

CITY OF MARION

Marion, South Carolina

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

June 30, 2024

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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, 2024, 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, 2024, 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 52–57 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 68-69, 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 2, 2025, 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 2, 2025

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2024

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, 2024. 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, 2024 by \$9.9 million (net position). Of this amount a deficit of \$1.3 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 \$6.3 million, a decrease of \$261 thousand in comparison with the prior year (excluding the prior period adjustment). Approximately 86.3 percent of this total or \$5.5 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, 2024

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 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, 2024

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 \$9.9 million at the close of the most recent fiscal year.

The largest portion of the City's net position is \$10.3 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, 2024

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 6,097	\$ 7,395	\$ 180	\$ 189	\$ 6,277	\$ 7,584
Capital and Intangible Assets	10,713	9,901	224	252	10,937	10,153
Other Assets	3,723	3,713	0	0	3,723	3,713
Total Assets	<u>20,533</u>	<u>21,009</u>	<u>404</u>	<u>441</u>	<u>20,937</u>	<u>21,450</u>
Deferred Outflow of Resources	1,245	1,101	0	0	1,245	1,101
Long Term Liabilities	7,551	7,611	5	24	7,556	7,635
Other Liabilities	3,631	4,675	21	73	3,652	4,748
Total Liabilities	<u>11,182</u>	<u>12,286</u>	<u>26</u>	<u>97</u>	<u>11,208</u>	<u>12,383</u>
Deferred Inflow of Resources	1,121	1,398	0	0	1,121	1,398
Net Investment in Capital Assets	10,083	9,565	204	159	10,287	9,724
Restricted	821	764	0	0	821	764
Unrestricted	<u>(1,429)</u>	<u>(1,903)</u>	<u>174</u>	<u>185</u>	<u>(1,255)</u>	<u>(1,718)</u>
Total Net Position	<u>\$ 9,475</u>	<u>\$ 8,426</u>	<u>\$ 378</u>	<u>\$ 344</u>	<u>\$ 9,853</u>	<u>\$ 8,770</u>

A portion of the City's net position (8.3 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 \$1.0 million (excluding the prior period adjustment). Approximately 27.1 percent of the City's total governmental revenue came from taxes, while 25.1 percent resulted from restricted grants and contributions (including state and federal aid). Charges for various goods and services provided 39.4 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 2024, governmental activity expenses exceeded program revenues, resulting in the use of \$2.2 million in general revenues (mostly taxes).

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2024

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,625	\$ 3,816	\$ 184	\$ 191	\$ 3,809	\$ 4,007
Operating Grants & Contributions	2,074	983	0	0	2,074	983
Capital Grants & Contributions	236	1,137	0	0	236	1,137
General Revenues:						
Taxes	2,493	2,452	0	0	2,493	2,452
Investment Earnings	81	79	0	0	81	79
Other	703	889	0	0	703	889
Total Revenues	<u>9,212</u>	<u>9,356</u>	<u>184</u>	<u>191</u>	<u>9,396</u>	<u>9,547</u>
Expenses:						
General Government	1,921	1,738	0	0	1,921	1,738
Public Safety	3,149	2,629	0	0	3,149	2,629
Public Works	1,937	1,907	0	0	1,937	1,907
Community Development	283	473	0	0	283	473
Culture and Recreation	843	716	0	0	843	716
Interest	16	22	0	0	16	22
Depreciation, Unallocated	34	37	0	0	34	37
Stormwater	0	0	151	118	151	118
Total Expenses	<u>8,183</u>	<u>7,522</u>	<u>151</u>	<u>118</u>	<u>8,334</u>	<u>7,640</u>
Excess (Deficiency) Revenues over Expenses	1,029	1,834	34	73	1,063	1,907
Change in Net Position	<u>1,029</u>	<u>1,834</u>	<u>34</u>	<u>73</u>	<u>1,063</u>	<u>1,907</u>
Net Position, Beginning of Year	8,426	7,212	344	271	8,770	7,483
Prior Period Adjustment	20	(620)	0	0	20	(620)
Net Position, End of Year	<u>\$ 9,475</u>	<u>\$ 8,426</u>	<u>\$ 378</u>	<u>\$ 344</u>	<u>\$ 9,853</u>	<u>\$ 8,770</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, 2024

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 \$6.3 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 \$5,467,015 represents 60.2 percent of total governmental fund expenditures.

The fund balances of the City's governmental funds decreased by \$261 thousand during the current fiscal year. This is a 4 percent decrease 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, 2024. General fund revenues were over the approved budgeted revenues by \$819 thousand. This was largely due to still having ongoing 1% Capital Sales Tax and ARP projects which contributed to excess business license revenue of \$285,900 and excess building permit revenues of \$30,200. The City also received \$153,500 in Capital Sales Tax revenue and a contribution for the Sports Complex lighting of \$82,400. The City received \$104,000 from FEMA for Hurricane Florence. The Local Option Sales Tax revenue was over budget by \$131,000 due to the economy still being strong. General fund expenditures were over the approved budget by \$616 thousand. This was largely due to also having the expenditures of \$160,700 for the Sports Complex lighting, \$153,500 for Capital Sales Tax projects, and \$179,000 for Hurricane Florence. Some other over budget items were property liability insurance over \$29,000 due to higher rate increases and police vehicle expenditures over \$24,000 due to repairs on Dodge chargers. The Fire Department was over \$94,000 in salary and related fringes and \$62,500 over in truck expenditures due to several repairs on Engine 15. The Recreation Department was over \$19,500 in athletic supplies due to having to replace and update football helmets and \$41,300 in professional services due to the hiring of a consultant.

City of Marion, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2024

FIXED ASSET AND DEBT ADMINISTRATION

Fixed Assets

The City's investment in fixed assets for its governmental activities as of June 30, 2024, amounts to \$19.9 million, less accumulated depreciation of \$9.4 million, leaving a net book value of \$10.5 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 \$1.3 million for the year. Depreciation charges for the year totaled \$544 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.

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, 2025. The following are some factors considered in preparing this budget.

Marion County's unemployment rate has been steadily increasing. In October, 2024 Marion County's unemployment rate was 6.3%. The State average was 4.5% in October 2024.

Personnel costs make up a significant portion of the City's operating costs. The City gave a 4% cost of living increase. The City is still with the State's health insurance plan. The City expects to receive a franchise fee of approximately \$165,000 from GSWSA. There was a tax millage increase of 2.8 mils. The City had no increase in sanitation rates.

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, 2024

	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash	\$4,782,662	\$0	\$4,782,662
Due from Other Agencies	750,609	0	750,609
Accounts Receivable	303,220	39,714	342,934
Accounts Receivable-Sanitation	335,752	0	335,752
Interest Receivable	7,339	0	7,339
Taxes Receivable- Net of Allowance	57,891	0	57,891
Internal Balances	(140,109)	140,109	0
Restricted Cash	3,723,019	0	3,723,019
Land	596,479	0	596,479
Right to Use Assets	562,562	0	562,562
Subscription Assets	54,239	0	54,239
Construction in Progress	474,098	0	474,098
Real Estate and Buildings	11,141,090	0	11,141,090
Furniture, Fixtures and Equipment	5,725,304	379,866	6,105,170
Infrastructure	2,010,979	0	2,010,979
Accumulated Depreciation/Amortization	(9,851,810)	(154,880)	(10,006,690)
TOTAL ASSETS	<u>20,533,324</u>	<u>404,809</u>	<u>20,938,133</u>
DEFERED OUTFLOWS OF RESOURCES			
Deferred OPEB Charges	294,718	0	294,718
Deferred Pension Charges	950,592	0	950,592
TOTAL DEFERED OUTFLOWS OF RESOURCES	<u>1,245,310</u>	<u>0</u>	<u>1,245,310</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	517,738	0	517,738
Accrued Liabilities	5,436	624	6,060
Due to Retirees	74,034	0	74,034
Payroll Deductions	(195)	0	(195)
Revenues Received in Advance	2,858,666	0	2,858,666
Long Term Liabilities- Due within one year			
Debt Obligations	96,304	20,273	116,577
Leases	57,077	0	57,077
Subscription Liability	22,750	0	22,750
Long Term Liabilities- Due in greater than one year			
Debt Obligations	172,179	0	172,179
Leases	95,905	0	95,905
OPEB obligations	2,607,678	0	2,607,678
Pension obligations	4,463,155	0	4,463,155
Compensated Absences Payable	211,738	5,438	217,176
TOTAL LIABILITIES	<u>11,182,465</u>	<u>26,335</u>	<u>11,208,800</u>
DEFERED INFLOWS OF RESOURCES			
Deferred OPEB Credits	845,438	0	845,438
Deferred Pension Credits	275,624	0	275,624
TOTAL DEFERED INFLOWS OF RESOURCES	<u>1,121,062</u>	<u>0</u>	<u>1,121,062</u>
NET POSITION			
Net investment in capital assets	10,082,555	204,713	10,287,268
Restricted for:			
Cemetery-Non-expendable	33,700	0	33,700
Local Hospitality Tax	757,838	0	757,838
Housing Rehabilitation	29,628	0	29,628
Unrestricted	(1,428,614)	173,761	(1,254,853)
TOTAL NET POSITION	<u>\$9,475,107</u>	<u>\$378,474</u>	<u>\$9,853,581</u>

