitary Sewer Inspections	5,497	3,841	3,525	3,528	3,404
Storm Water Inspections	145	111	180	144	289
Sanitary Blockage	369	238	208	243	274
Odor Complaints	65	85	127	156	101
Sanitary Lines Cleaned or Jetted (in feet)	373,540	336,880	453,767	498,878	501,906
Storm Water Lines Cleaned or Jetted (in feet)	6,800	8,800	4,748	5,622	6,716
Excavations	44	40	50	79	40
Manhole Repairs	18	13	41	34	33
Catch Basins Repaired	235	203	232	290	343
Degreased (in feet)	600	500	n/a	1,100	2,500
Root Cut or Control in Feet	5,299	5,060	6,088	5,520	10,721
Sanitary Lines Televised (in feet)	8,539	8,297	3,484	10,933	19,924
Storm Water Lines Televised (in feet)	946	4,743	585	1,969	1,155
Percentage of Biosolides Suspended or Removed	97%	98%	98%	98%	98%
Biosolids Land Applied	1,160	1,305	269	n/a	3,055
Gallons of Wastewater Treated (in millions)	3,651	3,273	4,641	3,792	3,039
Gallons of Wastewater ByPass (in millions)	106	28	179	n/a	10
Transportation					
Total Transit Ridership	195,139	193,283	190,480	184,068	180,054
Hot Mix Asphalt (in tons)	786	211	486	90	83
Cold Mix Asphalt (in tons)	184	209	276	250	250
Tack Used (in gallons)	738	339	816	591	427
Aggregate Used (in tons)	0	12	590	70	132
General Government					
Council and Clerk					
Number of Ordinances Passed	91	84	99	119	99
Number of Resolutions Passed	24	26	27	21	27
Engineering Excavation Permits Issued	694	721	708	656	660

Source: City Records

n/a - not available

2008	2007	2006	2005	2004
45,968	42,807	43,345	43,055	46,482
3,237	2,677	1,857	1,681	2,832
498	451	517	610	393
812	1,176	1,117	1,210	1,278
149	97	90	101	167
644	913	831	906	945
\$127,309	\$122,465	\$107,043	\$89,354	\$70,229
42,319	47,239	47,171	44,221	47,966
n/a	1,688	2,752	2,600	n/a
54	60	50	43	42
46	45	40	36	36
28	17	11	7	19
\$994,550	\$752,150	\$568,170	\$285,210	\$758,850
4,600	4,663	4,356	4,590	4,276
\$17,486	\$18,863	\$21,210	\$25,489	\$22,780
n/a	n/a	n/a	n/a	n/a
\$10,665	\$7,760	\$7,635	\$8,900	\$10,100
\$111	\$9,286	\$9,084	\$12,970	\$11,203
13,305	13,540	13,094	13,608	14,046
1,336	714	1,021	914	1,129
4,296	4,940	5,893	4,567	5,246
2,354	2,341	527	3,450	2,693
13,202	13,167	13,254	13,315	13,536
10,606	10,595	10,608	10,816	11,224
12,475	12,455	12,523	12,610	12,850
4,018	3,919	3,979	2,464	3,505
339	268	287	329	568
444	461	366	333	318
152	154	87	111	151
461,500	468,066	420,545	334,245	496,500
11,615	10,650	11,765	16,350	33,265
57	47	41	23	22
45	43	33	21	31
462	379	515	524	831
19,191	6,200	3,825	1,840	2,940
16,979	1,810	1,810	1,500	7,645
13,561	13,895	10,909	9,715	15,884
5,989	6,628	5,017	10,125	4,178
98%	98%	98%	97%	97%
3,117	3,325	2,440	4,255	2,661
3,733	3,771	3,754	3,506	3,723
59	78	79	230	200
185,072	173,929	161,872	171,104	154,993
895	1,296	764	524	n/a
530	168	269	278	n/a
1,305	464	994	415	n/a
132	323	614	313	n/a
133	115	96	107	130
25	46	30	44	42
677	695	575	447	350

