

CITY OF MARION

Marion, South Carolina

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

June 30, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS	1-2
CITY OFFICIALS	3
INDEPENDENT AUDITOR'S REPORT	4-6
MANAGEMENT'S DISCUSSION AND ANALYSIS	7-13
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	14
Statement of Activities	15
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Statement of Net Position-Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds	21
Statement of Cash Flows-Proprietary Funds	22
Notes to Financial Statements	23-51
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Pension Contributions	52
Schedule of the City's Proportionate Share of the Net Pension Liability	53
Schedule of the City's OPEB Contributions	54
Schedule of Changes in the City's Net OPEB Liabilities and Related Ratios	55
Budgetary Comparison Schedule - General Fund	56
Budgetary Comparison Schedule - Local Hospitality Tax	57
Budgetary Comparison Schedule - American Rescue Plan Act	58
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	59-60
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	61-63
Schedule of Findings and Questioned Costs	64-66
Summary Schedule of Prior Audit Findings	67
Schedule of Expenditures of Federal Awards	68
Uniform Schedule of Court Fines, Assessments, and Surcharges (Per Act 96)	69-70
OTHER INFORMATION:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	71-72
Schedule of Operational Revenues - Budget (GAAP Basis) and Actual	73
Schedule of General Government Expenditures - Budget (GAAP Basis) and Actual	74

TABLE OF CONTENTS

Schedule of Administrator and City Clerk Expenditures- Budget (GAAP Basis) and Actual	75
Schedule of City Treasurer Expenditures - Budget (GAAP Basis) and Actual	76
Schedule of Planning and Zoning Expenditures - Budget (GAAP Basis) and Actual	77
Schedule of Building Inspector Expenditures - Budget (GAAP Basis) and Actual	78
Schedule of Victim's Advocacy Department Expenditures - Budget (GAAP Basis) and Actual	79
Schedule of Municipal Court Expenditures - Budget (GAAP Basis) and Actual	80
Schedule of Police Department Expenditures - Budget (GAAP Basis) and Actual	81
Schedule of Fire Department Expenditures - Budget (GAAP Basis) and Actual	82
Schedule of Public Works Department Expenditures - Budget (GAAP Basis) and Actual	83
Schedule of City Shop Expenditures - Budget (GAAP Basis) and Actual	84
Schedule of Recreation Department Expenditures - Budget (GAAP Basis) and Actual	85
 Special Revenue Funds:	
Combining Balance Sheet	86-87
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	88-90
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual - Local Hospitality Tax	91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - SCDOT Grants	92
Schedule of Revenues, Expenditures and Changes in Fund Balance SCMIT - Body Armor Program	93
Schedule of Revenues, Expenditures and Changes in Fund Balance Drug Enforcement Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balance Employee Health Awareness Center	95
Schedule of Revenues, Expenditures and Changes in Fund Balance American Rescue Plan Act	96
Schedule of Revenues, Expenditures and Changes in Fund Balance CDBG - 4 -CI - 20-015	97
CDBG - 4 -CE - 21-014	98
Schedule of Revenues, Expenditures and Changes in Fund Balance 800 Mhz Handheld Radios Upgrade	99
Schedule of Revenues, Expenditures and Changes in Fund Balance In-Car Video Camera Grant Program	100
Schedule of Revenues, Expenditures and Changes in Fund Balance Marion Garden Clubs Beautification/Francis Marion Plaza Projects	101
 Permanent Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances	102
 Debt Service Fund	103

MAYOR

The Honorable Ashley Brady

CITY TREASURER

Patricia Brown

COUNCIL MEMBERS

Emerson C. Hunt, Mayor Pro Tem

Ronald D. Atkinson

Donny Gerald

Tassie Lewis

Michael E. Baker

Fred Gause

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
Marion, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Marion, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 activity, each major fund, and the aggregate remaining fund information of the City of Marion, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Marion and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marion's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marion's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the pension and OPEB schedules on pages 7–13 and 52–58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marion's basic financial statements. The accompanying combining and individual nonmajor fund financial schedules and the schedule of expenditures federal award, as required by Title 2 U. S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments, and Surcharges on pages 69-70, listed in the table of contents under Compliance, is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024, on our consideration of the City of Marion's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 of Marion's internal control over financial reporting and compliance.

Kenneth Cobb & Company P.C

Mullins, South Carolina
July 10, 2024

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

Management of the City of Marion provides this Management's Discussion and Analysis for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City of Marion is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the additional information that is furnished with the City's financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at fiscal year ending June 30, 2023 by \$8.8 million (net position). Of this amount a deficit of \$1.7 million was reported as "unrestricted net position." Unrestricted net position represented the amount available to be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6.6 million, an increase of \$203 thousand in comparison with the prior year. Approximately 88.3 percent of this total or \$5.8 million was unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Marion's basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information and other supplementary information (combining and individual fund financial statements) in addition to the basic financial statements themselves. These components are described below.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business.

The statement of net position presents all of the government's assets and liabilities, with differences between the two reported as "net position." Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and recreation.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on the near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is more narrow 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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the pages immediately following each governmental fund financial statement.

The City has three major governmental funds for presentation purposes: the general fund, the American Rescue Plan Act fund and the local hospitality tax fund. The City's other nonmajor governmental fund details are shown in the supplemental section of the financial statements.

The City adopts an annual appropriated budget for its general fund, the American Rescue Plan Act, and the local hospitality tax fund. Budgetary comparison statements have been provided herein to demonstrate compliance with the budgets.

The basic governmental funds financial statements can be found immediately following the government-wide statements.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

Proprietary funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its stormwater operations.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information including budgetary comparison schedules. This section also includes the required pension and OPEB schedules.

Other Information

Combining and Individual Fund Financial Statement and Schedules

The combining and individual fund financial statements are presented following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position totaled \$8.8 million at the close of the most recent fiscal year.

The largest portion of the City's net position is \$9.7 million which represents its net investment in capital assets such as land, buildings, equipment, and infrastructure (roads and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The City uses these fixed assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investment in its fixed assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the fixed assets themselves cannot be used to liquidate these liabilities.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

City of Marion's Net Position
(Expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current Assets	\$ 7,395	\$ 7,009	\$ 189	\$ 155	\$ 7,584	\$ 7,164
Capital Assets	9,901	9,028	252	282	10,153	9,310
Other Assets	3,713	2,304	0	0	3,713	2,304
Total Assets	<u>21,009</u>	<u>18,341</u>	<u>441</u>	<u>437</u>	<u>21,450</u>	<u>18,778</u>
Deferred Outflow of Resources	<u>1,101</u>	<u>1,411</u>	<u>0</u>	<u>0</u>	<u>1,101</u>	<u>1,411</u>
Long Term Liabilities	7,611	7,999	24	95	7,635	8,094
Other Liabilities	4,675	2,710	73	70	4,748	2,780
Total Liabilities	<u>12,286</u>	<u>10,709</u>	<u>97</u>	<u>165</u>	<u>12,383</u>	<u>10,874</u>
Deferred Inflow of Resources	<u>1,398</u>	<u>1,831</u>	<u>0</u>	<u>0</u>	<u>1,398</u>	<u>1,831</u>
Net Investment in Capital Assets	9,565	8,559	159	120	9,724	8,679
Restricted	764	657	0	0	764	657
Unrestricted	<u>(1,903)</u>	<u>(2,004)</u>	<u>185</u>	<u>151</u>	<u>(1,718)</u>	<u>(1,853)</u>
Total Net Position	<u>\$ 8,426</u>	<u>\$ 7,212</u>	<u>\$ 344</u>	<u>\$ 271</u>	<u>\$ 8,770</u>	<u>\$ 7,483</u>

A portion of the City's net position (8.7 percent) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

Change in Net Position

The City's governmental net position increased by \$1.8 million (excluding the prior period adjustment). Approximately 26.2 percent of the City's total governmental revenue came from taxes, while 22.7 percent resulted from restricted grants and contributions (including state and federal aid). Charges for various goods and services provided 40.8 percent of the total revenues. The City's expenses cover a range of services. The largest expenses were for public safety and public works. In 2023, governmental activity expenses exceeded program revenues, resulting in the use of \$1.6 million in general revenues (mostly taxes).

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,816	\$ 3,765	\$ 191	\$ 189	\$ 4,007	\$ 3,954
Operating Grants & Contributions	983	1,706	0	0	983	1,706
Capital Grants & Contributions	1,137	5	0	0	1,137	5
General Revenues:						
Taxes	2,452	2,195	0	0	2,452	2,195
Investment Earnings	79	16	0	0	79	16
Other	889	197	0	0	889	197
Total Revenues	<u>9,356</u>	<u>7,884</u>	<u>191</u>	<u>189</u>	<u>9,547</u>	<u>8,073</u>
Expenses:						
General Government	1,738	1,696	0	0	1,738	1,696
Public Safety	2,629	2,752	0	0	2,629	2,752
Public Works	1,907	1,837	0	0	1,907	1,837
Community Development	473	365	0	0	473	365
Culture and Recreation	716	615	0	0	716	615
Interest	22	26	0	0	22	26
Depreciation, Unallocated	37	45	0	0	37	45
Stormwater	0	0	118	110	118	110
Total Expenses	<u>7,522</u>	<u>7,336</u>	<u>118</u>	<u>110</u>	<u>7,640</u>	<u>7,446</u>
Excess (Deficiency) Revenues over Expenses	<u>1,834</u>	<u>548</u>	<u>73</u>	<u>79</u>	<u>1,907</u>	<u>627</u>
Change in Net Position	1,834	548	73	79	1,907	627
Net Position, Beginning of Year	7,212	6,658	271	192	7,483	6,850
Restatement/Prior Period Adj.	(620)	6	0	0	(620)	6
Net Position, End of Year	<u>\$ 8,426</u>	<u>\$ 7,212</u>	<u>\$ 344</u>	<u>\$ 271</u>	<u>\$ 8,770</u>	<u>\$ 7,483</u>

FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of \$6.6 million. As a measure of the liquidity, it may be useful to compare the unreserved fund balance to total governmental fund expenditures. Unassigned fund balance of \$5,808,695 represents 68.3 percent of total governmental fund expenditures.

The fund balances of the City's governmental funds increased by \$203 thousand during the current fiscal year. This is a 3.2 percent increase from the prior year fund balance.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail. See comments above in the business-type activities section.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original approved general fund budget was not amended for the fiscal year ended June 30, 2023. General fund revenues were over the approved budgeted revenues by \$911 thousand. This was largely due to business license collections being over budget by approximately \$233,000 and building permits by \$64,000 due to the capital sales tax projects. Due to a better economy, interest was up approximately \$50,000 and taxes up approximately \$193,000. General fund expenditures were over the approved budget by \$254 thousand. This was largely due to the sports complex lighting expenditures.

FIXED ASSET AND DEBT ADMINISTRATION

Fixed Assets

The City's investment in fixed assets for its governmental activities as of June 30, 2023, amounts to \$18.7 million, less accumulated depreciation of \$9.0 million, leaving a net book value of \$9.7 million. This investment in fixed assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, drainage systems and similar items.

Actual governmental expenditures to purchase or construct capital assets were \$1.5 million for the year. Depreciation charges for the year totaled \$410 thousand. Additional information on the City's capital assets can be found in Note 14 of the notes to the financial statements of this report.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2023

Debt Activity

Additional information on the City's long-term debt obligations can be found in Notes 5, 6, 7 and 8 of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City has approved a balanced budget for the fiscal year ended June 30, 2023. The following are some factors considered in preparing this budget.

Marion County's unemployment rate continues to improve. In October, 2023 Marion County's unemployment rate was 4.7%. The State average was 3.3% in October 2023.

Personnel costs make up a significant portion of the City's operating costs. The City gave a 3% cost of living increase, except to the police and fire departments. The police and fire department base salaries were increased 7%, and then a salary range increase of 3%/5%/7%. The City is still with the State's health insurance plan. The City expects to receive a franchise fee of approximately \$150,000 from GSWSA. There was a tax millage increase of 5 mils. However, the millage rate was lower due to this being a reassessment year. The City also increased sanitation rates due to the major increases in fuel surcharges charges to the City.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of City of Marion's finances for all of City of Marion's citizens, taxpayers, customers and investors and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: City of Marion, Post Office Box 1190, Marion, South Carolina 29571.