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

CITY OF MARION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	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	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General Government	\$1,920,997	\$1,638,651	\$897,798	\$0	\$615,452		\$615,452
Public Safety	3,148,988	391,040	381,533	0	(2,376,415)		(2,376,415)
Public Works	1,936,558	1,527,532	56,413	0	(352,613)		(352,613)
Community Development	282,779	27,075	292,537	0	36,833		36,833
Culture and Recreation	842,703	40,955	445,645	235,901	(120,202)		(120,202)
Depreciation *	33,683	0	0	0	(33,683)		(33,683)
Interest	16,033	0	0	0	(16,033)		(16,033)
Total Governmental Activities	<u>\$8,181,741</u>	<u>\$3,625,253</u>	<u>\$2,073,926</u>	<u>\$235,901</u>	<u>(2,246,661)</u>		<u>(2,246,661)</u>
Business-type activities:							
Stormwater	150,775	184,429	0	0		\$33,654	33,654
Total primary government	<u>\$8,332,516</u>	<u>\$3,809,682</u>	<u>\$2,073,926</u>	<u>\$235,901</u>	<u>(2,246,661)</u>	<u>33,654</u>	<u>(2,213,007)</u>
Property taxes levied for:							
General Purposes					2,492,765	0	2,492,765
Unrestricted Investment Earnings					80,539	0	80,539
Contribution from County					606,209	0	606,209
Gain/(loss) on disposed assets					43,315	0	43,315
Miscellaneous					53,241	0	53,241
Total general revenues and transfers					<u>3,276,069</u>	<u>0</u>	<u>3,276,069</u>
Changes in net position					<u>1,029,408</u>	<u>33,654</u>	<u>1,063,062</u>
Net position, beginning of year					<u>8,425,566</u>	<u>343,975</u>	<u>8,769,541</u>
Prior period adjustment					<u>20,133</u>	<u>845</u>	<u>20,978</u>
Net position, end of year					<u>\$9,475,107</u>	<u>\$378,474</u>	<u>\$9,853,581</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, 2024

	General Fund	Local Hospitality Tax Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash					
Cash	\$4,782,662	\$0	\$0	\$0	\$4,782,662
Restricted Cash	710,918	902,374	2,007,953	101,774	3,723,019
Receivables					
Interest	7,339	0	0	0	7,339
Taxes - Net of Allowance	21,958	0	0	0	21,958
Accounts-Miscellaneous	264,238	28,982	0	10,000	303,220
Accounts-Sanitation	335,752	0	0	0	335,752
Due from Other Funds	173,535	0	0	307,005	480,540
Due from Agencies	750,609	0	0	0	750,609
TOTAL ASSETS	<u>\$7,047,011</u>	<u>\$931,356</u>	<u>\$2,007,953</u>	<u>\$418,779</u>	<u>\$10,405,099</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Revenue Received in Advance	\$628,246	\$0	\$1,884,598	\$345,822	\$2,858,666
Accounts Payable & Accrued Expenditures	384,400	133,338	0	0	517,738
Payroll Deductions & Employer Contributions	(195)	0	0	0	(195)
Due to Other Funds	447,114	40,180	123,355	10,000	620,649
Due to Retirees	74,034	0	0	0	74,034
TOTAL LIABILITIES	<u>1,533,599</u>	<u>173,518</u>	<u>2,007,953</u>	<u>355,822</u>	<u>4,070,892</u>
FUND EQUITY					
Fund Equity					
Restricted For:					
Permanent Fund-Cemetery Fund	0	0	0	33,700	33,700
Special Revenue Fund-Hospitality Fund	0	757,838	0	0	757,838
Committed To:					
Special Revenue Fund-Housing Rehabilitation	0	0	0	29,628	29,628
Assigned	46,397	0	0	0	46,397
Unassigned					
Special Revenue Fund	0	0	0	(371)	(371)
General Fund	5,467,015	0	0	0	5,467,015
TOTAL FUND EQUITY	<u>5,513,412</u>	<u>757,838</u>	<u>0</u>	<u>62,957</u>	<u>6,334,207</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$7,047,011</u>	<u>\$931,356</u>	<u>\$2,007,953</u>	<u>\$418,779</u>	<u>\$10,405,099</u>

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, 2024

Fund Balances - total governmental funds	\$6,334,207
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 \$19,947,950 and the accumulated depreciation is \$9,438,494 and the right to use assets & subscription assets of \$616,801 accumulated amortization of \$413,316.	10,712,941
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.	(5,436)
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.	35,933
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	(268,483)
Lease obligations	(152,982)
Subscription obligations	(22,750)
Compensated absences	(211,738)
Net OPEB obligation and deferred charges and credits	(3,158,398)
Net pension obligations and deferred charges and credits	(3,788,187)
 Net Position - Governmental Activities	 \$9,475,107

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, 2024

	General Fund	Local Hospitality Tax Fund	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$2,505,667	\$0	\$0	\$0	\$2,505,667
Licenses and Permits	1,721,163	0	0	0	1,721,163
Charges for Services	1,527,532	0	0	0	1,527,532
Fines and Forfeits	115,745	0	0	0	115,745
Operational Revenues	1,316,895	427,804	102	871	1,745,672
Grants and Allocations	341,445	0	382,464	431,655	1,155,564
TOTAL REVENUES	7,528,447	427,804	382,566	432,526	8,771,343
EXPENDITURES					
Current Expenditures					
General Government	1,758,359	0	18,947	0	1,777,306
Public Safety	2,923,883	0	161,407	36,894	3,122,184
Community Development	0	0	0	282,779	282,779
Public Works	1,895,525	0	9,258	0	1,904,783
Culture and Recreation	569,696	219,538	1,507	0	790,741
Debt Service					
Principal	92,646	0	0	93,511	186,157
Interest	7,828	0	0	11,531	19,359
Capital Outlay	549,545	151,713	191,447	112,482	1,005,187
TOTAL EXPENDITURES	7,797,482	371,251	382,566	537,197	9,088,496
Excess (deficiency) of revenues over expenditures	(269,035)	56,553	0	(104,671)	(317,153)
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	56,219	0	0	0	56,219
Operating Transfers In	41	0	0	105,042	105,083
Operating Transfer Out	(105,042)	0	0	(41)	(105,083)
TOTAL OTHER FINANCING SOURCES (USES)	(48,782)	0	0	105,001	56,219
Excess (deficiency) of revenues over expenditures and other sources (uses)	(317,817)	56,553	0	330	(260,934)
Fund Balances at beginning of year	5,811,096	701,285	0	62,627	6,575,008
Prior Period Adjustment	20,133	0	0	0	20,133
Fund Balances at end of year	\$5,513,412	\$757,838	\$0	\$62,957	\$6,334,207

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, 2024

Total net change in fund balance-governmental funds	(\$260,934)
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	1,005,187
Deduct - Depreciation and amortization expense	(637,608)
Deduct - Capital outlay that does not meet the depreciation requirements and add	(30,669)
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.	452,708
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.	(35,744)
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.	186,157
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.	(56,219)
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, 2023 amount of \$48,837 and the June 30, 2024 amount of \$35,935.	(12,902)
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, 2023 interest accrual in the amount of \$8,762 and the June 30, 2024 interest accrual in the amount of \$5,436.	3,326
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.	416,106
Change in Net Position of Governmental Activities	\$1,029,408

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, 2024

	Business-Type Activities - Enterprise Fund Stormwater
ASSETS	
Accounts receivable	\$39,714
Due from other funds	140,109
Property, plant, and equipment (net)	<u>224,986</u>
TOTAL ASSETS	<u>404,809</u>
LIABILITIES	
Accrued salaries	624
Bonds & leases payable-due within one year	20,273
Compensated absences payable	5,438
Bonds & leases payable-due in more than one year	<u>0</u>
TOTAL LIABILITIES	<u>26,335</u>
NET POSITION	
Net investment in capital assets	204,713
Unrestricted	<u>173,761</u>
TOTAL NET POSITION	<u><u>\$378,474</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, 2024

	Business-Type Activities - Enterprise Fund Stormwater
OPERATING REVENUE	
Billings	\$184,429
TOTAL OPERATING REVENUE	<u>184,429</u>
OPERATING EXPENSES	
Salaries	45,038
Employee Benefits	20,127
Maintenance & Repairs	7,944
Supplies	514
Gas & Oil	6,632
Miscellaneous	4,425
Depreciation	27,081
TOTAL OPERATING EXPENSES	<u>111,761</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>72,668</u>
NON-OPERATING REVENUES (EXPENSES)	
Contingency-grant match	(36,070)
Interest expense	(2,944)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(39,014)</u>
CHANGE IN NET POSITION	33,654
NET POSITION, beginning of year	343,975
Prior Period Adjustment	845
NET POSITION, end of year	<u><u>\$378,474</u></u>

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, 2024

	Business-Type Activities - Enterprise Fund Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$175,788
Cash payments to employees	(62,494)
Cash payments to suppliers for goods and services	(19,515)
	93,779
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
 CASH FLOWS OF CAPITAL AND RELATED FINANCING ACTIVITIES	
Decrease in due to other funds	17,697
Grant match	(36,070)
Principal payments on notes/leases payable	(72,462)
Interest payments on debt	(2,944)
	(93,779)
NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(93,779)
 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)	\$72,668
Adjustments to reconcile net operating income to net cash and cash equivalents provided by operating activities:	
Depreciation	27,081
Increase in accounts receivable	(8,641)
Increase in compensated absences	2,677
Decrease in accrued salaries	(6)
	93,779
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$93,779

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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

Subscription Based IT Arrangements (SBITAs)

The City has noncancellable SBITAs of various IT software. The City recognizes a SBITA liability and an intangible right to use SBITA asset in the Statement of Net Position. The City recognizes SBITA liabilities with an initial, individual value of \$5,000 or more. At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight line basis over the shorter of the contract term or the estimated useful life.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long term debt on the Statement of Net Position.