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

Function/Program	2013	2012	2011	2010	2009
Security of Persons and Property-Police					
Stations	1	1	1	1	1
Vehicles	30	33	38	36	36
Security of Persons and Property-Fire					
Stations	3	3	3	3	3
Vehicles	13	13	14	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	8	8	10	10	9
Transportation - Transit					
Bus Terminal	1	1	1	1	1
Vehicles	16	16	19	15	16
Transportation - Other					
Airport Buildings	3	3	3	3	3
Other Buildings	3	3	3	3	3
Streets (miles)	311	311	311	311	311
Vehicles	21	21	21	21	20
General Government - Court					
Buildings	1	1	1	1	1
Vehicles	1	1	1	1	1
General Government - Other					
Buildings	4	4	4	4	4
Vehicles	1	1	2	2	1
Sewer					
Sewer Lines (miles)	134	134	134	132	128
Vehicles	15	14	16	16	16
Sanitation					
Vehicles	13	13	14	14	14
Storm Water					
Storm Water Lines (miles)	135	135	135	134	131
Vehicles	15	15	17	17	17

Source: City Records

Note: Information prior to 2008 is not available.

2008

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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, 2013**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Development Services Agency</i>			
Community Development Block Grant - State's Program '11 Formula	A-F-11-2C1-1	14.228	\$ 20,783
Community Development Block Grant - State's Program '12 Formula	A-F-12-2C1-1	14.228	102,776
Community Development Block Grant- State's Program '08 (Neighborhood Stabilization Program Grants)	A-Z-08-142-1	14.228	13,854
Total Community Development Block Grant State's Program			<u>137,413</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>137,413</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct:</i>			
Public Safety Partnership and Community Policing Grants	2010-UM-WX-0246	16.710	229,853
Edward Byrne Memorial Justice Assistance Grant - School Resource Officer Grant	2011-DJ-BX-3419	16.738	8,843
Joint Law Enforcement Operations Grant	245D-CV-77893	16.111	71,372
Bulletproof Vest Partnership Program	N/A	16.607	9,250
<i>Passed Through the Ohio Office of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant - Technology Grant	2012-JG-LLE-5380	16.738	8,000
Edward Byrne Memorial Justice Assistance Grant - School Resource Officer Grant	2012-JG-B01-6412	16.738	40,000
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>367,318</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Direct:</i>			
Airport Improvement Program	AIP-3-39-0050-1909	20.106	80,909
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas - Capital Projects	RPT-0051-033-132	20.509	159,281
Formula Grants for Other Than Urbanized Areas - Operating	RPT-4051-033-131	20.509	368,383
Formula Grants for Other Than Urbanized Areas - Inter-City Projects	RPT-4051-032-133	20.509	4,919
ARRA - Formula Grants for Other Than Urbanized Areas - Capital Projects	RPTS-0051-001-093	20.509	93,376
Total Formula Grants for Other Than Urbanized Areas Program			<u>625,959</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>706,868</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	39,719
Special Programs for the Aging-Title III, Part E Grants for Supportive Services and Senior Centers	N/A	93.044	3,500
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>43,219</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct:</i>			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	EMW-2011-FH-00918	97.044	512,840
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>512,840</u>
Total Federal Awards Expenditures			<u><u>\$ 1,767,658</u></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, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying the 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 Development Services Agency. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the Revolving Loan Fund during 2013 was as follows:

Beginning loans receivable balance as of January 1, 2013	\$972,011
Loans made	0
Loan principal repaid	<u>17,723</u>
Ending loans receivable balance as of December 31, 2013	<u><u>\$954,288</u></u>
Cash balance on hand in the revolving loan fund as of December 31, 2013	\$81,714
Administrative costs expended during 2013	16,826

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2013, 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.



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

City of Marion
Marion County
233 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, 2013, 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 12, 2014.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2013-001 and 2013-002.

Entity's Responses to Findings

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

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

June 12, 2014



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's) 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's major federal programs for the year ended December 31, 2013. 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, 2013.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-003 to be a material weakness.

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

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on 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 (the City) as of and for the year ended December 31, 2013, 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 12, 2014.

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 12, 2014

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**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

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)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	ARRA/Formula Grants for Other Than Urbanized Areas CFDA #20.509 Staffing for Adequate Fire and Emergency Response (SAFER) Grant CFDA #97.044
<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

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013
(Continued)**

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

FINDING NUMBER 2013-001

Deposits & Investments – Material Non-Compliance

Ohio Rev. Code § 135.14(B)(3), 135.08, and 135.09 require interim deposits to be awarded to eligible institutions who properly apply with the legislative authority. Ohio Rev. Code Section 135.03 provides in part that any national bank located in this state and any bank as defined in Ohio Rev. Code Section 1101.01, subject to inspection by the superintendent of financial institutions, is eligible to become a public depository, subject to sections 135.01 to 135.21 of the Ohio Rev. Code.