CITY OF MARION
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash	\$6,073,961	\$0	\$6,073,961
Due from Other Agencies	813,689	0	813,689
Accounts Receivable	309,580	31,073	340,653
Accounts Receivable-Sanitation	250,143	0	250,143
Interest Receivable	2,894	0	2,894
Taxes Receivable- Net of Allowance	73,807	0	73,807
Prepaid expenditures	29,092	0	29,092
Internal Balances	(157,806)	157,806	0
Restricted Cash	3,713,150	0	3,713,150
Land	596,479	0	596,479
Right to Use Assets	506,343	0	506,343
Construction in Progress	945,548	0	945,548
Real Estate and Buildings	9,793,231	0	9,793,231
Furniture, Fixtures and Equipment	5,336,355	379,866	5,716,221
Infrastructure	2,010,979	0	2,010,979
Accumulated Amortization	(319,383)	0	(319,383)
Accumulated Depreciation	(8,968,980)	(127,799)	(9,096,779)
TOTAL ASSETS	21,009,082	440,946	21,450,028
DEFERED OUTFLOWS OF RESOURCES			
Deferred OPEB Charges	339,355	0	339,355
Deferred Pension Charges	761,725	0	761,725
TOTAL DEFERED OUTFLOWS OF RESOURCES	1,101,080	0	1,101,080
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	1,303,808	0	1,303,808
Accrued Liabilities	8,762	630	9,392
Due to Retirees	73,761	0	73,761
Payroll Deductions	87,076	0	87,076
Revenues Received in Advance	3,020,021	0	3,020,021
Long Term Liabilities- Due within one year			
Debt Obligations	93,315	73,500	166,815
Leases	88,527	0	88,527
Long Term Liabilities- Due in greater than one year			
Debt Obligations	268,679	20,080	288,759
Leases	100,882	0	100,882
OPEB obligations	2,729,885	0	2,729,885
Pension obligations	4,335,631	0	4,335,631
Compensated Absences Payable	175,994	2,761	178,755
TOTAL LIABILITIES	12,286,341	96,971	12,383,312
DEFERED INFLOWS OF RESOURCES			
Deferred OPEB Credits	1,032,555	0	1,032,555
Deferred Pension Credits	365,700	0	365,700
TOTAL DEFERED INFLOWS OF RESOURCES	1,398,255	0	1,398,255
NET POSITION			
Net investment in capital assets	9,565,169	158,487	9,723,656
Restricted for:			
Cemetery-Non-expendable	32,870	0	32,870
Local Hospitality Tax	701,285	0	701,285
Housing Rehabilitation	29,628	0	29,628
Drug Fund	129	0	129
Unrestricted	(1,903,515)	185,488	(1,718,027)
TOTAL NET POSITION	\$8,425,566	\$343,975	\$8,769,541

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MARION
STATEMENT OF ACTIVITIES
Year Ended June 30, 20223

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
General Government	\$1,737,504	\$1,542,069	\$797,384	\$0	\$601,949	\$601,949
Public Safety	2,628,903	414,081	142,197	6,000	(2,066,625)	(2,066,625)
Public Works	1,906,833	1,415,369	15,071	433,148	(43,245)	(43,245)
Community Development	473,031	22,550	25,594	431,859	6,972	6,972
Culture and Recreation	716,208	421,807	2,799	266,475	(25,127)	(25,127)
Depreciation *	37,293	0	0	0	(37,293)	(37,293)
Interest	21,900	0	0	0	(21,900)	(21,900)
Total Governmental Activities	<u>\$7,521,672</u>	<u>\$3,815,876</u>	<u>\$983,045</u>	<u>\$1,137,482</u>	<u>(1,585,269)</u>	<u>(1,585,269)</u>
Business-type activities:						
Stormwater	117,824	190,438	0	0		\$72,614
Total primary government	<u>\$7,639,496</u>	<u>\$4,006,314</u>	<u>\$983,045</u>	<u>\$1,137,482</u>	<u>(1,585,269)</u>	<u>(1,512,655)</u>
Property taxes levied for:						
General Purposes					2,451,841	0
Unrestricted Investment Earnings					78,672	0
Contribution from County					695,681	0
Gain/(loss) on disposed assets					(1,650)	0
Miscellaneous					194,187	0
Total general revenues and transfers					<u>3,418,731</u>	<u>0</u>
Changes in net position					<u>1,833,462</u>	<u>72,614</u>
Net position, beginning of year					<u>7,211,783</u>	<u>271,361</u>
Prior period adjustment					<u>(619,679)</u>	<u>0</u>
Net position, end of year					<u>\$8,425,566</u>	<u>\$343,975</u>
						<u>\$8,769,541</u>

The accompanying notes to financial statements are an integral part of this statement.

* Unallocated--see Note 14 for depreciation charged to functions

CITY OF MARION
BALANCE SHEET -- GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Local Hospitality Tax Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash					
Cash	\$6,073,961	\$0	\$0	\$0	\$6,073,961
Restricted Cash	506,199	866,024	2,240,816	100,111	3,713,150
Receivables					
Interest	2,894	0	0	0	2,894
Taxes - Net of Allowance	24,971	0	0	0	24,971
Accounts-Miscellaneous	277,566	32,014	0	0	309,580
Accounts-Sanitation	250,143	0	0	0	250,143
Due from Other Funds	60,418	0	0	169,291	229,709
Due from Agencies	673,830	0	0	139,859	813,689
Prepaid Expenditures	29,092	0	0	0	29,092
TOTAL ASSETS	\$7,899,074	\$898,038	\$2,240,816	\$409,261	\$11,447,189
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Revenue Received in Advance	\$592,669	\$0	\$2,220,577	\$206,775	\$3,020,021
Accounts Payable & Accrued Expenditures	1,007,376	156,573	0	139,859	1,303,808
Payroll Deductions & Employer Contributions	87,076	0	0	0	87,076
Due to Other Funds	327,096	40,180	20,239	0	387,515
Due to Retirees	73,761	0	0	0	73,761
TOTAL LIABILITIES	2,087,978	196,753	2,240,816	346,634	4,872,181
FUND EQUITY					
Fund Equity					
Restricted For:					
Permanent Fund-Cemetery Fund	0	0	0	32,870	32,870
Special Revenue Fund-Hospitality Fund	0	701,285	0	0	701,285
Special Revenue Fund-Drug Fund	0	0	0	129	129
Committed To:					
Special Revenue Fund-Housing Rehabilitation	0	0	0	29,628	29,628
Assigned	2,401	0	0	0	2,401
Unassigned					
General Fund	5,808,695	0	0	0	5,808,695
TOTAL FUND EQUITY	5,811,096	701,285	0	62,627	6,575,008
TOTAL LIABILITIES AND FUND EQUITY	\$7,899,074	\$898,038	\$2,240,816	\$409,261	\$11,447,189

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2023

Fund Balances - total governmental funds	\$6,575,008
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets and right to use assets in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$18,682,592 and the accumulated depreciation is \$8,968,980 and the right to use assets of \$506,343 and accumulated amortization of \$319,383.	9,900,572
Interest on long term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(8,762)
Delinquent property taxes receivable will be collected in the subsequent fiscal year, but only those receivables available soon enough to pay for the current period's expenditures are reported in the governmental funds.	48,836
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Debt obligations	(361,994)
Lease obligations	(189,409)
Compensated absences	(175,994)
Net OPEB obligation and deferred charges and credits	(3,423,085)
Net pension obligations and deferred charges and credits	<u>(3,939,606)</u>
Net Position - Governmental Activities	<u><u>\$8,425,566</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General Fund	Local Hospitality Tax Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$2,427,706	\$0	\$0	\$0	\$2,427,706
Licenses and Permits	1,642,115	0	0	0	1,642,115
Charges for Services	1,415,369	0	0	0	1,415,369
Fines and Forfeits	102,584	0	0	0	102,584
Operational Revenues	533,579	398,904	104	7,078	939,665
Grants and Allocations	1,058,479	0	539,183	511,866	2,109,528
TOTAL REVENUES	7,179,832	398,904	539,287	518,944	8,636,967
EXPENDITURES					
Current Expenditures					
General Government	1,580,594	0	5,379	0	1,585,973
Public Safety	2,558,884	0	87,304	26,635	2,672,823
Community Development	0	0	0	438,552	438,552
Public Works	1,897,281	0	10,657	0	1,907,938
Culture and Recreation	448,052	260,263	2,799	0	711,114
Debt Service					
Principal	89,713	0	0	88,999	178,712
Interest	7,838	0	0	16,043	23,881
Capital Outlay	462,026	31,609	433,148	53,702	980,485
TOTAL EXPENDITURES	7,044,388	291,872	539,287	623,931	8,499,478
Excess (deficiency) of revenues over expenditures	135,444	107,032	0	(104,987)	137,489
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	65,187	0	0	0	65,187
Operating Transfers In	30	0	0	105,042	105,072
Operating Transfer Out	(105,042)	0	0	(30)	(105,072)
TOTAL OTHER FINANCING SOURCES (USES)	(39,825)	0	0	105,012	65,187
Excess (deficiency) of revenues over expenditures and other sources (uses)	95,619	107,032	0	25	202,676
Fund Balances at beginning of year	5,715,477	594,253	0	62,602	6,372,332
Fund Balances at end of year	\$5,811,096	\$701,285	\$0	\$62,627	\$6,575,008

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Total net change in fund balance-governmental funds	\$202,676
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Add - Capital outlay per fund financial statements	980,485
Deduct - Depreciation and amortization expense	(502,628)
Deduct - Capital outlay that does not meet the depreciation requirements and add depreciable assets not reported as capital outlay	(73,517)
The payment of expenses by Marion County for the construction of the recreation complex from the capital sales tax program were treated as a donated asset.	695,681
In the Statement of Activities, the loss or gain on sale of disposal of capital assets is recognized.	(1,650)
The increase in the liability for compensated absences does not require the use of current financial resources and therefore, is not reported as an expenditure in the governmental funds.	(22,339)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and therefore, is not reflected in the Statement of Activities.	178,712
The issuance of long-term debt provides current financial resources to the governmental funds in the period issued, but it increases long term liabilities in the Statement of Net Position, and therefore, is not reflected in the Statement of Activities.	(65,187)
Delinquent property taxes receivable will be collected in the subsequent period, however in the fund financial statements, only the amounts available soon enough after year end to pay for the current period's expenditures are recorded. This amount is the difference between the June 30, 2022 amount of \$24,701 and the June 30, 2023 amount of \$48,837.	24,136
Interest on long term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the difference between the June 30, 2022 interest accrual in the amount of \$10,743 and the June 30, 2023 interest accrual in the amount of \$8,762.	1,981
The change in the liability for the net OPEB obligation, net pension obligation and net pension deferred charges and credits does not require the use of current financial resources and therefore, is not reported as an expenditure in the governmental funds.	415,112
Change in Net Position of Governmental Activities	<u>\$1,833,462</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities - Enterprise Fund Stormwater
ASSETS	
Accounts receivable	\$31,073
Due from other funds	157,806
Property, plant, and equipment (net)	<u>252,067</u>
 TOTAL ASSETS	 <u>440,946</u>
LIABILITIES	
Accrued salaries	630
Bonds & leases payable-due within one year	73,500
Compensated absences payable	2,761
Bonds & leases payable-due in more than one year	<u>20,080</u>
 TOTAL LIABILITIES	 <u>96,971</u>
NET POSITION	
Net investment in capital assets	158,487
Unrestricted	<u>185,488</u>
 TOTAL NET POSITION	 <u><u>\$343,975</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund Stormwater
OPERATING REVENUE	
Billings	\$190,438
TOTAL OPERATING REVENUE	190,438
OPERATING EXPENSES	
Salaries	42,387
Employee Benefits	17,574
Maintenance & Repairs	1,169
Supplies	200
Gas & Oil	10,842
Miscellaneous	9,605
Depreciation	29,765
TOTAL OPERATING EXPENSES	111,542
NET INCOME (LOSS) FROM OPERATIONS	78,896
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(6,282)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(6,282)
CHANGE IN NET POSITION	72,614
NET POSITION, beginning of year	271,361
NET POSITION, end of year	\$343,975

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$189,060
Cash payments to employees	(59,721)
Cash payments to suppliers for goods and services	(21,816)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	107,523
CASH FLOWS OF CAPITAL AND RELATED FINANCING ACTIVITIES	
Increase in due to other funds	(32,826)
Principal payments on notes/leases payable	(68,415)
Interest payments on debt	(6,282)
NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(107,523)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	0
CASH AND CASH EQUIVALENTS - beginning of year	0
CASH AND CASH EQUIVALENTS - end of year	\$0
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$78,896
Adjustments to reconcile net operating income to net cash and cash equivalents provided by operating activities:	
Depreciation	29,765
Increase in accounts receivable	(1,378)
Increase in accrued salaries	240
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$107,523

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marion is a distinct political subdivision of the State of South Carolina. The governing authority is the Mayor and the City Council. The Mayor and City Council are elected by the citizens of the City of Marion. The financial statements of the City of Marion have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

Reporting Entity

This report includes all of the funds of the City of Marion. It includes all activities considered to be part of (controlled by or dependent on) the City under GASB Statement No. 14, the Financial Reporting Entity and GASB Statement No. 39, determining whether certain organizations are component units.

Basis of Accounting/Measurement Focus

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific City functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City's funds are grouped into two broad categories for financial statement presentation purposes. Governmental funds include the general, special revenue, permanent, and debt service funds. Proprietary funds include the enterprise (Storm water) fund.

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and a cash flow statement where applicable. These statements present summaries of the Governmental and Business-Type Activities for the City. These statements include all financial activities of the City. For the most part, the effect of interfund activity has been removed from these statements, except for those representing balances between governmental and business-type activities which are presented as internal balances and eliminated in the total column.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationships between the government-wide statements and the statements for governmental funds. Accordingly, in the government-wide statements all of the City's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The City does not allocate indirect expenses. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the City.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payable and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net positions presented in the Government-Wide financial statements. The City has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for (1) principal and interest on general long term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which is reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employees.

Governmental fund types are those through which most governmental functions of the City are financed. The City’s expendable financial resources and related assets and liabilities (except for those accounted for in the Fiduciary Funds) are accounted for through governmental funds.

Proprietary Fund Financial Statements

The proprietary funds are accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. This fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are generated from the Storm water fees. The principal operating revenues of the Storm water fund are charges to citizens for the Storm water fee. Operating expenses of the Storm water fund include the costs of providing Storm water services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Major Funds

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds.

General Fund - The General fund is the general operating fund of the City and accounts and reports for all financial resources of the City not accounted for and reported in another fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures are paid from the General Fund.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Local Hospitality Tax Fund - The local hospitality tax fund accounts for and reports the proceeds of the revenue from the local hospitality tax collections and the expenditures from this revenue.