NOTE 2 - RECEIVABLES

Gross receivables of \$342,417 net of an allowance for uncollectibles of \$6,665 are recorded in the general fund for sanitation fees due from City customers. Gross receivables of \$40,507 net of an allowance for uncollectibles of \$793 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 \$285,865 net of a deferral of \$263,907 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 \$227,974 on the full accrual basis of accounting.

Only those receivables with allowances or deferrals are presented above.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 3 - NET POSITION/FUND BALANCES

As of June 30, 2024 the assigned fund balance components of the general and special revenue funds consist of the following:

<u>General Fund</u>	
Police Department	\$ 3,082
Street Sweeper	\$ 43,315

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, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased Equipment	\$ 506,343	\$ 56,219	\$ 0	\$ 562,562
Less Accumulated amortization for:				
Leased Equipment	<u>319,383</u>	<u>93,933</u>	<u>0</u>	<u>413,316</u>
Right to use assets, net	<u>\$ 186,960</u>	<u>\$ (37,714)</u>	<u>\$ 0</u>	<u>\$ 149,246</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, 2024 was \$20,273. 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.

<u>YEAR ENDED JUNE 30,</u>	<u>LEASE PAYMENT</u>	<u>IMPUTED INTEREST</u>	<u>PRESENT VALUE</u>
2024			\$20,273
2025	\$20,273	\$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 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.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 6 - DEBT OBLIGATIONS - (continued)

YEAR ENDED			
<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2024			\$146,328
2025	\$45,559	\$5,853	100,769
2026	47,381	4,031	53,388
2027	49,276	2,136	4,112
2028	4,112	164	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.

YEAR ENDED			
<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2024			\$69,869
2025	\$33,575	\$2,089	36,294
2026	36,294	1,085	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.

YEAR ENDED			
<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
2024			\$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 carried an interest rate of 2.92% and required annual payments of \$54,464 beginning May 9, 2020. The note was secured by the vactor truck. The note will be deemed to be in default if payments are not made when due. The payments were funded by the Storm water fund. The balance was paid in full during the year ended June 30, 2024.

NOTE 7 - LEASES

Leases

The City has entered into agreements to lease equipment. The agreements qualifies 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.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 7 - LEASES - (continued)

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 \$126,255 on June 30, 2024. 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, 2024, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2024			\$128,064
2025	\$46,145	\$5,493	81,919
2026	38,051	3,395	43,868
2027	24,370	1,774	19,498
2028	12,116	770	7,382
2029	7,382	136	0

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 \$8,829 on June 30, 2024. 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, 2024, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2024			\$9,960
2025	\$5,996	\$283	3,964
2026	3,964	70	0

XEROX

The agreements were executed on February 18, 2024, 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 \$14,162 on June 30, 2024. 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, 2024, were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2024			\$14,958
2025	\$4,933	\$621	10,025
2026	5,176	378	4,849
2027	4,596	128	253
2028	253	1	0

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

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	\$ 361,994	\$ 0	\$ 93,511	\$ 268,483	\$ 96,304
Lease Liabilities	189,409	56,219	92,646	152,982	57,077
Subscription Liability	0	22,750	0	22,750	22,750
Compensated Absences	<u>175,994</u>	<u>35,744</u>	<u>0</u>	<u>211,738</u>	<u>0</u>
	<u>\$ 727,397</u>	<u>\$ 114,713</u>	<u>\$ 186,157</u>	<u>\$ 655,953</u>	<u>\$ 176,131</u>
				OPEB Obligation	2,607,678
				Pension Obligation - SCRS	2,223,619
				Pension Obligation - PORS	<u>2,239,536</u>
				<u>\$ 7,704,036</u>	

Business Type Activity:	<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	\$ 54,395	\$ 0	\$ 54,395	\$ 0	\$ 0
Lease Purchase Obligations	39,185	0	18,912	20,273	20,273
Compensated Absences	<u>2,761</u>	<u>2,677</u>	<u>0</u>	<u>5,438</u>	<u>0</u>
	<u>\$ 96,341</u>	<u>\$ 2,677</u>	<u>\$ 73,307</u>	<u>\$ 25,711</u>	<u>\$ 20,273</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 various retirement systems and retirement 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.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

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 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 individuals first elected to the South Carolina General Assembly at or after the general election in November, 2012.

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 for 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 individuals first elected to the South Carolina General Assembly at or after the general election in November, 2012. 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.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

- 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.

- 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board would increase the employer contribution rates as necessary to meet the funding periods for the applicable year.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

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.

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
6/30/24	\$224,294	18.41%	\$1,827	.15%
6/30/23	\$202,446	17.41%	\$1,744	.15%
6/30/22	\$166,691	16.41%	\$1,524	.15%

SCRS Employee Contributions	Amount	% of Covered Payroll
6/30/24	\$109,649	9.00%
6/30/23	\$104,653	9.00%
6/30/22	\$91,421	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
6/30/24	\$317,772	20.84%	\$3,050	.2%	\$3,050	.2%
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%

PORS Employee Contributions	Amount	% of Covered Payroll
6/30/24	\$148,670	9.75%
6/30/23	\$125,679	9.75%
6/30/22	\$116,791	9.75%

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

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, 2023 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, 2023 the City's proportion was 0.009197%.

Measurement Period	Fiscal Year	Net Pension
<u>Ended June 30</u>	<u>Ending June 30</u>	<u>Liability-SCRS</u>
2023	2024	\$ 2,223,619
2022	2023	\$ 2,030,744

For the year ended June 30, 2024 the City recognized pension expense of \$110,474. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 38,606	\$ 6,166
Changes of assumptions	34,069	0
Net difference between projected and actual earnings on plan investments	0	3,044
Changes in proportion and differences between City contributions and proportionate share of contributions	143,381	109,011
City contributions subsequent to the measurement date	<u>226,121</u>	<u>0</u>
Total	<u>\$ 442,177</u>	<u>\$ 118,221</u>

The \$226,121 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, 2025.

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, 2023 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, 2023 the City's proportion was 0.073570%.

Measurement Period	Fiscal Year	Net Pension
<u>Ended June 30</u>	<u>Ending June 30</u>	<u>Liability-PORS</u>
2023	2024	\$ 2,239,536
2022	2023	\$ 2,304,887

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

For the year ended June 30, 2024, the City recognized pension expense of \$190,644. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 105,395	\$ 27,609
Changes of assumptions	48,742	0
Net difference between projected and actual earnings on plan investments	0	3,844
Changes in proportion and differences between City contributions and proportionate share of contributions	30,407	125,950
City contributions subsequent to the measurement date	<u>323,871</u>	<u>0</u>
Total	<u>\$ 508,415</u>	<u>\$ 157,403</u>

The \$323,871 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, 2025.

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, 2023, measurement date was 3.678 years for SCRS and 3.779 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, 2024.

Measurement Period	Fiscal Year Ending	<u>SCRS</u>	<u>PORS</u>
<u>Ending June 30,</u>	<u>June 30,</u>		
2024	2025	\$ 35,390	\$ 30,386
2025	2026	(36,830)	(89,950)
2026	2027	100,579	89,048
2027	2028	<u>(1,304)</u>	<u>(2,343)</u>
Totals		<u>\$ 97,835</u>	<u>\$ 27,141</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, 2023 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year ended, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 10 - RETIREMENT - (continued)

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 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%		

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, 2023, 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 2023 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, 2024

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%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Return	<u>100.0%</u>		5.31%
Inflation for Actuarial Purposes			<u>2.25%</u>
			<u>7.56%</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	\$2,873,127	\$2,223,619	\$1,683,769
PORS	\$3,159,204	\$2,239,536	\$1,486,213

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, 2023, 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	\$ 5,376,971	\$ 3,153,352	\$ 2,223,619	58.6%
PORS	\$ 6,952,381	\$ 4,712,845	\$ 2,239,536	67.8%

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, 2024, the City reported a payable of \$26,378 and \$41,612 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, 2024

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, 2024, the book balance of the City's deposits was \$8,505,681 and the bank balance was \$8,651,151. 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	\$ 5,222,209	\$ 5,222,209	\$ 0	\$ 0
TD Bank	799,645	0	800,000	0
First Citizens Bank & Securities	2,616,541	2,253,888	383,783	0
Pee Dee Federal	12,756	12,756	0	0
	<u>\$ 8,651,151</u>	<u>\$ 7,491,498</u>	<u>\$ 1,183,783</u>	<u>\$ 0</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, 2024.

Credit Risk is the risk that an issuer of a debt type investment will not fulfill its 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, 2024.

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 \$86,660 for post-65 retirees, for property tax rollbacks pertaining to local option sales tax \$603,800; \$20,458 bond funds for police department; \$29,628 for the CDBG programs, \$38,446 for the drug enforcement fund, \$902,374 for the hospitality tax fund \$2,007,953 for the ARPA funds, and \$33,700 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, 2024.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

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, 2024, there were legal claims outstanding that are being handled by the Insurance Reserve fund on the City's behalf.