Ohio Rev. Code Section 135.12 (B) and (C) requires City Council to meet every five years for the purpose of designating the public depositories for the period of five years; if City Council determines, during a designation period, that a public depository designated under this section is insolvent or operating in an unsound or unsafe manner, the governing board may meet and designate a different public depository of the public moneys of the state or of the subdivision for the remainder of the designation period.

Ohio Rev. Code Section 135.14 (J) provides that if any investments or deposits purchased under the authority of this section are issuable to a designated payee or to the order of a designated payee, the name of the treasurer and the title of the treasurer's office shall be so designated. The Treasurer, per Ohio Rev. Code Section 135.14 (K), is responsible for the safekeeping of all documents evidencing a deposit or investment acquired by his office under this section.

We noted the following regarding the City's deposit and investment activity:

- While all of the City's deposits and investments were held in the City's name as of December 31, 2012 we noted that only two of those deposits or investments were specifically held in the City Treasurer's name.

- The City's depository agreement with the Ohio State Bank expired on September 13, 2011. The Ohio State Bank has entered into a written consent agreement with the Federal Deposit Insurance Corporation (FDIC) and the State of Ohio Division of Financial Institutions, prohibiting the Ohio State Bank from accepting new deposits or renewing a certificate of deposit from any public fund entity. The City has maintained deposits with this bank without an active depository agreement since its expiration in September 2011. However all deposits were fully insured or collateralized.

We recommend investments be made in the name of the City Treasurer, and that deposits be made only with designated depositories with approved depository agreements.

CITY OF MARION
MARION COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013
(Continued)

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

FINDING NUMBER 2013-002

Budgetary Expenditures Exceed Appropriations – Material Non-Compliance

Ohio Rev. Code § 5705.41 (B) provides in part that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated against an appropriate fund. Furthermore, expenditures may not exceed appropriations at the legal level of control. The legal level of control is defined as the level at which appropriations are approved by the City Council; for the City the legal level of control is the object level.

We noted the following significant instance where budgetary expenditures (cash disbursements plus outstanding encumbrances) exceeded appropriations at the object level:

<u>Fund</u>	<u>Function</u>	<u>Object</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Stormwater Fund	Stormwater	Capital Outlay	\$ 45,365	\$ 98,086	\$ (52,721)

We recommend the City monitor budgetary expenditures and appropriations at the legal level of budgetary control.

In order to limit expenditures within appropriated amounts, City Council may amend the annual appropriation measure by approving supplemental appropriations or by transferring appropriations from one line item to another. We also recommend the City Auditor not pay expenditures that exceed appropriations unless the appropriations are properly amended.

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

**Program Income – Fare Box Revenue – Transit Department
Material Weakness**

Finding Number	2013-003
CFDA Title and Number	20.509 – Transit Grants for Other Than Urbanized Areas
Federal Award Number / Year	RPT-0051-033-132 RPT-0051-4051-131 RPT-4051-032-133 RPTS-0051-001-093
Federal Agency	United States Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

The City operates a transit service for its residents. Passenger fares generated are considered Program Income; the amount of fees generated directly affects the amount of federal funding provided to the City.

Upon completion of each shift drivers submit their locked fare boxes and manifest, containing a listing of all passengers, to an Account Clerk. A reconciliation is then performed by comparing the cash and tickets and comparing to the driver’s manifest, and a deposit slip is completed.

We noted three days for which there was no evidence that the above reconciliations were performed.

Without adequate controls in place, the amount of program income reported and the resulting amount of federal funding provided could be incorrect.

We recommend reconciliations between each driver’s manifests and fare boxes be performed daily.