American Rescue Plan Act Fund - This fund accounts for the funds received to provide relief from the impact of COVID-19 and the expenditures from this revenue.

Enterprise Funds - To account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Other Governmental Funds

Permanent Fund - Cemetery Fund - The cemetery fund is used to account for the funds held for the operations of the city owned cemeteries.

Special Revenue Funds - The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund - The Debt Service Fund, an unbudgeted fund, is used to account for the accumulation of financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt including capital lease obligations, principal, interest and related costs.

Capital Projects Fund - The capital projects fund is used to account and report for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction, or renovation of capital facilities and other capital assets by the City. (The City did not report this type for the current year.)

Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available for use, the City's practice is to apply restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

Deposits and Investments

The City's cash and cash equivalents are considered to be demand deposit accounts and short-term securities purchased with a maturity of three months or less from the date of acquisition.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The City is authorized by state statute to invest in the following:

1. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
2. (i) General obligations of the State of South Carolina and its political units, savings and loan associations to the extent that the same are insured by an agency of the federal government or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top rating categories without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. Savings and loan associations to the extent that the same are insured by an agency of the federal government.
4. Certificates of deposits where collaterally secured by securities of the type described in 1 & 2 above held by a third party escrow agent or custodian of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
5. Repurchase agreements when collateralized by securities as set forth in this section, and
6. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution, when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or County Treasurer if the particular portfolio of the investment company investment or trust in which the investment is made (a) limited to obligations described in items (1), (2), (3) and (5) and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Inventories

Inventories are valued at cost using the FIFO method, and are determined by physical count. The cost is recorded as an expenditure at the time of purchase and significant inventories on hand at year end are recorded as assets.

Capital Assets and Depreciation

General capital assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City follows the policy of not capitalizing assets with a cost of less than \$5,000 or with a useful life of less than 1 year. All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Life
Land	Not Depreciated
Land Improvements	20-50 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	3-10 Years
Vehicles	3-10 Years
Construction in Progress	Not Depreciated

Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as; invested in capital assets (net of related debt), restricted and unrestricted.

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City, not restricted for any project or purpose.

Fund balances are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of City, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - amounts that can be used only for specific purposes determined by a formal action by City Council. Commitments may be modified or rescinded only through policies approved by the Council, the highest level of decision making authority.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Treasurer, Mayor or Council may assign, modify, or rescind amounts for specific purposes.

Unassigned - all amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15). As discussed in Note 1, restricted funds are used first as appropriate. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Nonexchange transactions

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, and grants.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

Investments

The City of Marion's investments include savings accounts and certificates of deposits held by TD Bank, First Citizens Bank, First Citizens Securities, Anderson Brothers Bank and Pee Dee Federal Savings Bank.

Revenue Received in Advance

The City reports revenue received in advance on its statement of net position and governmental funds balance sheet. In subsequent periods, the liability for revenue received in advance is removed from the statement of net position and governmental funds balance sheet and revenue is recognized. Revenue received in advance includes the following. Local option sales tax that has been collected and will be used to roll back property taxes in the subsequent year. The portion of police fines collected for victims's rights that has not been expended is included. It also contains revenue from special revenue funds not expended at fiscal year end.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which is reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employees. Capital asset acquisitions are reported as expenditures in governmental funds.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed operating budget covering the General Fund is prepared prior to May 30, and is submitted to City Council. The budget for the General Fund is prepared on the modified accrual basis and is adopted on a basis consistent with GAAP.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

2. Prior to June 30, the budget is legally enacted through passage of an ordinance.
3. Public hearings are conducted to obtain taxpayer comments, with appropriate public notice published prior to these hearings.
4. The Treasurer is authorized to transfer budgeted amounts between departments within funds; any revisions must be approved by the City Council.
5. Formal budgetary integration is employed within the general ledger.

Property Tax Calendar

The City's property tax calendar is as follows:

January 1 - property tax assessment
October 1 - levy of property taxes
January 16 - penalties are added to property taxes
March 16 - execution of property taxes

New vehicle property taxes are assessed and levied by the County Auditor. Payment on new vehicles purchased from a dealer are due within 120 days of purchase. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the schedule renewal.

Deferred Outflows and Inflows of Resources

The Statement of Net Position may report deferred outflows of resources following the assets section and deferred inflows of resources following the liabilities section. Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

Sick and Annual Leave

Employees of the City are permitted to accumulate annual leave up to a maximum of six weeks. Annual leave is earned at the rate of 2 weeks per year for the first 10 years of City service, 3 weeks per year for the second 10 years of City service, and 4 weeks per year upon completion of 20 years of services. Employees have no vested interest in sick leave benefits. Sick leave is earned based on the following schedule:

<u>TIME EMPLOYED</u>	<u>SICK LEAVE</u>	<u>ACCUMULATION</u>
6 months - 1 year	1 week	none
1 year - 4 years	2 weeks	4 weeks
5 years - 9 years	3 weeks	6 weeks
10 years - 14 years	4 weeks	8 weeks
15 years - 19 years	5 weeks	10 weeks
20 years or over	6 weeks	12 weeks

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 2 - RECEIVABLES

Gross receivables of \$260,000 net of an allowance for uncollectibles of \$9,857 are recorded in the general fund for sanitation fees due from City customers. Gross receivables of \$32,404 net of an allowance for uncollectibles of \$1,331 are recorded in the enterprise fund for stormwater fees.

The general fund defers revenue recognition in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The general fund has reported gross taxes receivable of \$279,367 net of a deferral of \$254,396 in the balance sheet for governmental funds on the modified accrual basis of accounting. In the statement of net position the City has reported a deferral of \$205,560 on the full accrual basis of accounting.

Only those receivables with allowances or deferrals are presented above.

NOTE 3 - NET POSITION/FUND BALANCES

As of June 30, 2023 the assigned fund balance components of the general and special revenue funds consist of the following:

<u>General Fund</u>	
Police Department	\$ 2,401

NOTE 4 - RIGHT TO USE ASSETS

The City has recorded right to use leased assets. The assets are rights to use assets for leased equipment. The related leases are discussed in the long term obligations note disclosures. The right to use assets are amortized on a straight-line basis over the terms of the related lease.

Right to use activity for the City for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased Equipment	\$ 441,156	\$ 65,187	\$ 0	\$ 506,343
Less Accumulated amortization for:				
Leased Equipment	<u>226,827</u>	<u>92,556</u>	<u>0</u>	<u>319,383</u>
Right to use assets, net	<u>\$ 214,329</u>	<u>\$ (27,369)</u>	<u>\$ 0</u>	<u>\$ 186,960</u>

NOTE 5 - LEASE PURCHASE OBLIGATIONS

On June 2, 2020 the City signed a lease obligation with NCL Government Capital. The purpose of this lease was to purchase a mini-excavator. The lease requires monthly payments of \$1,686 at an interest rate of 3.73%. The balance on this lease at June 30, 2023 was \$39,185. The lease is secured by a 2020 Yanmar mini-excavator and associated equipment. The lease will be deemed to be in default if any payments are not made after 15 days past the due date. The payments will be funded by the Storm water fund. The following table reflects principal and interest requirements until maturity.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 5 - LEASE OBLIGATIONS - (continued)

<u>YEAR ENDED</u> <u>JUNE 30,</u>	<u>LEASE</u> <u>PAYMENT</u>	<u>IMPUTED</u> <u>INTEREST</u>	<u>PRESENT</u> <u>VALUE</u>
2023			\$39,185
2024	\$20,233	\$1,128	20,080
2025	20,233	153	0

NOTE 6 - DEBT OBLIGATIONS

On January 11, 2019 the City signed a promissory note with Anderson Brothers Bank for \$349,339. The purpose of the note was to purchase a fire truck. The note carries an interest rate of 4.00% and requires annual payments of \$51,412 beginning October 15, 2019. The note is secured by a 2018 fire truck. The note will be deemed to be in default if payments are not made when due, a default occurs on any other loan with the lender, the property is transferred or the property's value declines or is impaired. The repayment will be funded by the general fund.

<u>YEAR ENDED</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2023			\$190,276
2024	\$43,801	\$7,611	146,475
2025	45,553	5,859	100,922
2026	47,375	4,037	53,547
2027	49,270	2,142	4,277
2028	4,277	171	0

On June 17, 2020 the City signed a promissary note with Pee Dee Federal for \$163,189. The purpose of the note was to purchase an excavator. The note carries an interest rate of 2.99% and requires annual payments of \$35,664 beginning July 1, 2022. The note is secured by the excavator. The note will be deemed to be in default if payments are not made when due, or any warranty, representation or statement made by the borrower to the lender under this note becomes false or misleading. The payment will be funded by the general fund.

<u>YEAR ENDED</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2023			\$102,516
2024	\$32,598	\$3,066	69,918
2025	33,573	2,091	36,345
2026	36,345	1,087	0

On July 22, 2019 the City signed a promissary note with the SC Office of Regulatory Staff (ORS) for \$118,466. The purpose of the note was to replace existing lighting with LED lights at various City buildings. The note carries an interest rate of 1.5% and requires annual payments of \$17,954 beginning October 1, 2020. The note is unsecured. The note will be deemed to be in default if payments are not made within 30 days after the scheduled date for payment and ORS may require immediate payment of the entire unpaid balance, as well as accrued interest and late charges. The payment will be funded by the general fund.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 6 - DEBT OBLIGATIONS - (continued)

YEAR ENDED <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2023			\$69,202
2024	\$16,916	\$1,038	52,286
2025	17,170	784	35,116
2026	17,427	527	17,689
2027	17,689	265	0

On May 9, 2019 the City signed a promissary note with First Citizens Bank for \$250,000. The purpose of the note was to purchase a vactor truck and related equipment. The note carries an interest rate of 2.92% and requires annual payments of \$54,464 beginning May 9, 2020. The note is secured by the vactor truck. The note will be deemed to be in default if payments are not made when due. The payments will be funded by the Storm water fund.

YEAR ENDED <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2023			\$54,395
2024	\$54,395	\$1,588	0

NOTE 7 - LEASES

Leases

The City has entered into agreements to lease equipment. The agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

ENTERPRISE FLEET MANAGEMENT

The agreement was executed on October 31, 2018, to lease various vehicles. The terms of the lease are based on the value of the vehicle at delivery and requires 60 payments. The lease liability is measured at a discount rate that equals the incremental borrowing rate. Additional vehicles can be added to the lease each year if the need arises. As a result of the lease, the City has recorded a right to use asset with a net book value of \$186,960 on June 30, 2023. This is discussed further in the right to use asset disclosures.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023			\$154,027
2024	\$78,063	\$5,209	75,964
2025	35,868	2,884	40,096
2026	27,195	1,366	12,901
2027	12,901	357	0

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 7 - LEASES - (continued)

PITNEY BOWES

The agreement was executed on September 24, 2020, to lease various mailing equipment. The lease requires 20 quarterly payments of \$3,584.01. The lease liability is measured at a discount rate of 4%, which is the incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with a net book value of \$8,564 on June 30, 2023. This is discussed further in the right to use asset disclosures.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2023			\$9,224
2024	\$3,619	\$296	5,605
2025	3,765	150	1,840
2026	1,840	28	0

XEROX

The agreements were executed on February 18, 2023, to lease various copiers. The leases require 60 monthly payments of \$404.60. The lease liability is measured at a discount rate of 4%, which is the incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with a net book value of \$25,377 on June 30, 2023. This is discussed further in the right to use asset disclosures.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2023			\$26,158
2024	\$6,845	\$1,072	19,313
2025	7,163	754	12,150
2026	7,300	421	4,850
2027	4,596	128	254
2028	254	1	0

NOTE 8 - CHANGES IN LONG - TERM DEBT

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Direct Placement					
Bonds/Notes Payable	\$ 450,993	\$ 0	\$ 88,999	\$ 361,994	\$ 93,315
Lease Liabilities	213,935	65,187	89,713	189,409	88,527
Compensated Absences	<u>153,655</u>	<u>22,339</u>	<u>0</u>	<u>175,994</u>	<u>0</u>
	<u>\$ 818,583</u>	<u>\$ 87,526</u>	<u>\$ 178,712</u>	<u>\$ 727,397</u>	<u>\$ 181,842</u>
				2,729,885	
				2,030,744	
				<u>2,304,887</u>	
				<u>\$ 7,792,913</u>	

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 8 - CHANGES IN LONG - TERM DEBT - (continued)

Business Type Activity:	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>	Due Within <u>One year</u>
Direct Placement					
Bonds/Notes Payable	\$ 104,386	\$ 0	\$ 49,991	\$ 54,395	\$ 54,395
Lease Purchase Obligations	57,609	0	18,424	39,185	19,105
Compensated Absences	<u>2,761</u>	<u>0</u>	<u>0</u>	<u>2,761</u>	<u>0</u>
	<u>\$ 164,756</u>	<u>\$ 0</u>	<u>\$ 68,415</u>	<u>\$ 96,341</u>	<u>\$ 73,500</u>

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date in which the financial statements were available to be issued.