Encumbrances

At June 30, 2024, 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, 2024, 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, 2024 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, 2024 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, 2024, 2023, and 2022.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 14 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land & Improvements	\$ 596,479	\$ 0	\$ 0	\$ 596,479
Construction in Progress	<u>945,548</u>	<u>474,098</u>	<u>945,548</u>	<u>474,098</u>
Total capital assets not being depreciated	<u>\$ 1,542,027</u>	<u>\$ 474,098</u>	<u>\$ 945,548</u>	<u>\$ 1,070,577</u>
Capital assets being depreciated				
Infrastructure	\$ 2,010,979	\$ 0	\$ 0	\$ 2,010,979
Buildings & Improvements	9,793,231	1,347,859	0	11,141,090
Furniture, Fixtures, & Equipment	<u>5,336,355</u>	<u>463,110</u>	<u>74,161</u>	<u>5,725,304</u>
Total capital assets being depreciated	<u>17,140,565</u>	<u>1,810,969</u>	<u>74,161</u>	<u>18,877,373</u>
Subscription Assets	0	54,239	0	54,239
Less accumulated depreciation/amortization for:				
Buildings & Improvements	4,116,054	223,469	0	4,339,523
Infrastructure	1,298,817	33,683	0	1,332,500
Furniture, Fixtures, & Equipment	3,554,109	268,443	74,161	3,748,391
Subscription Assets	<u>0</u>	<u>18,080</u>	<u>0</u>	<u>18,080</u>
Total accumulated depreciation/amortization	<u>8,968,980</u>	<u>543,675</u>	<u>74,161</u>	<u>9,438,494</u>
Total capital assets being depreciated/amortized, net	<u>\$ 8,171,585</u>	<u>\$ 1,321,533</u>	<u>\$ 0</u>	<u>\$ 9,493,118</u>

Increases include improvements to City properties through the Marion County Capital Sales tax programs.

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 197,409
Public Safety	132,229
Public Works	101,367
Culture and Recreation	78,987
Unallocated	<u>33,683</u>
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	<u>\$ 543,675</u>

	Beginning Balance	Increases	Decreases	Ending Balance
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>127,799</u>	<u>27,081</u>	<u>0</u>	<u>154,880</u>
Total accumulated depreciation	<u>127,799</u>	<u>27,081</u>	<u>0</u>	<u>154,880</u>
Total fixed assets depreciable, net	<u>\$ 252,067</u>	<u>\$ (27,081)</u>	<u>\$ 0</u>	<u>\$ 224,986</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 15 - INTERFUND BALANCES/TRANSFERS

The composition of interfund balances as of June 30, 2024 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Major Governmental Fund		
General Fund	Special Revenue Funds	\$ <u>307,005</u>
General Fund	Enterprise Fund	\$ <u>140,109</u>
Local Hospitality Tax Fund	General Fund	\$ <u>40,180</u>
American Rescue Plan Act	General Fund	\$ <u>123,355</u>
Other Funds		
Special Revenue	General Fund	\$ <u>10,000</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>41</u>	To transfer interest earnings
		<u>\$ 105,083</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, 2022 were \$500.38. The monthly dental premium was \$40.08 as of June 1, 2022.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

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, 2022 (valuation date) the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	27
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Employees	<u>44</u>
Total Membership	<u><u>71</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 \$250 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, 2024, the City contributed \$4,000 to the Trust.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

Actuarial Assumptions. The total OPEB liability in the December 31, 2022 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	3.72%
Measurement Date	3.26%
Year FNP is projected to be depleted	
Prior Measurement Date	2023
Measurement Date	2024
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.72%
Measurement Date	3.26%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.5% by 2033
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, 2022 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, 2024

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, 2022 valuation were based on a review of recent plan experience done concurrently with the December 31, 2022 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%	3.60%
US Govt MBS/CMO/CMBS	40.00%	5.00%
Cash and Short Duration (Net)	<u>2.00%</u>	4.25%
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 3.26%. 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, 2022. In addition to the actuarial methods and assumptions of the December 31, 2022 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, 2024

NOTE 16 - POST RETIREMENT BENEFITS - (continued)

Based on these assumptions, the Plan's FNP was projected to be depleted in 2024 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 2024 and the Municipal Bond Index Rate at the Measurement Date (3.26%) was applied to periods on and after 2024, resulting in an SEIR at the Measurement Date 3.26%. As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.72% at the Prior Measurement Date to 3.26% 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, 2022. An expected TOL is determined as of December 31, 2023 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of the prior measurement date, December 31, 2022, 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
- Change in medical trend

The procedure used to determine the TOL, as of December 31, 2023, is shown in the following table:

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance as of December 31, 2022	\$ 2,752,766	\$ 22,881	\$ 2,729,885
Changes for the year:			
Service Cost at the end of the year*	56,321	0	56,321
Interest on TOL and Cash Flows	99,834	0	99,834
Change in benefit terms	0	0	0
Difference between expected and actual experience	(272,670)	0	(272,670)
Changes of assumptions or other inputs	132,049	0	132,049
Contributions - employer	0	141,654	(141,654)
Contributions - non-employer	0	0	0
Net investment income	0	(1,663)	1,663
Benefit payments and implicit subsidy credit**	(139,404)	(139,404)	0
Plan administrative expenses***	0	(2,250)	2,250
Other	0	0	0
Net changes	<u>\$ (123,870)</u>	<u>(1,663)</u>	<u>(122,207)</u>
Balance as of December 31, 2023	<u>\$ 2,628,896</u>	<u>\$ 21,218</u>	<u>\$ 2,607,678</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

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 \$32,200 for the implicit subsidy. Benefit payments include \$107,204 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. 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)	\$ 2,434,018	\$ 2,607,678	\$ 2,882,407

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)	\$ 2,934,072	\$ 2,607,678	\$ 2,333,226

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, 2024, the City recognized OPEB income of \$120,054. At June 30, 2024, 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	\$ 571,928
Changes of assumptions or other inputs	234,852	273,510
Net differences between projected and actual earnings on OPEB plan investments	6,942	0
City contributions subsequent to measurement date	<u>52,924</u>	<u>0</u>
Total	<u>\$ 294,718</u>	<u>\$ 845,438</u>

CITY OF MARION
NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2024

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,	
2024	\$ (269,129)
2025	(212,033)
2026	(78,727)
2027	(23,529)
2028	(20,226)
Thereafter	0

Payable to the OPEB Plan

At June 30, 2024, the City reported no payables to the plan.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded for the general fund for \$20,133 to write off a liability that was deemed invalid. A prior period adjustment was recorded in the stormwater fund to correct the beginning balance of a liability; \$845.

NOTE 18 - DEFICIT FUND BALANCE

The special revenue fund “Drug Enforcement Fund” reported a deficit fund balance. This deficit should be covered as drug seizure cases are closed.

NOTE 19 - TAX ABATEMENTS

Fee in Lieu of Property Taxes

Marion County (who bills and collects property taxes for the City of Marion) provides property tax reductions through South Carolina’s Fee in Lieu of Tax (FILOT) program pursuant to the authority granted by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended in order to reduce the property tax burden on businesses thereby inducing such businesses to invest in the county. Property subject to a FILOT agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax, equal to the product of the value of the property, a negotiated assessment ratio that is equal to or lower than the normally applicable assessment rates, and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. In addition, the FILOT payments may be fixed over the life of the FILOT program based on a net present value method. The majority of the FILOT agreements entered into by the Marion County provide companies a reduced assessment ratio, usually to the maximum allowed by state statute, 6%, and a fixed millage rate for the life of the agreement. Agreements are for either a 20 or 40-year length.

According to the FILOT agreements in place with various companies and Marion County the required investments range from \$1,000,000 to \$5,000,000.

For the fiscal year ended June 30, 2024 the FILOT program resulted in property tax abatements of (\$215).

CITY OF MARION
 SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
 Year Ended June 30, 2024

	SCRS									
	June 30, 2024	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
Contractually required contribution	\$226,121	\$204,190	\$168,215	\$164,741	\$161,382	\$143,807	\$130,604	\$116,662	\$108,693	\$108,142
Contributions made to pension plan	226,121	204,190	168,215	164,741	161,382	143,807	130,604	116,662	108,693	108,142
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$1,218,325	\$1,162,814	\$1,015,791	\$1,058,744	\$1,037,156	\$987,683	\$963,159	\$1,009,244	\$982,761	\$992,126
Contributions as a percentage of covered employee payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%

	PORS									
	June 30, 2024	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
Contractually required contribution	\$323,872	\$260,896	\$230,468	\$220,172	\$210,301	\$210,770	\$186,223	\$151,391	\$151,403	\$153,789
Contributions made to pension plan	\$323,872	260,896	230,468	220,172	210,301	210,770	186,223	151,391	151,403	153,789
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's covered payroll during the measurement period	\$1,524,817	\$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
Contributions as a percentage of covered employee payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

CITY OF MARION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Year Ended June 30, 2024

	SCRS										
	June 30, 2024	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	0.919700%	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	\$2,223,619	\$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	\$1,162,814	\$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	191.23%	199.92%	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	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.39%

	PORS										
	June 30, 2024	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	0.073570%	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	\$2,239,536	\$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	\$1,289,010	\$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	\$1,121,168
The City's proportionate share of the net pension liability as a percentage of its covered payroll	173.74%	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	67.80%	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, 2024

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarially determined employer contribution (ADEC)	\$172,193	\$178,529	\$202,738	\$226,407	\$227,563	\$228,887	\$231,204
Contributions in relation to the ADEC	139,404	172,348	204,062	166,881	157,959	160,630	160,520
Annual contribution deficiency (excess)	\$32,789	\$6,181	(\$1,324)	\$59,526	\$69,604	\$68,257	\$70,684
City's covered payroll*	\$1,718,971	\$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	8.11%	11.49%	13.61%	9.72%	9.20%	9.42%	9.42%

NOTES TO SCHEDULE

Valuation date: December 31, 2022

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 2033
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: 2033
- 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 seven 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, 2024