**CITY OF MARION
MARION COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-001	The City of Marion is the proper owner of all invested public dollars held. All investments are in the name of the City of Marion and all statements are sent to the attention of the City Treasurer. The Ohio State Bank is paying best interest rate earned on the deposited funds. While the City recognizes that the institute cannot provide a depository agreement to the City the City's deposit was authorized and is currently under the FDIC threshold. The Treasurer monitors the account each month to ensure the invested amount does not exceed the insurance coverage.	N/A	Tom Pannett, City Treasurer
2013-002	During the Calendar Year 2013 the City of Marion requested a direct payment to a contractor as part of the State of Ohio, Ohio Public Works Commission (OPWC) approved project. The payment was made by the State of Ohio to the approved contractor on December 18, 2013. The City of Marion did not receive notification of the direct payment to the vendor until January 21, 2014 and could not appropriate funds or account for the expenditure that was not a direct pay from the City without notification. Once the notification was received the correct documenting entry was made.	January 21, 2014	Kelly Carr, Auditor
2013-003	The City Auditors office will be implementing a new procedure to ensure the manifest reconciliations of the Transit Department are properly signed and reconciled to ensure proper accounting.	July 1, 2014	Jeff Marsh, Transit Administrator and Jay Shoup, Service Director

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Investments – Ohio Rev. Code 135 – City invested interim deposits in certificates of deposit with maturities beyond one year; investments were not held in City Treasurer’s name.	No	Re-Issued as Finding #2013-001
2012-002	Appropriations – Ohio Rev. Code 5705.36(A)(4) and 5705.39 – appropriations exceeded estimated resources and actual resources.	Yes	
2012-003	Budgetary Expenditures Exceed Appropriations & Posting to the Accounting System – Ohio Rev. Code 5705.41(B) and 5705.42.	No	Re-Issued as Finding #2013-002
2012-004	Negative Fund Balances – Ohio Rev. Code 5705.10(D) – City had nine funds with negative fund balances.	Yes	
2012-005	Completeness of Receipts – Aquatic Center – Management did not maintain sufficient support for receipt transactions	Yes	
2012-006	Timely Deposits – Ohio Revised Code 9.38 – Various receipts were not deposited timely	Yes	
2012-007	Reporting/Matching – Transit Grant – contrary to grant requirements the City prepared and submitted quarterly reports on the cash basis	Yes	
2012-008	Allowable Costs/Questioned Costs – Transit Grant – the City charged monthly rent for storage of buses at its central garage, which was not an allowable use of grant funds	Yes	

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2013
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-009	Reporting – Community Development Block Grants – the City did not separately account for these grants, which resulted in reporting errors	No	The City of Marion has consistently maintained separate funds for the Formula and Neighborhood Stabilization Program (NSP). The City's CHIP Grant in prior years was maintained in one fund called the CHIP Fund. The CHIP Grant was previously tracked as a project in which the City Auditor on December 17, 2013 by Ordinance established new funds to separate the CHIP Grant to funds 240, 253, and 254. The Formula Grant and NSP are in separate funds (406 and 243).
2012-010	Cash Management – Community Development Block Grants – the City did not expend amounts requested to a balance of less than \$5,000 within 15 days of receipt	No	The City of Marion and Marion Regional Planning have been working to reduce and eliminate the amount of time cash is on hand once funds are received. Timing of draws and contractor bills are being addressed and will continue to eliminate the issue of funds on hand beyond the 15 days. Although the CDBG Program was not audited as a major program for the 2013 audit there were three known instances of non-compliance. Monies drawn down were maintained in a non-interest-bearing account. At such time when the City's General Fund can provide interfund advances to the affected funds, we will consider that as a possible means to avoiding this type of non-compliance.
2012-011	Cash Management – Airport Improvement Grant – the City did not timely expend grant funds received	No	The City of Marion and the Airport Director have been working to reduce and eliminate the amount of time cash is on hand once funds are received. Timing of draws and contractor bills are being addressed and will continue to eliminate the issue of funds on hand beyond the 30 days. Although the Airport Improvement Program was not audited as a major program for the 2013 audit there were four known instances of non-compliance. Monies drawn down were maintained in a non-interest-bearing account. At such time when the City's General Fund can provide interfund advances to the affected funds, we will consider that as a possible means to avoiding this type of non-compliance.

**CITY OF MARION
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2013
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-012	Matching – Airport Improvement Grant – the City did not make contributions of non-federal matching funds.	No	In 2007 the City advanced the Airport \$67,089; that advance has not been repaid to the City’s General Fund. The City will be proposing legislation to convert the advance to a transfer, which will be used as the local match of non-federal funds until that amount is fully expended.



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
JULY 22, 2014**