NOTE 10 - RETIREMENT

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust fund's assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SEAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned, and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Dr., Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first term individuals elected to the South Carolina General Assembly.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent positions or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health, Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current salary. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

- **PORS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

The City contributed amounts equal to 100% of the required contributions for employers:

SCRS Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/30/23	\$202,446	17.41%	\$1,744	.15%
6/30/22	\$166,691	16.41%	\$1,524	.15%
6/30/21	\$163,153	15.41%	\$1,588	.15%

SCRS Employee Contributions	Amount	% of Covered Payroll
6/30/23	\$104,653	9.00%
6/30/22	\$91,421	9.00%
6/30/21	\$95,287	9.00%

PORS Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Accidental Death	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/30/23	\$255,740	19.84%	\$2,578	.2%	\$2,578	.2%
6/30/22	\$225,676	18.84%	\$2,396	.2%	\$2,396	.2%
6/30/21	\$215,344	17.84%	\$2,414	.2%	\$2,414	.2%

PORS Employee Contributions	Amount	% of Covered Payroll
6/30/23	\$125,679	9.75%
6/30/22	\$116,791	9.75%
6/30/21	\$117,691	9.75%

South Carolina Retirement System Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was calculated on the basis of historical employer contributions. For the measurement period ended at June 30, 2022 the City's proportion was 0.008377%.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

Measurement Period	Fiscal Year	Net Pension
<u>Ended June 30</u>	<u>Ending June 30</u>	<u>Liability-SCRS</u>
2022	2023	\$ 2,030,744
2021	2022	\$ 2,029,005

For the year ended June 30, 2023 the City recognized pension expense of \$110,474. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 17,643	\$ 8,850
Changes of assumptions	65,131	0
Net difference between projected and actual earnings on plan investments	3,132	0
Changes in proportion and differences between City contributions and proportionate share of contributions	8,992	173,843
City contributions subsequent to the measurement date	<u>204,190</u>	<u>0</u>
Total	<u>\$ 299,088</u>	<u>\$ 182,693</u>

The \$204,190 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Police Officers Retirement System Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was calculated on the basis of historical employer contributions. For the measurement period ended June 30, 2022 the City's proportion was 0.076856%.

Measurement Period	Fiscal Year	Net Pension
<u>Ended June 30</u>	<u>Ending June 30</u>	<u>Liability-PORS</u>
2022	2023	\$ 2,304,887
2021	2022	\$ 2,063,547

For the year ended June 30, 2023, the City recognized pension expense of \$190,644. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 38,671	\$ 45,564
Changes of assumptions	95,979	0
Net difference between projected and actual earnings on plan investments	6,960	0
Changes in proportion and differences between City contributions and proportionate share of contributions	60,131	137,443
City contributions subsequent to the measurement date	<u>260,896</u>	<u>0</u>
Total	<u>\$ 462,637</u>	<u>\$ 183,007</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

The \$260,896 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

The difference between projected and actual earnings on pension plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The difference between expected and actual experience and the change in proportionate share of contributions are reported as deferred outflows (inflows) of resources and will be amortized over the average remaining service lives of all plan participants. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2022, measurement date was 3.767 years for SCRS and 3.846 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows and inflows of resources at June 30, 2022.

Measurement Period <u>Ending June 30,</u>	Fiscal Year Ending <u>June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2023	2024	\$ (14,962)	\$ 418
2024	2025	(30,457)	27,002
2025	2026	(95,335)	(98,276)
2026	2027	<u>52,959</u>	<u>89,590</u>
Totals		<u>\$ (87,795)</u>	<u>\$ 18,734</u>

Actuarial Assumptions

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022 total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the system's consulting actuary, Gabriel, Roeder, Smith and Company (GRS), and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year ended, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022 for SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ Includes inflation at 2.25%		

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, is based upon 20 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

<u>Allocation/Exposure</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35%)	(0.09%)
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	<u>3.0%</u>	5.88%	<u>0.18%</u>
Total Expected Return	<u>100.0%</u>		4.79%
Inflation for Actuarial Purposes			<u>2.25%</u>
			<u>7.04%</u>

Sensitivity Analysis

The following table presents the collective net pension liability, of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.00%) or 1.0% higher (8.00%) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.0% Increase (8.0%)
SCRS	\$2,603,664	\$2,030,744	\$1,554,435
PORS	\$3,214,026	\$2,304,887	\$1,560,671

Plan Fiduciary Net Position and Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. The City's proportionate share of NPL totals, as of June 30, 2022, for SCRS and PORS are presented below. Detailed information about the Plan's fiduciary net position is available in PEBA's separately issued financial report.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage Total pension Liability</u>
SCRS	\$ 4,729,217	\$ 2,698,473	\$ 2,030,744	57.1%
PORS	\$ 6,869,149	\$ 4,564,262	\$ 2,304,887	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. Liability calculations performed by the Systems' actuary for the purpose of disclosure are not applicable for other purposes, such as determining the plans' funding requirements.

Payables to the Pension Plans

At June 30, 2023, the City reported a payable of \$37,377 and \$49,801 for the outstanding amount of contributions due to SCRS and PORS, respectively. This liability will be paid in the normal course of paying year-end obligations.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 10 - RETIREMENT - (continued)

Non-Employer Contribution

The City recognized revenue of \$21,365 from the State of South Carolina for pension contributions.

NOTE 11 - CASH AND CASH EQUIVALENTS

All deposits are made and held by the City's local banks, as needed. Cash is stated at cost (which approximates market).

At June 30, 2023, the book balance of the City's deposits was \$9,787,111 and the bank balance was \$9,896,436. The difference between bank and book balance is due to outstanding items. The following chart shows the bank where these funds were deposited. The chart also shows a breakdown of insurance coverage, securities pledged and any uncollateralized amounts per bank.

<u>Deposits With</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Letter of Credit & Pledged Securities (MKT Value)</u>	<u>Uncollateralized Amount</u>
Anderson Brothers Bank	\$ 6,777,616	\$ 6,777,616	\$ 0	\$ 0
TD Bank	595,447	250,000	600,000	0
First Citizens Bank & Securities	2,510,617	2,151,487	224,589	134,541
Pee Dee Federal	12,756	12,756	0	0
	<u>\$ 9,896,436</u>	<u>\$ 9,191,859</u>	<u>\$ 824,589</u>	<u>\$ 134,541</u>

Risk-Deposits and Investments

The City has not formally adopted deposit and investment policies that limit their allowable deposits or investments and address the specific types of risk to which they are exposed.

Interest Rate Risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City does not have a policy for interest rate risk. The City had no investments with exposure to interest rate risk at June 30, 2023.

Credit Risk is the risk that an issuer of a debt type investment will not fulfill it's obligations to the holder of the investment. The City does not have a policy for credit risk. The City had no investments in debt type investments at June 30, 2023.

Restricted Cash

The restricted cash section shows those assets that contain restrictions on their use as set forth by legal compliance requirements of revenue bond ordinances or other sources. Governmental activities restricted cash include \$86,491 for post-65 retirees, for property tax rollbacks pertaining to local option sales tax \$402,414; \$17,294 bond funds for police department; \$29,628 for the CDBG programs, \$37,613 for the drug enforcement fund, \$866,024 for the hospitality tax fund \$2,240,816 for the ARPA funds, and \$32,870 for the cemetery funds.

NOTE 12 - CONTINGENCIES

Grants

The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. If grant revenues received for expenditures are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from possible disallowed expenditures will not be material to the financial statements at June 30, 2023.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 12 - CONTINGENCIES - (continued)

Unemployment

The City does not participate in the unemployment reserve fund for the South Carolina Department of Employment and Workforce. The City pays unemployment claims as incurred. This is a common procedure for cities.

Litigation

In the normal course of operations, the City may from time to time become a party to legal claims and disputes. At June 30, 2023, there were legal claims outstanding that are being handled by the Insurance Reserve fund on the City's behalf.

Encumbrances

At June 30, 2023, the City had no significant encumbrances outstanding.

NOTE 13 - RISKS AND UNCERTAINTIES

The City is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City maintains elements of both self-insurance and purchased insurance policies divided into coverage for workers compensation, property and casualty, and employee health insurance.

Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The City also pays insurance premiums to certain commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accord with the insurance policy and benefit program limits.

Several state funds accumulate assets and the State assumes substantially all risks for the following:

1. Claims for property and casualty loss (South Carolina Municipal Insurance Reserve Fund)

Employees health and dental coverage plans are through Blue Cross and Blue Shield and Citizens Security Life.

The City participates in the South Carolina Municipal Insurance Trust, Workers Compensation Self-Insurance Fund, a public entity risk pool for its workers compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

The City has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claims losses and estimable premium adjustments. The City has not reported a supplemental premium assessment expenditure and the related liability at June 30, 2023, because the requirements of GASB Statement 10, which states that a liability for supplemental assessments must be reported if information prior to issuance of financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2023 and the amount of the premium is reasonably estimable have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material effect on the financial position of the City.

During the year ended June 30, 2023 the City did not reduce insurance coverages from coverage levels of the prior year (except to remove assets that the City no longer owns). No settlements have exceeded insurance coverages during the fiscal year ended June 30, 2023, 2022, and 2021.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 14 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets not being depreciated				
Land & Improvements	\$ 513,050	\$ 83,429	\$ 0	\$ 596,479
Construction in Progress	<u>0</u>	<u>945,548</u>	<u>0</u>	<u>945,548</u>
Total capital assets not being depreciated	<u>\$ 513,050</u>	<u>\$ 1,028,977</u>	<u>\$ 0</u>	<u>\$ 1,542,027</u>
Capital assets being depreciated				
Infrastructure	\$ 1,992,139	\$ 18,840	\$ 0	\$ 2,010,979
Buildings & Improvements	9,793,231	0	0	9,793,231
Furniture, Fixtures, & Equipment	<u>4,907,818</u>	<u>489,645</u>	<u>61,108</u>	<u>5,336,355</u>
Total capital assets being depreciated	<u>16,693,188</u>	<u>508,485</u>	<u>61,108</u>	<u>17,140,565</u>
Less accumulated depreciation for				
Buildings & Improvements	3,930,511	185,543	0	4,116,054
Infrastructure	1,261,525	37,292	0	1,298,817
Furniture, Fixtures, & Equipment	<u>3,426,330</u>	<u>187,237</u>	<u>59,458</u>	<u>3,554,109</u>
Total accumulated depreciation	<u>8,618,366</u>	<u>410,072</u>	<u>59,458</u>	<u>8,968,980</u>
Total capital assets being depreciated, net	<u>\$ 8,074,822</u>	<u>\$ 98,413</u>	<u>\$ 1,650</u>	<u>\$ 8,171,585</u>

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 189,531
Public Safety	79,081
Public Works	76,021
Culture and Recreation	28,146
Unallocated	<u>37,293</u>
TOTAL DEPRECIATION EXPENSE	<u>\$ 410,072</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-type activities				
Fixed assets depreciable:				
Equipment & Vehicles	\$ 379,866	\$ 0	\$ 0	\$ 379,866
Total fixed assets-depreciable	<u>379,866</u>	<u>0</u>	<u>0</u>	<u>379,866</u>
Less accumulated depreciation for:				
Equipment & Vehicles	<u>98,034</u>	<u>29,765</u>	<u>0</u>	<u>127,799</u>
Total accumulated depreciation	<u>98,034</u>	<u>29,765</u>	<u>0</u>	<u>127,799</u>
Total fixed assets depreciable, net	<u>\$ 281,832</u>	<u>\$ (29,765)</u>	<u>\$ 0</u>	<u>\$ 252,067</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 15 - INTERFUND BALANCES/TRANSFERS

The composition of interfund balances as of June 30, 2023 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Major Governmental Fund		
General Fund	Special Revenue Funds	\$ <u>169,291</u>
General Fund	Enterprise Fund	\$ <u>157,806</u>
Other Funds		
Special Revenue	General Fund	\$ <u>60,418</u>

These interfund balances represent short-term loans resulting from the centralized cash system.

The composition of interfund transfers are as follows:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service	\$ 105,042	To fund debt repayment
Fiduciary Fund	General Fund	<u>30</u>	To transfer interest earnings
		<u>\$ 105,072</u>	

NOTE 16 - OTHER POST- EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City's defined benefit OPEB plan provides OPEB for employees who meet the eligibility requirements. It is a single employer defined benefit OPEB plan. City Council has the authority to establish and amend the benefit terms of the plan. The plan does not issue a financial report.

Eligibility

Employees hired before 7/1/2019 and elected officials whose service begins before 7/1/2019:

- Attainment of age 55 with 15 years of South Carolina governmental service, the last 10 years must be in continuous service with the City;
- 30 consecutive years of service with the City;
- 28 years with SCRS, the last 10 years must be in continuous service with the City;
- 25 years with PORS, the last 10 years must be in continuous service with the City.

Disabled retirees who have at least ten (10) years of creditable service with the City will be eligible to participate in the City's health and dental plan for their lifetime.

Employees hired on or after 7/1/2019 and elected officials whose service begins on or after 7/1/2019.

1. 90 rule - Age plus service must equal at least 90; the last 20 consecutive years of service with the City;
2. 28 years with SCRS, the last 15 years must be in continuous service with the City;
3. 25 years with PORS, the last 15 years must be in continuous service with the City.

Benefits

The City provides medical coverage for retirees prior to Medicare eligibility. The monthly premiums as of June 1, 2020 were \$552.70. The monthly dental premium was \$23.60 as of June 1, 2020.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

The City sponsors a Medicare Supplement Plan for the retiree only through Blue Cross Blue Essentials Silver 19 for grandfathered retirees. The Plan contains age banded premiums.

In addition, the City offers dental and vision coverage.

Dependent coverage ceases upon the death of the retiree or the dependent's eligibility for Medicare.

The Plan offers a disability benefit for those participants who become eligible for disabled retirement through SCRS/PORS and meet the additional criteria described in the eligibility section above.

Service is credited from the date of hire.

Employees Covered by Benefit Terms

At December 31, 2020 (valuation date) the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	32
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Employees	<u>44</u>
Total Membership	<u><u>76</u></u>

Contributions

All contribution rates are established and may be amended by the City Council.