	December 31, 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	\$56,321	\$79,501	\$139,817	\$118,178	\$99,875	\$109,357	\$98,805
Interest on the total OPEB liability	99,834	66,145	86,611	103,909	142,645	127,940	130,867
Changes of benefit terms	0	(23,995)	(24,140)	0	0	0	0
Difference between expected and actual experience	(272,670)	0	(895,489)	(14,412)	(360,573)	(530)	21,014
Changes of assumptions or other inputs	132,049	(493,198)	4,991	266,945	589,846	(206,230)	117,666
Benefit payments	(139,404)	(172,348)	(200,062) *	(162,881)	(153,959)	(156,879)	(152,520)
Net change in total OPEB liability	(123,870)	(543,895)	(888,272)	311,739	317,834	(126,342)	215,832
Total OPEB liability - beginning	2,752,766	3,296,661	4,184,933	3,873,194	3,555,360	3,681,702	3,465,870
Total OPEB liability - ending	\$2,628,896	\$2,752,766	\$3,296,661	\$4,184,933	\$3,873,194	\$3,555,360	\$3,681,702

Plan Fiduciary Net Position

Contributions - employer	\$141,654	\$172,348	\$204,062 **	\$166,881	\$157,959	\$160,630	\$160,520
Contributions - non-employer	0	0	0	0	0	0	0
Contributions - active member	0	0	0	0	0	0	0
Net investment income (loss)	(1,663)	(4,815)	(1,045)	1,354	1,032	(18)	489
Benefit payments	(139,404)	(172,348)	(200,062) *	(162,881)	(153,959)	(156,879)	(152,520)
Administrative expenses	(2,250)	(3,686)	(1,250)	(4,818)	0	(3,751)	(455)
Net change in plan fiduciary net position	(1,663)	(8,501)	1,705	536	5,032	(18)	8,034
Plan Fiduciary Net Position - beginning	22,881	31,382	29,677	29,141	24,109	24,127	16,093
Plan Fiduciary Net Position - ending	\$21,218	\$22,881	\$31,382	\$29,677	\$29,141	\$24,109	\$24,127
Net OPEB liability - ending	\$2,607,678	\$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

	0.81%	0.83%	0.95%	0.71%	0.75%	0.68%	0.66%
Covered Payroll	\$1,718,971	\$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	151.70%	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 seven years of data are available.

CITY OF MARION
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
LOCAL				
Taxes	\$2,406,000	\$2,406,000	\$2,505,667	\$99,667
Grant	0	0	235,901	235,901
Operational Revenues	3,663,400	3,663,400	3,930,774	267,374
STATE				
Operational Revenues	640,000	640,000	750,561	110,561
FEDERAL				
Grant/allocation	0	0	1,500	1,500
Disaster Assistance	0	0	104,044	104,044
TOTAL REVENUES	<u>6,709,400</u>	<u>6,709,400</u>	<u>7,528,447</u>	<u>819,047</u>
EXPENDITURES				
Current Expenditures				
General Government	1,702,064	1,702,064	1,758,359	(56,295)
Public Safety	2,940,660	2,940,660	2,923,883	16,777
Public Works	2,011,430	2,011,430	1,895,525	115,905
Culture and Recreation	527,625	527,625	569,696	(42,071)
Debt Service				
Principal	0	0	92,646	(92,646)
Interest	0	0	7,828	(7,828)
Capital Outlay	0	0	549,545	(549,545)
TOTAL EXPENDITURES	<u>7,181,779</u>	<u>7,181,779</u>	<u>7,797,482</u>	<u>(615,703)</u>
Excess (deficiency) of revenues over expenditures	<u>(472,379)</u>	<u>(472,379)</u>	<u>(269,035)</u>	<u>203,344</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	0	0	56,219	56,219
Transfer to Debt Service Fund	(105,100)	(105,100)	(105,042)	58
Transfer from Fiduciary Fund	0	0	41	41
TOTAL OTHER FINANCING SOURCES (USES)	<u>(105,100)</u>	<u>(105,100)</u>	<u>(48,782)</u>	<u>56,318</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(577,479)</u>	<u>(577,479)</u>	<u>(317,817)</u>	<u>259,662</u>
Fund Balances at beginning of year	5,811,096	5,811,096	5,811,096	0
Prior Period Adjustment	0	0	20,133	20,133
Fund Balances at end of year	<u>\$5,233,617</u>	<u>\$5,233,617</u>	<u>\$5,513,412</u>	<u>\$279,795</u>

CITY OF MARION
 BUDGETARY COMPARISON SCHEDULE
 BUDGET (GAAP BASIS) AND ACTUAL-LOCAL HOSPITALITY TAX
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
LOCAL				
Hospitality Tax	\$310,000	\$310,000	\$387,671	\$77,671
HMRA Contribution	18,500	18,500	10,792	(7,708)
Interest	0	0	29,341	29,341
TOTAL REVENUES	<u>328,500</u>	<u>328,500</u>	<u>427,804</u>	<u>99,304</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	35,000	35,000	9,555	25,445
Contributions-Foxtrot Festival	5,000	5,000	5,000	0
Contributions-Amazing Grace Park	10,000	10,000	0	10,000
HMRA Salaries and Fringes	53,175	53,175	30,340	22,835
Foxtrot Festival Salaries and Fringes	20,000	20,000	22,829	(2,829)
CD Joyner Events	11,000	11,000	1,000	10,000
Advertising & Promotion	26,000	26,000	5,750	20,250
Street Lights	90,000	90,000	85,530	4,470
Opera House Expenditures	15,000	15,000	14,889	111
Depot Expenditures	7,000	7,000	5,510	1,490
Beautification Expenditures	21,000	21,000	9,612	11,388
Christmas Festival Expenditures	28,000	28,000	17,798	10,202
Green St. loan repayment	25,000	25,000	0	25,000
Contingency	6,800	6,800	0	6,800
CAPITAL OUTLAY				
Equipment	58,800	58,800	52,589	6,211
Buildings and Improvements	280,000	280,000	99,124	180,876
TOTAL EXPENDITURES	<u>703,500</u>	<u>703,500</u>	<u>371,251</u>	<u>332,249</u>
Excess (deficiency) of revenues over expenditures	(375,000)	(375,000)	56,553	431,553
Fund Balances at beginning of year	<u>701,285</u>	<u>701,285</u>	<u>701,285</u>	<u>0</u>
Fund Balances at end of year	<u>\$326,285</u>	<u>\$326,285</u>	<u>\$757,838</u>	<u>\$431,553</u>

Note: No budget was approved for the major special revenue fund American Rescue Plan Act and one was not required.

**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, 2024, 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 2, 2025.

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 identified 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 #2024-001 and #2024-002 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*.

We noted certain matters that we reported to the management of the City of Marion in a separate letter dated July 2, 2025.

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 2, 2025

**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, 2024. 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, 2024.

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 #2024-001 and #2024-002 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 2, 2025

CITY OF MARION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2023 to June 30, 2024

II. FINDINGS –FINANCIAL STATEMENTS AUDIT

Significant Deficiencies

#2024-001 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.

#2024-002 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, 2023 to June 30, 2024

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

See Section II for conditions #2024-001 and #2024-002

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, 2024

Significant Deficiency

#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.

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: This is a continuing condition.

#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.

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: This is a continuing condition.

CITY OF MARION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Expenditures and Other Uses
PRIMARY GOVERNMENT		
DEPARTMENT OF TREASURY		
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$382,464
DEPARTMENT OF COMMERCE		
Passed through the SC Department of Commerce		
CDBG		
4-CI-20-015	14.228	264,539
4-CE-21-014	14.228	500
		<u>265,039</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through Circl Park Behavioral Center		
Substance Abuse Prevention and Treatment Block Grant	93.959	1,500
DEPARTMENT OF HOMELAND SECURITY		
Passed through the SC Office of the Adjutant General		
Disaster Grants-Public Assistance #FEMA-4394-DR-SC	97.036	104,044
Total		<u>\$753,047</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, 2024. 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

The CDBG program 4-CI-20-015 was passed through to Grand Strand Water and Sewer Authority. The grant was used to construct a berm and retaining wall around the Grand Strand Water and Sewer Authority treatment plant and to install pumps in the plant.

NOTE E OUTSTANDING DEBT TO OFFICE OF REGULATORY STAFF

The City owes \$52,286 to the SC Office of the Regulatory Staff as of June 30, 2024.

CITY OF MARION, SOUTH CAROLINA

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

For The Year Ended June 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected			231,635	231,635
Court fines and assessments remitted to State Treasurer			(128,900)	(128,900)
Total Court Fines and Assessments retained			102,735	102,735
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			2,028	2,028
Assessments retained			10,952	10,952
Total Surcharges and Assessments retained for victim services			12,980	12,980

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	43,122		43,122
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	10,952		10,952
Victim Service Surcharges Retained by City/County Treasurer	2,028		2,028
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)	56,102		56,102

CITY OF MARION, SOUTH CAROLINA

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

For The Year Ended June 30, 2024

FOR THE STATE TREASURER'S OFFICE:

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	16,357		16,357
Operating Expenditures	6,019		6,019
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)	22,376		22,376
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	33,726		33,726
Less: Prior Year Correction of Error	(139)		(139)
Carryforward Funds – End of Year	33,587		33,587

CITY OF MARION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL			
Taxes			
Current	\$2,211,000	\$2,265,700	\$54,700
Executions	110,000	112,536	2,536
In Lieu Of	35,000	65,295	30,295
In Lieu of Motor Carriers	50,000	62,136	12,136
Grant	0	82,400	82,400
Capital Sales Tax Contribution	0	153,501	153,501
Operational Revenues	3,663,400	3,930,774	267,374
STATE			
Operational Revenues	640,000	750,561	110,561
FEDERAL			
Grant/Allocation	0	1,500	1,500
Disaster Assistance	0	104,044	104,044
TOTAL REVENUES	<u>6,709,400</u>	<u>7,528,447</u>	<u>819,047</u>
EXPENDITURES			
Current Expenditures			
General Government	1,431,625	1,490,472	(58,847)
Administrator & City Clerk	160,960	162,457	(1,497)
City Treasurer	107,029	105,046	1,983
Planning & Zoning	2,450	384	2,066
Building Inspector	115,280	117,225	(1,945)
Victim's Advocacy	24,300	22,376	1,924
Municipal Court	138,655	141,404	(2,749)
Police Department	1,820,475	1,671,514	148,961
Fire Department	841,950	971,364	(129,414)
Public Works Department	1,942,600	1,828,048	114,552
City Shop	68,830	67,477	1,353
Recreation Department	527,625	569,696	(42,071)
Debt Service			
Principal	0	92,646	(92,646)
Interest	0	7,828	(7,828)
Capital Outlay	0	549,545	(549,545)
TOTAL EXPENDITURES	<u>7,181,779</u>	<u>7,797,482</u>	<u>(615,703)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Excess (deficiency) of revenues over expenditures	(\$472,379)	(\$269,035)	\$203,344
OTHER FINANCING SOURCES (USES)			
Lease proceeds	0	56,219	56,219
Transfer to Debt Service Fund	(105,100)	(105,042)	58
Transfer from Fiduciary Fund	30	41	11
TOTAL OTHER FINANCING SOURCES (USES)	(105,070)	(48,782)	56,288
Excess (deficiency) of revenues over expenditures and other sources (uses)	(577,449)	(317,817)	259,632
Fund Balances at beginning of year	5,811,096	5,811,096	0
Prior Period Adjustment	0	20,133	20,133
Fund Balances at end of year	<u>\$5,233,647</u>	<u>\$5,513,412</u>	<u>\$279,765</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF OPERATIONAL REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
LOCAL			
Business Licenses	\$1,350,000	\$1,635,901	\$285,901
Building Permits	55,000	85,262	30,262
Franchise Fee GSWSA	160,000	168,931	8,931
Setoff Debt Fees	1,000	500	(500)
Sanitation Receipts	1,581,300	1,527,532	(53,768)
Donations	0	5,239	5,239
Grass Cutting Fees	24,000	27,075	3,075
Recreation - Swimming Pool	3,000	3,807	807
Recreation - Program Registration	3,000	859	(2,141)
Recreation - Tournament Fund	3,000	2,355	(645)
Recreation - Youth Sports Registration	8,000	12,029	4,029
Recreation - County Registration	3,500	0	(3,500)
Recreation - Rent	8,500	16,975	8,475
Recreation - Youth Sponsor Fees	4,000	9,000	5,000
Recreation - Miscellaneous	600	1,097	497
Recreation - Insurance	3,500	3,280	(220)
Recreation - Concessions	3,500	3,500	0
Police Fines and Forfeits	170,000	115,745	(54,255)
Police - Miscellaneous	2,000	22,791	20,791
Opera House Income	10,000	6,125	(3,875)
Fire Miscellaneous	500	5,747	5,247
Rural Fire Dues	178,000	167,242	(10,758)
Rose Hill - Sales	8,000	2,250	(5,750)
City - Miscellaneous	6,000	2,892	(3,108)
Yard Sales	2,000	990	(1,010)
Interest	65,000	50,225	(14,775)
Sale of Assets	0	43,315	43,315
CD Joyner Rent	10,000	10,110	110
TOTAL LOCAL OPERATIONAL REVENUES	<u><u>\$3,663,400</u></u>	<u><u>\$3,930,774</u></u>	<u><u>\$267,374</u></u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary-Mayor/Council	\$51,000	\$51,000	\$0
Salary	160,310	157,970	2,340
Retirement	39,200	38,857	343
Social Security	16,160	15,225	935
Insurance	97,900	91,720	6,180
Insurance Retirees (Pre)	53,900	52,390	1,510
Insurance Retirees (Post)	74,600	64,577	10,023
SC ORBET	4,000	4,000	0
Supplies	6,100	6,286	(186)
School Supplies - Donations	1,000	1,000	0
Coats for Kids	0	1,687	(1,687)
Food Boxes	0	3,552	(3,552)
Postage	6,000	5,449	551
Membership & Dues	4,000	3,373	627
Convention & Travel	12,000	4,271	7,729
Gas & Oil	3,700	3,764	(64)
Vehicle expenditures	200	0	200
Electricity & Gas	12,500	12,986	(486)
Telephone	17,000	17,617	(617)
Street Lights	192,000	206,692	(14,692)
General Election	1,100	0	1,100
Bank Charges-Credit Card	4,000	5,139	(1,139)
Maintenance/Service Agreements	42,000	43,587	(1,587)
Opera House Expenditures	3,000	3,000	0
Rental Property	1,900	1,900	0
Repairs/Maintenance Buildings/Grounds	10,400	10,940	(540)
Janitor Uniforms	300	362	(62)
County Tax - Housing Authority	23,000	45,653	(22,653)
Janitorial Supplies	1,300	1,274	26
Beautification	1,000	1,000	0
Advertising & Printing	5,250	2,173	3,077
Insurance - Property, Etc.	487,000	516,070	(29,070)
Professional Services	37,000	48,865	(11,865)
Attorney Fees	25,000	25,000	0
Grant Writing Consultants	7,200	12,000	(4,800)
Annual Awards Banquet	5,000	5,043	(43)
Miscellaneous	3,150	4,045	(895)
Contributions	22,455	22,005	450
	<u>\$1,431,625</u>	<u>\$1,490,472</u>	<u>(\$58,847)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF ADMINISTRATOR AND CITY CLERK EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$107,950	\$105,633	\$2,317
Retirement	21,500	20,970	530
Social Security	8,260	7,600	660
Insurance	11,150	11,151	(1)
Supplies	1,500	1,679	(179)
Membership & Dues	900	810	90
Convention & Travel	4,500	3,524	976
Gas & Oil	4,500	3,921	579
Vehicle Expenditures	500	7,044	(6,544)
Miscellaneous	200	125	75
	<u>\$160,960</u>	<u>\$162,457</u>	<u>(\$1,497)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF CITY TREASURER EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$75,000	\$75,035	(\$35)
Retirement	13,850	13,926	(76)
Social Security	5,700	5,696	4
Insurance	7,379	7,381	(2)
Supplies	1,000	892	108
Membership & Dues	400	175	225
Convention & Travel	3,500	1,941	1,559
Miscellaneous	200	0	200
	<u>\$107,029</u>	<u>\$105,046</u>	<u>\$1,983</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF PLANNING AND ZONING EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Supplies	\$400	\$384	\$16
Planning	250	0	250
Advertising & Printing	200	0	200
Professional Services	1,500	0	1,500
Miscellaneous	100	0	100
	<u>\$2,450</u>	<u>\$384</u>	<u>\$2,066</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF BUILDING INSPECTOR EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$77,650	\$79,411	(\$1,761)
Retirement	16,490	15,670	820
Social Security	5,940	5,716	224
Insurance	11,000	13,550	(2,550)
Supplies	1,400	1,198	202
Membership & Dues	2,500	1,259	1,241
Professional Services-Building Inspection	0	85	(85)
Miscellaneous Expense	300	336	(36)
	<u>\$115,280</u>	<u>\$117,225</u>	<u>(\$1,945)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF VICTIM'S ADVOCACY DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$11,250	\$11,405	(\$155)
Retirement	2,090	2,003	87
Social Security	860	873	(13)
Insurance	2,100	2,076	24
Supplies	1,400	1,020	380
Postage	600	135	465
Convention & Travel	1,000	870	130
Gas & Oil	500	0	500
Telephone	2,500	2,455	45
Maintenance/Service Agreements	1,500	1,539	(39)
Miscellaneous	500	0	500
	<u>\$24,300</u>	<u>\$22,376</u>	<u>\$1,924</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF MUNICIPAL COURT DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$77,600	\$82,955	(\$5,355)
Retirement	14,400	15,395	(995)
Social Security	5,900	6,100	(200)
Insurance	7,380	7,398	(18)
Supplies	3,000	2,463	537
Computer Organizer	3,500	3,500	0
Postage	2,500	1,255	1,245
Membership & Dues	375	812	(437)
Convention & Travel	4,500	4,756	(256)
Maintenance/Service Agreements	1,500	1,500	0
Jury Pay	2,000	270	1,730
Professional Services-Public Defender	16,000	15,000	1,000
	<u>\$138,655</u>	<u>\$141,404</u>	<u>(\$2,749)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF POLICE DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$994,385	\$928,955	\$65,430
Retirement	224,450	213,058	11,392
Social Security	76,340	69,845	6,495
Insurance	150,000	144,836	5,164
Unemployment Insurance	1,000	0	1,000
Supplies	17,000	18,532	(1,532)
Postage	500	155	345
Animal Control	11,000	11,139	(139)
Membership & Dues	1,500	1,395	105
Convention & Travel	5,000	4,195	805
Gas & Oil	65,000	68,400	(3,400)
Vehicle Expenditures	25,000	49,261	(24,261)
Vehicle Leases	98,400	23,001	75,399
Electricity	16,500	15,373	1,127
Electricity-Firing Range	400	394	6
Telephone	8,000	8,738	(738)
Maintenance/Service Agreements	13,000	9,297	3,703
Radio Supplies & Maintenance	1,000	0	1,000
Maintenance/Building & Grounds	9,000	5,026	3,974
Firing Range	1,000	837	163
Combined Drug Unit	3,200	2,100	1,100
Community Police Substation	1,000	2,189	(1,189)
Uniforms	17,000	12,129	4,871
Uniform allowance	3,000	3,000	0
Prisoner Safe Keeping	1,000	0	1,000
Medical - Prisoners	3,000	0	3,000
Juvenile Detention	8,000	5,250	2,750
Advertising & Printing	1,000	581	419
Professional Services	4,000	4,906	(906)
Code Enforcement Software	3,000	3,535	(535)
800 MHZ Systems	55,000	55,000	0
Miscellaneous Expense	2,800	2,566	234
Calendar Fund	0	7,821	(7,821)
	<u>\$1,820,475</u>	<u>\$1,671,514</u>	<u>\$148,961</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF FIRE DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Salary	\$377,000	\$450,288	(\$73,288)
Wages-Fire Attendance	30,000	27,322	2,678
Retirement	89,850	105,605	(15,755)
Social Security	31,000	36,150	(5,150)
Insurance	63,300	59,862	3,438
Supplies	7,600	7,708	(108)
Christmas Fund Supplies	0	4,043	(4,043)
Class 5 Supplies	30,000	27,318	2,682
Memberships/Conventions/School	4,000	1,102	2,898
Gas & Oil	32,650	30,669	1,981
Truck Expenditures	30,000	92,569	(62,569)
Vehicle leases	7,500	1,063	6,437
Electricity & Heat	24,000	25,715	(1,715)
Telephone	5,900	7,545	(1,645)
Maintenance/Service Agreements	350	1,921	(1,571)
Radio Maintenance	8,000	6,198	1,802
Equipment Maintenance	17,500	9,492	8,008
Repairs/Maintenance Buildings/Grounds	10,000	22,052	(12,052)
Hose & Nozzle	5,000	5,096	(96)
Fire Prevention	5,000	5,033	(33)
Uniforms	8,000	7,419	581
Medical Expenditures	6,000	3,500	2,500
OSHA Regulations	2,000	697	1,303
Training	10,000	5,597	4,403
Professional Services	2,000	1,088	912
800 MHZ Systems	15,000	15,000	0
PPE	8,000	2,927	5,073
MSA Facepieces	3,000	0	3,000
Thermal Imagers	1,300	1,391	(91)
Miscellaneous	2,000	1,953	47
Training Ground	6,000	5,041	959
	<u>\$841,950</u>	<u>\$971,364</u>	<u>(\$129,414)</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF PUBLIC WORKS DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES			
Salary	\$485,500	\$437,695	\$47,805
Retirement	91,500	81,212	10,288
Social Security	37,700	33,212	4,488
Insurance	99,000	93,107	5,893
Unemployment Insurance	500	0	500
Supplies	7,000	6,728	272
Gas & Oil	76,500	59,038	17,462
Vehicle Expenditures	6,000	7,667	(1,667)
Truck Maintenance	20,000	19,592	408
Chemicals	800	0	800
Electricity/Heat	4,000	3,612	388
Telephone	3,100	2,791	309
Landfill	15,000	1,099	13,901
Radio Maintenance	500	0	500
Contract Garbage Hauling	1,000,000	985,764	14,236
Equipment Repairs - Mowers	16,000	17,719	(1,719)
Maintenance-Building	2,000	1,453	547
Rose Hill Maintenance	25,500	32,200	(6,700)
Heavy Equipment Maintenance	10,000	9,333	667
Sweeper Maintenance	6,500	3,648	2,852
Tree Trimming	20,000	20,167	(167)
Uniforms	10,000	10,332	(332)
Street Repairs	1,500	0	1,500
Sidewalk Repairs	1,000	0	1,000
Street Signs	1,000	220	780
Miscellaneous	2,000	1,459	541
	<u>\$1,942,600</u>	<u>\$1,828,048</u>	<u>\$114,552</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF CITY SHOP EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES			
Salary	\$37,400	\$35,798	\$1,602
Retirement	6,950	6,647	303
Social Security	2,900	2,702	198
Insurance	7,380	7,229	151
Unemployment Expenditures	0	2,216	(2,216)
Supplies	2,000	1,703	297
Gas & Oil	3,500	3,967	(467)
Vehicle Expenditures	500	925	(425)
Electricity & Gas	5,000	4,704	296
Telephone	750	262	488
Repairs/Maintenance Buildings/Grounds	1,000	335	665
Small Hand Tools	500	487	13
Uniforms	750	414	336
Miscellaneous	200	88	112
	<u>\$68,830</u>	<u>\$67,477</u>	<u>\$1,353</u>