Prior to Medicare eligibility, the City pays the medical & dental premium for retiree only coverage.

Upon Medicare eligibility, the City contributes a maximum of \$225 toward the Medicare supplement and drug card.

Disabled retirees who have at least 10 years of services with the City will be eligible to participate in the health and dental plan for their lifetime.

Employees are not required to contribute to the plan.

Life Insurance

The City offers life insurance to retirees at their own cost.

Trust

During the year ended June 30, 2013, the City joined the South Carolina Other Retirement Benefits Employer Trust. The Trust is a tax-exempt governmental trust under IRS Codes Section 115 and applicable SC law and is open to all political subdivisions. During the year ended June 30, 2023, the City contributed \$0 to the Trust.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 and rolled forward to December 31, 2022.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

Actuarial Assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00% - 9.50%
PORS	3.50% - 10.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.06%
Measurement Date	3.72%
Year FNP is projected to be depleted	
Prior Measurement Date	2023
Measurement Date	2022
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	2.06%
Measurement Date	3.72%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.5% by 2031
Medicare	No trend is applied to the City contribution for Medicare eligible retirees.

The discount rate used to measure the TOL was based upon the Single Equivalent Interest Rate.

Mortality rates were based on the PUB-2010 Mortality for Employees with a 135% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2020 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the December 31, 2020 valuation were based on a review of recent plan experience done concurrently with the December 31, 2020 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	58.00%	4.00%
US Govt MBS/CMO/CMBS	40.00%	5.60%
Cash and Short Duration (Net)	2.00%	3.90%
Total	100.00%	

The long-term expected rate of return assumption is 4.75%.

Discount rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 3.72%. The projection of cash flows used to determine the discount rate performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2020. In addition to the actuarial methods and assumptions of the December 31, 2020 actuarial valuation, the following actuarial methods and assumption were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- Cash flows occur mid-year.
- In all future years, the employer is assumed to contribute an amount equal to the average of the contributions over that last five years.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

Based on these assumptions, the Plan's FNP was projected to be depleted in 2022 and, as a result, the Municipal Bond Index Rate was used in determination of the SEIR. Here, the long-term expected rate of return of 4.75% on Plan investments was applied to periods through 2022 and the Municipal Bond Index Rate at the Measurement Date (3.72%) was applied to periods on and after 2022, resulting in an SEIR at the Measurement Date (3.72%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 2.06% at the Prior Measurement Date to 3.72% at the Measurement Date.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

Changes in the Net OPEB Liability

The TOL is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2020. An expected TOL is determined as of December 31, 2022 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of the prior measurement date, December 31, 2021, subtracts the expected benefit payments for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the Service Cost). Information regarding changes in benefit terms and changes to assumptions or other inputs should be noted. The following changes have been made since the prior measurement date:

Changes to benefit terms:

- None

Changes to assumptions or other inputs:

- Change in discount rate

The procedure used to determine the TOL, as of December 31, 2022, is shown in the following table:

	Total OPEB Liability <u>(a)</u>	Plan Net Position <u>(b)</u>	Net OPEB Liability <u>(a) - (b)</u>
Balance as of December 31, 2021	\$ 3,296,661	\$ 31,382	\$ 3,265,279
Changes for the year:			
Service Cost at the end of the year*	79,501	0	79,501
Interest on TOL and Cash Flows	66,145	0	66,145
Change in benefit terms	0	0	0
Difference between expected and actual experience	(23,995)	0	(23,995)
Changes of assumptions or other inputs	(493,198)	0	(493,198)
Contributions - employer	0	172,348	(172,348)
Contributions - non-employer	0	0	0
Net investment income	0	(4,815)	4,815
Benefit payments and implicit subsidy credit**	(172,348)	(172,348)	0
Plan administrative expenses***	0	(3,686)	3,686
Other	0	0	0
Net changes	<u>\$ (543,895)</u>	<u>(8,501)</u>	<u>(535,394)</u>
Balance as of December 31, 2022	<u>\$ 2,752,766</u>	<u>\$ 22,881</u>	<u>\$ 2,729,885</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

- * The service cost includes interest for the year.
- ** Benefit payments are net of participant contributions and include a payment of \$32,800 for the implicit subsidy. Benefit payments include \$139,548 paid outside the Trust.
- *** Administrative expenses are based on the fees paid from the plans trust.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 3,011,161	\$ 2,729,885	\$ 2,488,789

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 2,585,937	\$ 2,729,885	\$ 2,899,611

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is not available in a publicly available separately issued financial report.

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resource Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB income of \$90,839. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 619,236
Changes of assumptions or other inputs	282,875	413,319
Net differences between projected and actual earnings on OPEB plan investments	6 535	0
City contributions subsequent to measurement date	<u>49,945</u>	<u>0</u>
Total	<u>\$ 339,355</u>	<u>\$ 1,032,555</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period ended December 31,	
2023	\$ (253,843)
2024	(245,600)
2025	(188,504)
2026	(55,198)
2027	()
Thereafter	()

Payable to the OPEB Plan

At June 30, 2023, the City reported no payables to the plan.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded on the government wide statements for \$619,679 to write off a receivable that was deemed to be uncollectible.

CITY OF MARION
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
Year Ended June 30, 2023

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
					SCRS					
Contractually required contribution	\$204,190	\$168,215	\$164,741	\$161,382	\$143,807	\$130,604	\$116,662	\$108,693	\$108,142	\$105,338
Contributions made to pension plan	204,190	168,215	164,741	161,382	143,807	130,604	116,662	108,693	108,142	105,338
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$1,162,814	\$1,015,791	\$1,058,744	\$1,037,156	\$987,683	\$963,159	\$1,009,244	\$982,761	\$992,126	\$993,754
Contributions as a percentage of covered employee payroll	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%
					PORS					
Contractually required contribution	\$260,896	\$230,468	\$220,172	\$210,301	\$210,770	\$186,223	\$151,391	\$151,403	\$153,789	\$134,979
Contributions made to pension plan	260,896	230,468	220,172	210,301	210,770	186,223	151,391	151,403	153,789	134,979
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$1,289,010	\$1,197,855	\$1,207,083	\$1,152,967	\$1,222,566	\$1,147,092	\$1,063,138	\$1,101,916	\$1,146,825	\$1,051,240
Contributions as a percentage of covered employee payroll	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

CITY OF MARION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2023

	SCRS									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The City's percentage of the net pension liability	0.008377%	0.009376%	0.009297%	0.009353%	0.009294%	0.009989%	0.010166%	0.010933%	0.010944%	0.010944%
The City's proportionate share of the net pension liability	\$2,030,744	\$2,029,005	\$2,375,435	\$2,135,744	\$2,082,579	\$2,248,685	\$2,171,443	\$2,073,496	\$1,884,194	\$1,962,963
The City's covered employee payroll	\$1,015,791	\$1,058,744	\$1,037,156	\$987,683	\$963,159	\$1,009,244	\$982,761	\$992,126	\$993,754	\$1,000,963
The City's proportionate share of the net pension liability as a percentage of its covered payroll	195.92%	191.64%	229.03%	216.24%	216.22%	222.81%	220.95%	209.00%	189.60%	196.11%
The Plan's fiduciary net position as a percentage of the total pension liability	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.39%
	PORS									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The City's percentage of the net pension liability	0.076856%	0.080203%	0.076323%	0.085039%	0.08285%	0.07895%	0.08639%	0.08999%	0.08740%	0.08740%
The City's proportionate share of the net pension liability	\$2,304,887	\$2,063,547	\$2,531,025	\$2,437,165	\$2,347,438	\$2,162,746	\$2,191,159	\$1,961,351	\$1,673,267	\$1,811,840
The City's covered employee payroll	\$1,197,855	\$1,207,083	\$1,152,967	\$1,222,566	\$1,147,092	\$1,063,138	\$1,101,916	\$1,146,825	\$1,051,240	\$1,121,168
The City's proportionate share of the net pension liability as a percentage of its covered payroll	192.42%	170.95%	219.52%	199.35%	204.64%	203.43%	198.85%	171.02%	159.17%	161.60%
The Plan's fiduciary net position as a percentage of the total pension liability	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	62.98%

CITY OF MARION
SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS
Year Ended June 30, 2023

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarially determine employer contribution (ADEC)	\$178,529	\$202,738	\$226,407	\$227,563	\$228,887	\$231,204
Contributions in relation to the ADEC	172,348	204,062	166,881	157,959	160,630	160,520
Annual contribution deficiency (excess)	<u>\$6,181</u>	<u>(\$1,324)</u>	<u>\$59,526</u>	<u>\$69,604</u>	<u>\$68,257</u>	<u>\$70,684</u>
City's covered payroll*	\$1,499,475	\$1,499,475	\$1,716,384	\$1,716,384	\$1,704,576	\$1,704,576
Contributions as a percentage of covered employee payroll	11.49%	13.61%	9.72%	9.20%	9.42%	9.42%

NOTES TO SCHEDULE

Valuation date: December 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5 year smoothed market
Inflation	2.25 percent
Healthcare cost trend rates	Pre-Medicare 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031 No trend is applied to the City contribution for Medicare eligible retirees.
Medical cost trend rate	7.00%
Ultimate trend rate	4.50%
Year of ultimate trend rate	2031
Salary increases	SCRS 3% - 9.5% PORS 3.5% - 10.5%
Investment rate of return	4.75%, net of OPEB plan investment expense, including inflation
Retirement age	See Note to Financial Statements number 16
Mortality	Mortality rates were based on the PUB-2010 mortality Table for Employees with 135% multiplier

* For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

The City implemented GASB 75 during fiscal year 2018, as such only six years of data are available.

CITY OF MARION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITIES AND RELATED RATIOS
Year Ended June 30, 2023

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability						
Service Cost at the end of the year	\$79,501	\$139,817	\$118,178	\$99,875	\$109,357	\$98,805
Interest on the total OPEB liability	66,145	86,611	103,909	142,645	127,940	130,867
Changes of benefit terms	(23,995)	(24,140)	0	0	0	0
Difference between expected and actual experience	0	(895,489)	(14,412)	(360,573)	(530)	21,014
Changes of assumptions or other inputs	(493,198)	4,991	266,945	589,846	(206,230)	117,666
Benefit payments	(172,348)	(200,062) *	(162,881)	(153,959)	(156,879)	(152,520)
Net change in total OPEB liability	(543,895)	(888,272)	311,739	317,834	(126,342)	215,832
Total OPEB liability - beginning	3,296,661	4,184,933	3,873,194	3,555,360	3,681,702	3,465,870
Total OPEB liability - ending	\$2,752,766	\$3,296,661	\$4,184,933	\$3,873,194	\$3,555,360	\$3,681,702
Plan Fiduciary Net Position						
Contributions - employer	\$172,348	\$204,062 **	\$166,881	\$157,959	\$160,630	\$160,520
Contributions - non-employer	0	0	0	0	0	0
Contributions - active member	0	0	0	0	0	0
Net investment income (loss)	(4,815)	(1,045)	1,354	1,032	(18)	489
Benefit payments	(172,348)	(200,062) *	(162,881)	(153,959)	(156,879)	(152,520)
Administrative expenses	(3,686)	(1,250)	(4,818)	0	(3,751)	(455)
Net change in plan fiduciary net position	(8,501)	1,705	536	5,032	(18)	8,034
Plan Fiduciary Net Position - beginning	31,382	29,677	29,141	24,109	24,127	16,093
Plan Fiduciary Net Position - ending	\$22,881	\$31,382	\$29,677	\$29,141	\$24,109	\$24,127
Net OPEB liability - ending	\$2,729,885	\$3,265,279	\$4,155,256	\$3,844,053	\$3,531,251	\$3,657,575
Plan fiduciary net position as a percentage of the total OPEB liability	0.83%	0.95%	0.71%	0.75%	0.68%	0.66%
Covered Payroll	\$1,499,475	\$1,499,475	\$1,716,384	\$1,716,384	\$1,704,576	\$1,704,576 ***
Net OPEB liability as a percentage of covered payroll	182.06%	217.76%	242.09%	223.96%	207.16%	214.57%

* Benefit payments are net of participant contributions and include an amount for the implicit subsidy, if applicable, as well as benefits paid outside the Trust, if applicable.

** The employer contribution includes amounts for the implicit subsidy, if applicable, and benefit payments paid outside the Trust if applicable.

*** For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent year.

The City implemented GASB 75 during fiscal year 2018, as such only six years of data are available.

CITY OF MARION
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
LOCAL				
Taxes	\$2,235,000	\$2,235,000	\$2,427,706	\$192,706
Grant	0	0	216,475	216,475
Operational Revenues	3,344,600	3,344,600	3,693,647	349,047
STATE				
Operational Revenues	626,000	626,000	680,338	54,338
Grant/Allocation	0	0	50,000	50,000
Disaster Assistance	0	0	12,737	12,737
FEDERAL				
ARP	63,500	63,500	0	(63,500)
Disaster Assistance	0	0	98,929	98,929
 TOTAL REVENUES	 6,269,100	 6,269,100	 7,179,832	 910,732
EXPENDITURES				
Current Expenditures				
General Government	1,547,035	1,547,035	1,580,594	(33,559)
Public Safety	2,837,604	2,837,604	2,558,884	278,720
Public Works	1,920,390	1,920,390	1,897,281	23,109
Culture and Recreation	466,090	466,090	448,052	18,038
Debt Service				
Principal	0	0	89,713	(89,713)
Interest	0	0	7,838	(7,838)
Capital Outlay	19,000	19,000	462,026	(443,026)
 TOTAL EXPENDITURES	 6,790,119	 6,790,119	 7,044,388	 (254,269)
 Excess (deficiency) of revenues over expenditures	 (521,019)	 (521,019)	 135,444	 656,463
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	0	0	65,187	65,187
Transfer to Debt Service Fund	(105,100)	(105,100)	(105,042)	58
Transfer from Fiduciary Fund	30	30	30	0
 TOTAL OTHER FINANCING SOURCES (USES)	 (105,070)	 (105,070)	 (39,825)	 65,245
 Excess (deficiency) of revenues over expenditures and other sources (uses)	 (626,089)	 (626,089)	 95,619	 721,708
 Fund Balances at beginning of year	 5,715,477	 5,715,477	 5,715,477	 0
 Fund Balances at end of year	 \$5,089,388	 \$5,089,388	 \$5,811,096	 \$721,708

CITY OF MARION
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP BASIS) AND ACTUAL-LOCAL HOSPITALITY TAX
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
LOCAL				
Hospitality Tax	\$290,000	\$290,000	\$373,296	\$83,296
HMRA Contribution	18,500	18,500	15,135	(3,365)
Interest	0	0	10,473	10,473
TOTAL REVENUES	<u>308,500</u>	<u>308,500</u>	<u>398,904</u>	<u>90,404</u>
EXPENDITURES				
CURRENT				
Culture & Recreation				
Contributions-Marion Chamber of Commerce	7,225	7,225	7,225	0
Contributions-Marion County Museum	4,500	4,500	4,500	0
Contributions-HMRA Façade grants	30,000	30,000	19,500	10,500
Contributions-Foxtrot Festival	5,000	5,000	5,000	0
Contributions-Amazing Grace Park	10,000	10,000	10,000	0
HMRA Salaries and Fringes	47,500	47,500	45,272	2,228
Foxtrot Festival Salaries and Fringes	20,000	20,000	18,294	1,706
CD Joyner Events	11,000	11,000	1,000	10,000
Advertising & Promotion	26,000	26,000	3,898	22,102
Street Lights	76,000	76,000	82,735	(6,735)
Opera House Expenditures	15,000	15,000	11,296	3,704
Depot Expenditures	7,000	7,000	4,744	2,256
Beautification Expenditures	21,000	21,000	19,413	1,587
Christmas Festival Expenditures	28,000	28,000	27,386	614
Contingency	16,975	16,975	0	16,975
Website	2,000	2,000	0	2,000
CAPITAL OUTLAY				
Equipment	36,300	39,300	12,053	27,247
Buildings and Improvements	133,000	130,000	19,556	110,444
TOTAL EXPENDITURES	<u>496,500</u>	<u>496,500</u>	<u>291,872</u>	<u>204,628</u>
Excess (deficiency) of revenues over expenditures	(188,000)	(188,000)	107,032	295,032
Fund Balances at beginning of year	<u>594,253</u>	<u>594,253</u>	<u>594,253</u>	<u>0</u>
Fund Balances at end of year	<u>\$406,253</u>	<u>\$406,253</u>	<u>\$701,285</u>	<u>\$295,032</u>

CITY OF MARION
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP BASIS) AND ACTUAL-AMERICAN RESCUE PLAN ACT
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
LOCAL				
Interest	\$0	\$0	\$104	\$104
FEDERAL				
Grants	738,500	818,250	539,183	(279,067)
TOTAL REVENUES	738,500	818,250	539,287	(278,963)
EXPENDITURES				
CURRENT				
General Government				
Salaries	0	5,500	4,900	600
Social Security	0	0	375	(375)
Miscellaneous	0	0	104	(104)
Public Safety				
Salaries	63,500	78,550	81,178	(2,628)
Social Security	0	1,055	6,126	(5,071)
Public Works				
Salaries	0	9,900	9,900	0
Social Security	0	695	757	(62)
Recreation				
Salaries	0	2,600	2,600	0
Social Security	0	200	199	1
CAPITAL OUTLAY	675,000	719,750	433,148	286,602
TOTAL EXPENDITURES	738,500	818,250	539,287	278,963
Excess (deficiency) of revenues over expenditures	0	0	0	0
Fund Balances at beginning of year	0	0	0	0
Fund Balances at end of year	\$0	\$0	\$0	\$0

KENNETH COBB & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

823 South Main Street
Post Office Box 864
Mullins, South Carolina 29574
(843) 464-9563
Fax (843) 464-9564

Charles F. Jones, CPA
Smith Brooks
Brenda G. Jackson, CPA
Will Harrelson, CPA

Members:
American Institute of CPA's
South Carolina Association of CPA's

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and City Council
Marion, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Marion as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Marion's basic financial statements and have issued our report thereon dated July 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Marion's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Marion's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Marion's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs listed as items #2023-001 and #2023-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Marion's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Marion's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Marion's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kenneth Cobb & Company P.C.

Mullins, South Carolina

July 10, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Council
Marion, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marion's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Marion complied in all material respects, with the compliance requirements described as subject to audit that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Marion and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Marion's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Marion's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Marion, South Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detect material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that , individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Marion's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
3. Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. However, we consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item #2023-001 and #2023-002 that we considered to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Marion's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kenneth Cobb & Company P.C.

Mullins, South Carolina
July 10, 2024

CITY OF MARION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 to June 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS

- a. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Marion were prepared in accordance with GAAP.
- b. Two control deficiencies disclosed during the audit of the financial statements of the City of Marion are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of the City of Marion were disclosed during the audit.
- d. Two control deficiencies pertaining to major federal award programs are disclosed in the *Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
- e. The auditor's report on compliance for the major federal awards programs for the City of Marion expresses an unmodified opinion on all major programs.
- f. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
- g. The program tested as a major program was:

Coronavirus State and Local Fiscal
Recovery Funds

CFDA No. 21.027

- h. The threshold for distinguishing Types A and B programs was \$750,000.
- i. The City of Marion was not determined to be a low-risk auditee.

CITY OF MARION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 to June 30, 2023

II. FINDINGS –FINANCIAL STATEMENTS AUDIT

Significant Deficiencies

#2023-001 Preparation of annual financial statements and disclosures (initially reported 1/16/09)

Condition: The City does not prepare its annual financial statements and footnote disclosures. The City staff work with the auditor in the preparation and subsequently reviews and approves all statements and disclosures before issuance.

Criteria: Internal controls should be in place that provide reasonable assurance that financial statements are free of material misstatements and that the independent auditor is not part of this control system.

Effect: The City relies on the audit firm to prepare the financial statements and disclosures and reviews the final product. Caution must be exercised so that the auditor is not deemed to be part of the control system.

Recommendation: The City can accept this condition and concentrate on the review and approval process or prepare all financial statements and disclosures in house or hire an outside source to prepare the financial statements and disclosures.

Response: The City accepts the condition and will concentrate on the review and approval process.

#2023-002 Inadequate Segregation of Duties (initially reported 1/16/09)

Condition: Due to a small staff size, the City does not have complete segregation of duties.

Criteria: The ideal internal control system would not allow one person to perform a transaction from beginning to end.

Effect: An error in financial reporting may not be detected in a timely manner or the misappropriation of assets could be concealed.

Recommendation: We recommend that the Council and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Response: The City will continue to use supervisory reviews such as monitoring financial statements and budget reports, and where cost beneficial will segregate duties.

CITY OF MARION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 to June 30, 2023

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

See Section II for conditions #2023-001 and #2023-002

All Federal Programs

See Schedule of Expenditures of Federal Awards for CFDA numbers and pass through entities.

CITY OF MARION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

Significant Deficiency

#2022-001 Preparation of annual financial statements and disclosures (initially reported 1/16/09)

Condition: The City does not prepare its annual financial statements and footnote disclosures. The City staff work with the auditor in the preparation and subsequently reviews and approves all statements and disclosures before issuance.

Recommendation: The City can accept this condition and concentrate on the review and approval process or prepare all financial statements and disclosures in house or hire an outside source to prepare the financial statements and disclosures.

Current Status: Audit procedures performed detected no similar findings for the fiscal year ended June 30, 2023.

#2022-002 Inadequate Segregation of Duties (initially reported 1/16/09)

Condition: Due to a small staff size, the City does not have complete segregation of duties.

Recommendation: We recommend that the Council and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Current Status: Audit procedures performed detected no similar findings for the fiscal year ended June 30, 2023.

CITY OF MARION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Expenditures and Other Uses
PRIMARY GOVERNMENT		
DEPARTMENT OF TREASURY		
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$539,183
DEPARTMENT OF COMMERCE		
Passed through the SC Department of Commerce		
CDBG		
4-CI-20-015	14.228	431,859
4-CE-21-014	14.228	6,000
		<u>437,859</u>
DEPARTMENT OF HOMELAND SECURITY		
Passed through the SC Office of the Adjutant General		
Disaster Grants-Public Assistance #FEMA-4394-DR-SC	97.036	98,929
Total		<u>\$1,075,971</u>

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Marion under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City it is not intended to and does not present the financial position or changes in net position of the City.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C INDIRECT COST RATE

The City of Marion did not elect to use the 10% de minimis cost rate as covered in 2 CFR Part 200.414.

NOTE D PASS THROUGH TO SUBRECIPIENTS

There were no awards passed through to subrecipients included in this Schedule for the year ended June 30, 2023.

NOTE E OUTSTANDING DEBT TO OFFICE OF REGULATORY STAFF

The City owes \$69,202 to the SC Office of the Regulatory Staff as of June 30, 2023.

CITY OF MARION, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)

For The Year Ended June 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			193,058	193,058
Court fines and assessments remitted to State Treasurer			(105,948)	(105,948)
Total Court Fines and Assessments retained			87,110	87,110
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			1,793	1,793
Assessments retained			9,234	9,234
Total Surcharges and Assessments retained for victim services			11,027	11,027

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	53,025		53,025
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	9,234		9,234
Victim Service Surcharges Retained by City/County Treasurer	1,793		1,793
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			

Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	64,052		64,052
---	---------------	--	---------------

CITY OF MARION, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)

For The Year Ended June 30, 2023

FOR THE STATE TREASURER'S OFFICE:

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	15,150		15,150
Operating Expenditures	5,780		5,780
Victim Service Contract(s):			
(1) Entity's Name	0		0
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	0		0
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	20,930		20,930
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	43,122		43,122
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	43,122		43,122