CITY OF MARION
GENERAL FUND
SCHEDULE OF RECREATION DEPARTMENT EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

EXPENDITURES	Final Budget	Actual	Variance with Final Budget
Officials	\$24,000	\$23,792	\$208
Salary	182,900	139,254	43,646
Salaries-Part Time	28,000	26,787	1,213
Retirement	33,950	22,203	11,747
Social Security	16,000	12,593	3,407
Insurance	22,150	15,698	6,452
Unemployment Insurance	100	0	100
Supplies	1,800	1,612	188
Membership & Dues	1,800	1,830	(30)
Convention & Travel	2,700	2,477	223
Gas & Oil	9,000	4,988	4,012
Vehicle Expenditures	3,000	916	2,084
Electricity & Gas	50,000	62,580	(12,580)
Electricity -Athletic Field	37,000	34,503	2,497
Telephone	8,000	6,562	1,438
Maintenance/Service Agreements	2,500	0	2,500
Repairs/Maintenance Buildings/Grounds/Radios	28,000	39,578	(11,578)
Uniforms	1,600	566	1,034
Uniforms-Athletics	22,000	18,194	3,806
Janitorial Supplies	5,400	5,231	169
Athletic Supplies	12,000	31,491	(19,491)
Pool Operation	17,000	18,912	(1,912)
Special Events	500	1,132	(632)
General Insurance	2,125	2,125	0
Advertising & Printing	400	291	109
Professional Services	6,200	47,544	(41,344)
Trophy Account	1,500	0	1,500
Recreation Programs	5,000	2,302	2,698
New Ballfield Operations	0	42,476	(42,476)
Miscellaneous	3,000	4,059	(1,059)
	<u>\$527,625</u>	<u>\$569,696</u>	<u>(\$42,071)</u>

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2024

	DRUG ENFORCEMENT FUND	LOCAL HOSPITALITY TAX	V SAFE GRANT	SUMMER CAMP
ASSETS				
Cash-Restricted	\$38,446	\$902,374	\$0	\$0
Accounts Receivable	0	28,982	0	0
Due From Other Funds	0	0	7,923	2,860
TOTAL ASSETS	\$38,446	\$931,356	\$7,923	\$2,860
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$133,338	\$0	\$0
Due To Other Funds	0	40,180	0	0
Revenue Received in Advance	38,817	0	7,923	2,860
TOTAL LIABILITIES	38,817	173,518	7,923	2,860
FUND BALANCE/(DEFICIT)				
Restricted For:				
Hospitallity Fund	0	757,838	0	0
Committed To:				
Housing Rehabilitation	0	0	0	0
Unassigned (deficit)	(371)	0	0	0
TOTAL FUND BALANCE	(371)	757,838	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$38,446	\$931,356	\$7,923	\$2,860

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2024

	GARDEN CLUBS/ FRANCIS MARION PLAZA PROJECT	AMERICAN RESCUE PLAN ACT	FIRE DEPT. HANDHELD RADIO UPGRADE	FIRE DEPARTMENT TRAINING CENTER
ASSETS				
Cash-Restricted	\$0	\$2,007,953	\$0	\$0
Accounts Receivable	0	0	0	0
Due From Other Funds	46,122	0	100	250,000
TOTAL ASSETS	<u>\$46,122</u>	<u>\$2,007,953</u>	<u>\$100</u>	<u>\$250,000</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$0
Due To Other Funds	0	123,355	0	0
Revenue Received in Advance	46,122	1,884,598	100	250,000
TOTAL LIABILITIES	<u>46,122</u>	<u>2,007,953</u>	<u>100</u>	<u>250,000</u>
FUND BALANCE/(DEFICIT)				
Restricted For:				
Hospitality Fund	0	0	0	0
Committed To:				
Housing Rehabilitation	0	0	0	0
Unassigned (deficit)	0	0	0	0
TOTAL FUND BALANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$46,122</u>	<u>\$2,007,953</u>	<u>\$100</u>	<u>\$250,000</u>

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2024

	DUKE ENERGY GRANT	PROJECT #3-L-87023	PROJECT #3-L-89002	TOTAL
ASSETS				
Cash-Restricted	\$0	\$18,288	\$11,340	\$2,978,401
Accounts Receivable	10,000	0	0	38,982
Due From Other Funds	0	0	0	307,005
TOTAL ASSETS	\$10,000	\$18,288	\$11,340	\$3,324,388
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$133,338
Due To Other Funds	10,000	0	0	173,535
Revenue Received in Advance	0	0	0	2,230,420
TOTAL LIABILITIES	10,000	0	0	2,537,293
FUND BALANCE/(DEFICIT)				
Restricted For:				
Hospitality Fund	0	0	0	757,838
Committed To:				
Housing Rehabilitation	0	18,288	11,340	29,628
Unassigned (deficit)	0	0	0	(371)
TOTAL FUND BALANCE	0	18,288	11,340	787,095
TOTAL LIABILITIES AND FUND BALANCES	\$10,000	\$18,288	\$11,340	\$3,324,388