CITY OF MARION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL			
Taxes			
Current	\$2,035,000	\$2,177,061	\$142,061
Executions	115,000	118,285	3,285
In Lieu Of	35,000	69,477	34,477
In Lieu of Motor Carriers	50,000	62,883	12,883
Grant	0	82,400	82,400
Capital Sales Tax Contribution	0	134,075	134,075
Operational Revenues	3,344,600	3,693,647	349,047
STATE			
Operational Revenues	626,000	680,338	54,338
Grant/Allocation	0	50,000	50,000
Disaster Assistance	0	12,737	12,737
FEDERAL			
ARP	63,500	0	(63,500)
Disaster Assistance	0	98,929	98,929
TOTAL REVENUES	<u>6,269,100</u>	<u>7,179,832</u>	<u>910,732</u>
EXPENDITURES			
Current Expenditures			
General Government	1,312,455	1,352,596	(40,141)
Administrator & City Clerk	143,370	135,279	8,091
City Treasurer	88,760	91,919	(3,159)
Planning & Zoning	2,450	800	1,650
Building Inspector	111,030	116,842	(5,812)
Victim's Advocacy	21,209	20,930	279
Municipal Court	127,245	119,852	7,393
Police Department	1,781,820	1,509,162	272,658
Fire Department	796,300	792,098	4,202
Public Works Department	1,851,350	1,843,295	8,055
City Shop	69,040	53,986	15,054
Recreation Department	466,090	448,052	18,038
Debt Service			
Principal	0	89,713	(89,713)
Interest	0	7,838	(7,838)
Capital Outlay	<u>19,000</u>	<u>462,026</u>	<u>(443,026)</u>
TOTAL EXPENDITURES	<u>6,790,119</u>	<u>7,044,388</u>	<u>(254,269)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
Excess (deficiency) of revenues over expenditures	<u>(\$521,019)</u>	<u>\$135,444</u>	<u>\$656,463</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	0	65,187	65,187
Transfer to Debt Service Fund	(105,100)	(105,042)	58
Transfer from Fiduciary Fund	<u>30</u>	<u>30</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(105,070)</u>	<u>(39,825)</u>	<u>65,245</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(626,089)	95,619	721,708
Fund Balances at beginning of year	<u>5,715,477</u>	<u>5,715,477</u>	<u>0</u>
Fund Balances at end of year	<u><u>\$5,089,388</u></u>	<u><u>\$5,811,096</u></u>	<u><u>\$721,708</u></u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF OPERATIONAL REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
LOCAL			
Business Licenses	\$1,300,000	\$1,533,044	\$233,044
Building Permits	45,000	109,071	64,071
Franchise Fee GSWSA	150,000	164,777	14,777
Setoff Debt Fees	1,000	375	(625)
Sanitation Receipts	1,369,000	1,415,369	46,369
Donations	0	4,475	4,475
Grass Cutting Fees	37,000	22,550	(14,450)
Recreation - Swimming Pool	2,000	264	(1,736)
Recreation - Program Registration	3,000	801	(2,199)
Recreation - Tournament Fund	3,000	0	(3,000)
Recreation - Youth Sports Registration	8,000	6,752	(1,248)
Recreation - County Registration	3,500	3,500	0
Recreation - Rent	15,000	6,530	(8,470)
Recreation - Youth Sponsor Fees	3,000	3,750	750
Recreation - Miscellaneous	300	300	0
Recreation - Insurance	3,500	2,730	(770)
Recreation - Game Admissions	0	3,649	3,649
Recreation - Concessions	3,500	3,000	(500)
Police Fines and Forfeits	170,000	102,584	(67,416)
Police - Miscellaneous	2,800	22,290	19,490
Opera House Income	7,000	8,930	1,930
Fire Department Donations	500	0	(500)
Fire Miscellaneous	1,500	3,379	1,879
Fire Hazmat	0	2,500	2,500
Rural Fire Dues	178,000	179,636	1,636
Rose Hill - Sales	3,000	8,650	5,650
City - Miscellaneous	5,000	4,211	(789)
Yard Sales	2,000	1,010	(990)
Interest	5,000	35,413	30,413
Investment Interest Income	20,000	32,627	12,627
CD Joyner Rent	3,000	11,480	8,480
TOTAL LOCAL OPERATIONAL REVENUES	<u>\$3,344,600</u>	<u>\$3,693,647</u>	<u>\$349,047</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary-Mayor/Council	\$42,250	\$41,954	\$296
Salary	149,000	145,338	3,662
Retirement	33,550	33,035	515
Social Security	14,600	13,612	988
Insurance	68,000	76,808	(8,808)
Insurance Retirees (Pre)	70,000	61,036	8,964
Insurance Retirees (Post)	63,200	65,036	(1,836)
SC ORBET	4,000	0	4,000
Supplies	6,000	4,993	1,007
School Supplies - Donations	1,000	1,000	0
Coats for Kids	0	606	(606)
Food Boxes	0	3,869	(3,869)
Postage	6,000	5,465	535
Membership & Dues	4,000	3,338	662
Convention & Travel	12,000	2,181	9,819
Gas & Oil	3,600	2,885	715
Vehicle expenditures	200	0	200
Electricity & Gas	10,500	11,291	(791)
Telephone	18,000	15,876	2,124
Street Lights	158,000	177,533	(19,533)
General Election	10,000	2,790	7,210
Bank Charges-Credit Card	2,500	4,121	(1,621)
Maintenance/Service Agreements	41,000	39,365	1,635
Opera House Expenditures	3,000	3,000	0
Rental Property	1,900	2,000	(100)
Repairs/Maintenance Buildings/Grounds	7,000	12,546	(5,546)
Janitor Uniforms	300	434	(134)
County Tax - Housing Authority	23,000	48,005	(25,005)
Janitorial Supplies	1,200	1,191	9
Beautification	1,000	1,000	0
Advertising & Printing	5,000	4,805	195
Insurance - Property, Etc.	460,000	448,745	11,255
Professional Services	35,000	42,218	(7,218)
Attorney Fees	20,000	20,001	(1)
Grant Writing Consultants	7,200	25,847	(18,647)
Annual Awards Banquet	5,000	4,791	209
Miscellaneous	3,000	3,876	(876)
Contributions	22,455	22,005	450
	<u>\$1,312,455</u>	<u>\$1,352,596</u>	<u>(\$40,141)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF ADMINISTRATOR AND CITY CLERK EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary	\$94,900	\$90,551	\$4,349
Retirement	19,210	17,108	2,102
Social Security	7,260	6,565	695
Insurance	10,500	10,845	(345)
Supplies	1,200	1,304	(104)
Membership & Dues	900	925	(25)
Convention & Travel	4,500	2,992	1,508
Gas & Oil	4,200	3,705	495
Vehicle Expenditures	500	1,284	(784)
Miscellaneous	200	0	200
	<u>\$143,370</u>	<u>\$135,279</u>	<u>\$8,091</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF CITY TREASURER EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary	\$61,500	\$64,278	(\$2,778)
Retirement	10,800	11,269	(469)
Social Security	4,710	4,846	(136)
Insurance	6,950	6,935	15
Supplies	1,200	777	423
Membership & Dues	400	130	270
Convention & Travel	3,000	3,578	(578)
Miscellaneous	200	106	94
	<u>\$88,760</u>	<u>\$91,919</u>	<u>(\$3,159)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF PLANNING AND ZONING EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Supplies	\$400	\$734	(\$334)
Planning	250	0	250
Advertising & Printing	200	66	134
Professional Services	1,500	0	1,500
Miscellaneous	100	0	100
	<u>\$2,450</u>	<u>\$800</u>	<u>\$1,650</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF BUILDING INSPECTOR EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary	\$75,400	\$74,559	\$841
Retirement	15,260	14,417	843
Social Security	5,770	5,381	389
Insurance	10,400	10,320	80
Supplies	1,400	899	501
Membership & Dues	2,500	1,158	1,342
Professional Services-Building Inspection	0	9,950	(9,950)
Miscellaneous Expense	300	158	142
	<u>\$111,030</u>	<u>\$116,842</u>	<u>(\$5,812)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF VICTIM'S ADVOCACY DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$10,071	\$10,549	(\$478)
Retirement	1,768	1,852	(84)
Social Security	770	807	(37)
Insurance	2,000	1,942	58
Supplies	1,200	1,187	13
Postage	500	492	8
Convention & Travel	1,000	205	795
Gas & Oil	500	0	500
Telephone	1,400	2,359	(959)
Maintenance/Service Agreements	1,500	1,537	(37)
Miscellaneous	500	0	500
	<u>\$21,209</u>	<u>\$20,930</u>	<u>\$279</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF MUNICIPAL COURT DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$66,620	\$68,726	(\$2,106)
Retirement	11,700	12,042	(342)
Social Security	5,100	5,027	73
Insurance	6,950	7,047	(97)
Supplies	3,000	1,189	1,811
Computer Organizer	3,500	3,506	(6)
Postage	2,500	1,083	1,417
Membership & Dues	375	200	175
Convention & Travel	4,000	3,672	328
Maintenance/Service Agreements	1,500	1,500	0
Jury Pay	2,000	860	1,140
Professional Services-Public Defender	20,000	15,000	5,000
	<u>\$127,245</u>	<u>\$119,852</u>	<u>\$7,393</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF POLICE DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$957,000	\$832,171	\$124,829
Salary/FICA--ARPA	43,000	0	43,000
Retirement	201,700	175,941	25,759
Social Security	73,270	62,216	11,054
Insurance	150,000	142,322	7,678
Unemployment Insurance	1,000	0	1,000
Supplies	18,000	16,257	1,743
Postage	500	0	500
Animal Control	10,000	10,194	(194)
Membership & Dues	1,000	215	785
Convention & Travel	4,500	3,714	786
Gas & Oil	65,000	61,027	3,973
Vehicle Expenditures	25,000	65,081	(40,081)
Vehicle Leases	79,600	0	79,600
Electricity	15,500	15,495	5
Electricity-Firing Range	350	340	10
Telephone	10,000	7,393	2,607
Maintenance/Service Agreements	13,000	8,583	4,417
Radio Supplies & Maintenance	1,000	19	981
Maintenance/Building & Grounds	10,000	11,286	(1,286)
Firing Range	1,000	89	911
Combined Drug Unit	3,200	1,248	1,952
Community Police Substation	900	1,090	(190)
Uniforms	17,000	11,896	5,104
Uniform allowance	2,500	2,500	0
Prisoner Safe Keeping	1,000	0	1,000
Medical - Prisoners	3,000	0	3,000
Juvenile Detention	8,000	14,400	(6,400)
Advertising & Printing	1,000	448	552
Professional Services	4,000	2,506	1,494
Code Enforcement Software	3,000	3,183	(183)
800 MHZ Systems	55,000	55,000	0
Miscellaneous Expense	2,800	1,846	954
Calendar Fund	0	2,702	(2,702)
	<u>\$1,781,820</u>	<u>\$1,509,162</u>	<u>\$272,658</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF FIRE DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$369,500	\$389,761	(\$20,261)
Salary/FICA--ARPA	20,500	0	20,500
Wages-Fire Attendance	34,000	27,300	6,700
Retirement	85,000	83,250	1,750
Social Security	31,000	31,722	(722)
Insurance	48,500	34,826	13,674
Supplies	12,000	13,715	(1,715)
Christmas Fund Supplies	0	3,374	(3,374)
Class 5 Supplies	17,000	15,938	1,062
Memberships/Conventions/School	2,500	2,218	282
Gas & Oil	25,000	27,246	(2,246)
Truck Expenditures	26,000	59,051	(33,051)
Vehicle leases	7,500	0	7,500
Electricity & Heat	20,000	23,721	(3,721)
Telephone	8,200	5,787	2,413
Maintenance/Service Agreements	100	1,759	(1,659)
Radio Maintenance	3,000	2,096	904
Equipment Maintenance	17,500	13,779	3,721
Repairs/Maintenance Buildings/Grounds	10,000	14,845	(4,845)
Hose & Nozzle	5,000	503	4,497
Fire Prevention	5,000	5,034	(34)
Uniforms	8,000	3,612	4,388
Medical Expenditures	6,000	2,551	3,449
OSHA Regulations	2,000	663	1,337
Fire-Hazmat Funds Expenditures	0	2,551	(2,551)
Training	9,000	6,568	2,432
Professional Services	1,000	2,735	(1,735)
800 MHZ Systems	15,000	15,000	0
Miscellaneous	2,000	1,682	318
Training Ground	6,000	811	5,189
	<u>\$796,300</u>	<u>\$792,098</u>	<u>\$4,202</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF PUBLIC WORKS DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary	\$475,000	\$430,768	\$44,232
Retirement	83,000	75,224	7,776
Social Security	36,000	32,617	3,383
Insurance	104,000	99,134	4,866
Unemployment Insurance	500	0	500
Supplies	7,000	4,018	2,982
Gas & Oil	60,000	71,830	(11,830)
Vehicle Expenditures	6,000	4,806	1,194
Truck Maintenance	20,000	44,754	(24,754)
Chemicals	800	689	111
Electricity/Heat	4,000	3,262	738
Telephone	1,550	2,574	(1,024)
Landfill	15,000	2,821	12,179
Radio Maintenance	500	0	500
Contract Garbage Hauling	938,000	977,526	(39,526)
Equipment Repairs - Mowers	15,000	16,263	(1,263)
Maintenance-Building	4,000	3,549	451
Rose Hill Maintenance	25,500	30,000	(4,500)
Heavy Equipment Maintenance	10,000	5,105	4,895
Sweeper Maintenance	10,000	5,718	4,282
Tree Trimming	20,000	7,825	12,175
Uniforms	10,000	14,982	(4,982)
Street Repairs	1,500	0	1,500
Sidewalk Repairs	1,000	7,676	(6,676)
Street Signs	1,000	282	718
Miscellaneous	2,000	1,872	128
	<u>\$1,851,350</u>	<u>\$1,843,295</u>	<u>\$8,055</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF CITY SHOP EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Salary	\$36,300	\$30,498	\$5,802
Retirement	6,370	5,346	1,024
Social Security	2,770	2,318	452
Insurance	6,950	7,054	(104)
Supplies	2,500	1,888	612
Gas & Oil	3,500	1,608	1,892
Vehicle Expenditures	500	201	299
Electricity & Gas	7,000	2,991	4,009
Telephone	600	671	(71)
Repairs/Maintenance Buildings/Grounds	1,000	656	344
Small Hand Tools	600	335	265
Uniforms	750	330	420
Miscellaneous	200	90	110
	<u>\$69,040</u>	<u>\$53,986</u>	<u>\$15,054</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF RECREATION DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Officials	\$22,000	\$25,239	(\$3,239)
Salary	146,640	144,493	2,147
Salaries-Part Time	24,000	20,766	3,234
Retirement	25,750	22,638	3,112
Social Security	12,900	12,805	95
Insurance	21,000	20,946	54
Unemployment Insurance	100	0	100
Supplies	1,600	1,526	74
Membership & Dues	1,700	1,247	453
Convention & Travel	2,700	2,485	215
Gas & Oil	9,000	3,932	5,068
Vehicle Expenditures	3,000	598	2,402
Electricity & Gas	50,000	41,427	8,573
Electricity -Athletic Field	37,000	34,188	2,812
Telephone	8,000	5,325	2,675
Maintenance/Service Agreements	2,600	0	2,600
Mower Repairs	2,000	0	2,000
Repairs/Maintenance Buildings/Grounds/Radios	30,000	40,078	(10,078)
Uniforms	1,600	2,108	(508)
Uniforms-Athletics	22,000	13,198	8,802
Janitorial Supplies	5,000	5,040	(40)
Athletic Supplies	11,000	9,043	1,957
Pool Operation	15,000	19,467	(4,467)
Special Events	500	0	500
General Insurance	2,100	2,125	(25)
Advertising & Printing	400	16	384
Professional Services	0	16,219	(16,219)
Trophy Account	1,500	484	1,016
Recreation Programs	5,000	1,441	3,559
Miscellaneous	2,000	1,218	782
	<u>\$466,090</u>	<u>\$448,052</u>	<u>\$18,038</u>

CITY OF MARION
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	DRUG ENFORCEMENT FUND	LOCAL HOSPITALITY TAX	V SAFE GRANT	SUMMER CAMP	GARDEN CLUBS/ FRANCIS MARION PLAZA PROJECT
ASSETS					
Cash-Restricted	\$37,613	\$866,024	\$0	\$0	\$0
Accounts Receivable	0	32,014	0	0	0
Due From State/Federal Govt.	0	0	0	0	0
Due From Other Funds	0	0	13,350	2,860	68,881
TOTAL ASSETS	<u>\$37,613</u>	<u>\$898,038</u>	<u>\$13,350</u>	<u>\$2,860</u>	<u>\$68,881</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$0	\$156,573	\$0	\$0	\$0
Due To Other Funds	0	40,180	0	0	0
Revenue Received in Advance	37,484	0	13,350	2,860	68,881
TOTAL LIABILITIES	<u>37,484</u>	<u>196,753</u>	<u>13,350</u>	<u>2,860</u>	<u>68,881</u>
FUND BALANCE/(DEFICIT)					
Restricted For:					
Hospitality Fund	0	701,285	0	0	0
Drug Enforcement	129	0	0	0	0
Committed To:					
Housing Rehabilitation	0	0	0	0	0
TOTAL FUND BALANCE	<u>129</u>	<u>701,285</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$37,613</u>	<u>\$898,038</u>	<u>\$13,350</u>	<u>\$2,860</u>	<u>\$68,881</u>

CITY OF MARION
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	AMERICAN RESCUE PLAN ACT	FIRE DEPT. HANDHELD RADIO UPGRADE	PROJECT #3-L-87023	PROJECT #3-L-89002	CDBG #4-CI-20-015	TOTAL
ASSETS						
Cash-Restricted	\$2,240,816	\$0	\$18,288	\$11,340	\$0	\$3,174,081
Accounts Receivable	0	0	0	0	0	32,014
Due From State/Federal Govt.	0	0	0	0	139,859	139,859
Due From Other Funds	0	84,200	0	0	0	169,291
TOTAL ASSETS	<u>\$2,240,816</u>	<u>\$84,200</u>	<u>\$18,288</u>	<u>\$11,340</u>	<u>\$139,859</u>	<u>\$3,515,245</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$0	\$0	\$0	\$0	\$139,859	\$296,432
Due To Other Funds	20,239	0	0	0	0	60,419
Revenue Received in Advance	<u>2,220,577</u>	<u>84,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,427,352</u>
TOTAL LIABILITIES	<u>2,240,816</u>	<u>84,200</u>	<u>0</u>	<u>0</u>	<u>139,859</u>	<u>2,784,203</u>
FUND BALANCE/(DEFICIT)						
Restricted For:						
Hospitality Fund	0	0	0	0	0	701,285
Drug Enforcement	0	0	0	0	0	129
Committed To:						
Housing Rehabilitation	0	0	18,288	11,340	0	29,628
TOTAL FUND BALANCE	<u>0</u>	<u>0</u>	<u>18,288</u>	<u>11,340</u>	<u>0</u>	<u>731,042</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$2,240,816</u>	<u>\$84,200</u>	<u>\$18,288</u>	<u>\$11,340</u>	<u>\$139,859</u>	<u>\$3,515,245</u>

CITY OF MARION
ALL SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	DRUG ENFORCEMENT FUND	LOCAL HOSPITALITY TAX	SCDOT GRANTS	SCMIT SOFT BODY ARMOR
REVENUES				
LOCAL				
Interest Income	\$0	\$10,473	\$0	\$0
Other Income	500	388,431	0	0
STATE				
Grants	0	0	4,414	2,812
FEDERAL				
Grants	0	0	0	0
TOTAL REVENUES	500	398,904	4,414	2,812
EXPENDITURES				
CURRENT				
General Government	0	0	0	0
Public Safety	500	0	0	2,812
Culture & Recreation	0	260,263	0	0
Public Works	0	0	0	0
Community Development	0	0	4,414	0
CAPITAL OUTLAY	0	31,609	0	0
TOTAL EXPENDITURES	500	291,872	4,414	2,812
Excess (deficiency) of revenues over expenditures	0	107,032	0	0
OTHER FINANCING SOURCES/(USES)				
Transfer to General Fund	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	0	107,032	0	0
Fund Balance/(Deficit) at beginning of year	129	594,253	0	0
Fund Balance/(Deficit) at end of year	\$129	\$701,285	\$0	\$0

CITY OF MARION
ALL SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	EMPLOYEE HEALTH AWARENESS CENTER	AMERICAN RESCUE PLAN ACT	CDBG #4-CI-20-0015	CDBG #4-CE-21-014	800 MHZ HANDHELD RADIOS UPGRADE
REVENUES					
LOCAL					
Interest Income	\$0	\$104	\$0	\$0	\$0
Other Income	6,523	0	0	0	0
STATE					
Grants	0	0	0	0	10,800
FEDERAL					
Grants	0	539,183	431,859	6,000	0
TOTAL REVENUES	6,523	539,287	431,859	6,000	10,800
EXPENDITURES					
CURRENT					
General Government	0	5,379	0	0	0
Public Safety	6,523	87,304	0	6,000	10,800
Culture & Recreation	0	2,799	0	0	0
Public Works	0	10,657	0	0	0
Community Development	0	0	431,859	0	0
CAPITAL OUTLAY	0	433,148	0	0	0
TOTAL EXPENDITURES	6,523	539,287	431,859	6,000	10,800
Excess (deficiency) of revenues over expenditures	0	0	0	0	0
OTHER FINANCING SOURCES/(USES)					
Transfer to General Fund	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	0	0	0	0	0
Fund Balance/(Deficit) at beginning of year	0	0	0	0	0
Fund Balance/(Deficit) at end of year	\$0	\$0	\$0	\$0	\$0

CITY OF MARION
ALL SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	MARION GARDEN CLUBS	IN-CAR VIDEO CAMERA GRANT PROGRAM	PROJECT #3-L-87023	PROJECT #3-L-89002	Total Current Year
REVENUES					
LOCAL					
Interest Income	\$0	\$0	\$0	\$0	\$10,577
Other Income	0	0	0	0	395,454
STATE					
Grants	21,119	34,862	0	0	74,007
FEDERAL					
Grants	0	0	0	0	977,042
TOTAL REVENUES	21,119	34,862	0	0	1,457,080
EXPENDITURES					
CURRENT					
General Government	0	0	0	0	5,379
Public Safety	0	0	0	0	113,939
Culture & Recreation	0	0	0	0	263,062
Public Works	0	0	0	0	10,657
Community Development	2,279	0	0	0	438,552
CAPITAL OUTLAY	18,840	34,862	0	0	518,459
TOTAL EXPENDITURES	21,119	34,862	0	0	1,350,048
Excess (deficiency) of revenues over expenditures	0	0	0	0	107,032
OTHER FINANCING SOURCES/(USES)					
Transfer to General Fund	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	0	0	0	0	107,032
Fund Balance/(Deficit) at beginning of year	0	0	18,288	11,340	624,010
Fund Balance/(Deficit) at end of year	\$0	\$0	\$18,288	\$11,340	\$731,042

CITY OF MARION
LOCAL HOSPITALITY TAX
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL			
Hospitality Tax	\$290,000	\$373,296	\$83,296
HMRA Contribution	18,500	15,135	(3,365)
Interest	0	10,473	10,473
TOTAL REVENUES	308,500	398,904	90,404
EXPENDITURES			
CURRENT			
Culture & Recreation			
Contributions-Marion Chamber of Commerce	7,225	7,225	0
Contributions-Marion County Museum	4,500	4,500	0
Contributions-HMRA Façade grants	30,000	19,500	10,500
Contributions-Foxtrot Festival	5,000	5,000	0
Contributions-Amazing Grace Park	10,000	10,000	0
HMRA Salaries and Fringes	47,500	45,272	2,228
Foxtrot workers	20,000	18,294	1,706
CD Joyner Events	11,000	1,000	10,000
Advertising & Promotion	26,000	3,898	22,102
Street Lights	76,000	82,735	(6,735)
Opera House Expenditures	15,000	11,296	3,704
Depot Expenditures	7,000	4,744	2,256
Beautification Expenditures	21,000	19,413	1,587
Christmas Festival Expenditures	28,000	27,386	614
Website	2,000	0	2,000
Contingency	16,975	0	16,975
CAPITAL OUTLY			
Parking Lot	10,000	0	10,000
CD Joyner Heat Pump	26,800	0	26,800
Sidewalks-Downton Square	40,000	0	40,000
Beautification - Lawn Mower	12,500	12,053	447
Lion's Park Shelter	60,000	0	60,000
Green St Sports Complex	0	19,556	(19,556)
Sidewalks & Fence Green St. Park	20,000	0	20,000
TOTAL EXPENDITURES	496,500	291,872	204,628
Excess (deficiency) of revenues over expenditures	(188,000)	107,032	295,032
Fund Balances at beginning of year	594,253	594,253	0
Fund Balances at end of year	\$406,253	\$701,285	\$295,032

CITY OF MARION
 SCDOT GRANTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2023

	<u>#37041</u>
REVENUES	
STATE	
Grants	<u>\$4,414</u>
TOTAL REVENUES	<u>4,414</u>
EXPENDITURES	
CURRENT	
Community Development	
Street Signs	<u>4,414</u>
TOTAL EXPENDITURES	<u>4,414</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
SCMIT - BODY ARMOR PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
STATE	
Grant	<u>\$2,812</u>
TOTAL REVENUES	<u>2,812</u>
EXPENDITURES	
CURRENT	
Public Safety	
Supplies	<u>2,812</u>
TOTAL EXPENDITURES	<u>2,812</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
 DRUG ENFORCEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2023

REVENUES	
LOCAL	
Drug Forfeitures	\$500
	<hr/>
TOTAL REVENUES	500
	<hr/>
EXPENDITURES	
CURRENT	
Public Safety	
Miscellaneous	500
	<hr/>
TOTAL EXPENDITURES	500
	<hr/>
Excess (deficiency) of revenues over expenditures	0
	<hr/>
Fund Balances at beginning of year	129
	<hr/>
Fund Balances at end of year	\$129
	<hr/> <hr/>

CITY OF MARION
EMPLOYEE HEALTH AWARENESS CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
LOCAL	
Grants	<u>\$6,523</u>
TOTAL REVENUES	<u>6,523</u>
EXPENDITURES	
CURRENT	
Public Safety	
Employee Benefits	2,050
Supplies	<u>4,473</u>
TOTAL EXPENDITURES	<u>6,523</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
 AMERICAN RESCUE PLAN ACT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2023

REVENUES	
LOCAL	
Interest	\$104
FEDERAL	
Grants	539,183
	<hr/>
TOTAL REVENUES	539,287
	<hr/>
EXPENDITURES	
CURRENT	
General Government	
Salaries	4,900
Social Security	375
Miscellaneous	104
Public Safety	
Salaries	81,178
Social Security	6,126
Public Works	
Salaries	9,900
Social Security	757
Recreation	
Salaries	2,600
Social Security	199
CAPITAL OUTLAY	433,148
	<hr/>
TOTAL EXPENDITURES	539,287
	<hr/>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	0
	<hr/>
Fund Balances at end of year	\$0
	<hr/> <hr/>

CITY OF MARION
CDBG - 4-CI-20-015
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
FEDERAL	
Grant	<u>\$431,859</u>
TOTAL REVENUES	<u>431,859</u>
EXPENDITURES	
CURRENT	
Community Development	
Contribution GSWSA	414,527
Administration	<u>17,332</u>
TOTAL EXPENDITURES	<u>431,859</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
CDBG - 4-CE-21-014
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
FEDERAL	
Grant	<u>\$6,000</u>
TOTAL REVENUES	<u>6,000</u>
EXPENDITURES	
CURRENT	
Public Safety	
Administration	<u>6,000</u>
TOTAL EXPENDITURES	<u>6,000</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
STATE OF SC APPROPRIATION
800MHZ HANDHELD RADIOS UPGRADE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
STATE	
Grants	<u>\$10,800</u>
TOTAL REVENUES	<u>10,800</u>
EXPENDITURES	
CURRENT	
Public Safety	
Supplies	<u>10,800</u>
TOTAL EXPENDITURES	<u>10,800</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
OFFICE OF HIGHWAY SAFETY AND JUSTICE PROGRAMS
In-Car Video Camera Grant Program
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
STATE	
Grants	<u>\$34,862</u>
TOTAL REVENUES	<u>34,862</u>
EXPENDITURES	
CAPITAL OUTLAY	
Public Safety	
Equipment	<u>34,862</u>
TOTAL EXPENDITURES	<u>34,862</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
STATE OF SOUTH CAROLINA
Marion Garden Clubs Beautification/Francis Marion Plaza Projects
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
STATE	
Grants	<u>\$21,119</u>
TOTAL REVENUES	<u>21,119</u>
EXPENDITURES	
CURRENT	
Community Development	
Garden Club expenditures	2,279
CAPITAL OUTLAY	
Equipment	<u>18,840</u>
TOTAL EXPENDITURES	<u>21,119</u>
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>

CITY OF MARION
PERMANENT FUND - CEMETERY FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended June 30, 2023

REVENUES	
Interest Income	<u>\$55</u>
TOTAL REVENUES	<u>55</u>
Excess (deficiency) of revenues over expenditures	<u>55</u>
OTHER FINANCING SOURCES (USES)	
Transfer to General Fund	<u>(30)</u>
TOTAL FINANCING SOURCES (USES)	<u>(30)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	25
Fund Balances at beginning of year	<u>32,845</u>
Fund Balances at end of year	<u><u>\$32,870</u></u>

CITY OF MARION
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2023

EXPENDITURES	
DEBT SERVICE	
Principal	\$88,999
Interest	<u>16,043</u>
TOTAL EXPENDITURES	<u>105,042</u>
Excess (deficiency) of revenues over expenditures	<u>(105,042)</u>
OTHER FINANCING SOURCES (USES)	
Transfer from General Fund	<u>105,042</u>
TOTAL FINANCING SOURCES (USES)	<u>105,042</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	0
Fund Balances at beginning of year	<u>0</u>
Fund Balances at end of year	<u><u>\$0</u></u>