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2024

	DRUG ENFORCEMENT FUND	LOCAL HOSPITALITY TAX	SCDOT GRANTS	SCDPS BODY WORN CAMERAS
REVENUES				
LOCAL				
Interest Income	\$0	\$29,341	\$0	\$0
Other	0	398,463	0	0
Grants	0	0	0	0
STATE				
Grants	0	0	5,156	25,894
FEDERAL				
Grants	0	0	0	0
TOTAL REVENUES	<u>0</u>	<u>427,804</u>	<u>5,156</u>	<u>25,894</u>
EXPENDITURES				
CURRENT				
General Government	0	0	0	0
Public Safety	500	0	0	25,894
Culture & Recreation	0	219,538	0	0
Public Works	0	0	0	0
Community Development	0	0	5,156	0
CAPITAL OUTLAY				
	0	151,713	0	0
TOTAL EXPENDITURES	<u>500</u>	<u>371,251</u>	<u>5,156</u>	<u>25,894</u>
Excess (deficiency) of revenues over expenditures	<u>(500)</u>	<u>56,553</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES/(USES)				
Transfer to General Fund	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	<u>(500)</u>	<u>56,553</u>	<u>0</u>	<u>0</u>
Fund Balance/(Deficit) at beginning of year	<u>129</u>	<u>701,285</u>	<u>0</u>	<u>0</u>
Fund Balance/(Deficit) at end of year	<u><u>(\$371)</u></u>	<u><u>\$757,838</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2024

	DUKE ENERGY GRANT	AMERICAN RESCUE PLAN ACT	V-SAFE GRANTS	CDBG #4-CI-20-0015	CDBG #4-CE-21-014
REVENUES					
LOCAL					
Interest Income	\$0	\$102	\$0	\$0	\$0
Other	0	0	0	0	0
Grants	10,000	0	0	0	0
STATE					
Grants	0	0	18,707	0	0
FEDERAL					
Grants	0	382,464	0	264,539	500
TOTAL REVENUES	<u>10,000</u>	<u>382,566</u>	<u>18,707</u>	<u>264,539</u>	<u>500</u>
EXPENDITURES					
CURRENT					
General Government	0	18,947	0	0	0
Public Safety	10,000	161,407	0	0	500
Culture & Recreation	0	1,507	0	0	0
Public Works	0	9,258	0	0	0
Community Development	0	0	0	264,539	0
CAPITAL OUTLAY					
	0	191,447	18,707	0	0
TOTAL EXPENDITURES	<u>10,000</u>	<u>382,566</u>	<u>18,707</u>	<u>264,539</u>	<u>500</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES/(USES)					
Transfer to General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	0	0	0	0	0
Fund Balance/(Deficit) at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance/(Deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF MARION
 ALL SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2024

	MARION GARDEN CLUBS	800 MHZ HANDHELD RADIOS UPGRADE	PROJECT #3-L-87023	PROJECT #3-L-89002	Total Current Year
REVENUES					
LOCAL					
Interest Income	\$0	\$0	\$0	\$0	\$29,443
Other	0	0	0	0	398,463
Grants	0	0	0	0	10,000
STATE					
Grants	22,759	84,100	0	0	156,616
FEDERAL					
Grants	0	0	0	0	647,503
TOTAL REVENUES	<u>22,759</u>	<u>84,100</u>	<u>0</u>	<u>0</u>	<u>1,242,025</u>
EXPENDITURES					
CURRENT					
General Government	0	0	0	0	18,947
Public Safety	0	0	0	0	198,301
Culture & Recreation	0	0	0	0	221,045
Public Works	0	0	0	0	9,258
Community Development	13,084	0	0	0	282,779
CAPITAL OUTLAY	<u>9,675</u>	<u>84,100</u>	<u>0</u>	<u>0</u>	<u>455,642</u>
TOTAL EXPENDITURES	<u>22,759</u>	<u>84,100</u>	<u>0</u>	<u>0</u>	<u>1,185,972</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,053</u>
OTHER FINANCING SOURCES/(USES)					
Transfer to General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures and other financing sources/(uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,053</u>
Fund Balance/(Deficit) at beginning of year	<u>0</u>	<u>0</u>	<u>18,288</u>	<u>11,340</u>	<u>731,042</u>
Fund Balance/(Deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$18,288</u>	<u>\$11,340</u>	<u>\$787,095</u>

CITY OF MARION
LOCAL HOSPITALITY TAX
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL			
Hospitality Tax	\$310,000	\$387,671	\$77,671
HMRA Contribution	18,500	10,792	(7,708)
Interest	0	29,341	29,341
TOTAL REVENUES	<u>328,500</u>	<u>427,804</u>	<u>99,304</u>
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	35,000	9,555	25,445
Contributions-Foxtrot Festival	5,000	5,000	0
Contributions-Amazing Grace Park	10,000	0	10,000
HMRA Salaries and Fringes	53,175	30,340	22,835
Foxtrot workers	20,000	22,829	(2,829)
CD Joyner Events	11,000	1,000	10,000
Advertising & Promotion	26,000	5,750	20,250
Street Lights	90,000	85,530	4,470
Opera House Expenditures	15,000	14,889	111
Depot Expenditures	7,000	5,510	1,490
Beautification Expenditures	21,000	9,612	11,388
Christmas Festival Expenditures	28,000	17,798	10,202
Green St loan payment	25,000	0	25,000
Contingency	6,800	0	6,800
CAPITAL OUTLY			
CD Joyner Heat Pump	26,800	25,151	1,649
Sidewalks-Green Street	20,000	0	20,000
Stage Lights CD Joyner	12,000	12,250	(250)
Municipal Parking Lot	10,000	0	10,000
Utility Vehicle-Side by Side	20,000	15,188	4,812
Green St Sports Complex	250,000	99,124	150,876
TOTAL EXPENDITURES	<u>703,500</u>	<u>371,251</u>	<u>332,249</u>
Excess (deficiency) of revenues over expenditures	(375,000)	56,553	431,553
Fund Balances at beginning of year	<u>701,285</u>	<u>701,285</u>	<u>0</u>
Fund Balances at end of year	<u><u>\$326,285</u></u>	<u><u>\$757,838</u></u>	<u><u>\$431,553</u></u>

CITY OF MARION
 SCDOT GRANTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2024

	#37041
REVENUES	
STATE	
Grants	\$5,156
TOTAL REVENUES	5,156
EXPENDITURES	
CURRENT	
Community Development	
Street Signs	5,156
TOTAL EXPENDITURES	5,156
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	0
Fund Balances at end of year	\$0

CITY OF MARION
 SC DEPARTMENT OF PUBLIC SAFETY
 BODY WORN CAMERAS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2024

REVENUES	
STATE	
Grant	\$25,894
TOTAL REVENUES	25,894
EXPENDITURES	
CURRENT	
Public Safety	
Supplies	25,894
TOTAL EXPENDITURES	25,894
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	0
Fund Balances at end of year	\$0

CITY OF MARION
 DRUG ENFORCEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2024

REVENUES	
LOCAL	
Drug Forfeitures	<u>\$0</u>
TOTAL REVENUES	<u>0</u>
EXPENDITURES	
CURRENT	
Public Safety	
Miscellaneous	<u>500</u>
TOTAL EXPENDITURES	<u>500</u>
Excess (deficiency) of revenues over expenditures	(500)
Fund Balances at beginning of year	<u>129</u>
Fund Balances at end of year	<u><u>(\$371)</u></u>

CITY OF MARION
DUKE ENERGY GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2024

REVENUES	
LOCAL	
Grant	\$10,000
TOTAL REVENUES	10,000
EXPENDITURES	
CURRENT	
Public Safety	
Supplies	10,000
TOTAL EXPENDITURES	10,000
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	0
Fund Balances at end of year	\$0

CITY OF MARION
 AMERICAN RESCUE PLAN ACT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2024

REVENUES	
LOCAL	
Interest	\$102
FEDERAL	
Grants	382,464
	<hr/>
TOTAL REVENUES	382,566
	<hr/>
EXPENDITURES	
CURRENT	
General Government	
Salaries	5,000
Social Security	383
Miscellaneous	13,564
Public Safety	
Salaries	139,093
Social Security	10,562
Miscellaneous	11,752
Public Works	
Salaries	8,600
Social Security	658
Recreation	
Salaries	1,400
Social Security	107
CAPITAL OUTLAY	191,447
	<hr/>
TOTAL EXPENDITURES	382,566
	<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, 2024

REVENUES		
FEDERAL		
Grant		<u>\$264,539</u>
TOTAL REVENUES		<u>264,539</u>
EXPENDITURES		
CURRENT		
Community Development		
Contribution GSWSA		<u>264,539</u>
TOTAL EXPENDITURES		<u>264,539</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, 2024

REVENUES	
FEDERAL	
Grant	\$500
TOTAL REVENUES	500
EXPENDITURES	
CURRENT	
Public Safety	
Administration	500
TOTAL EXPENDITURES	500
Excess (deficiency) of revenues over expenditures	0
Fund Balances at beginning of year	0
Fund Balances at end of year	\$0

CITY OF MARION
 STATE OF SC APPROPRIATION
 800MHZ HANDHELD RADIOS UPGRADE
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2024

REVENUES		
STATE		
Grants	\$84,100	<u> </u>
TOTAL REVENUES	84,100	<u> </u>
EXPENDITURES		
Public Safety		
CAPITAL OUTLAY	84,100	<u> </u>
TOTAL EXPENDITURES	84,100	<u> </u>
Excess (deficiency) of revenues over expenditures	0	<u> </u>
Fund Balances at beginning of year	0	<u> </u>
Fund Balances at end of year	\$0	<u><u> </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, 2024

REVENUES		
STATE		
Grants		<u>\$22,759</u>
TOTAL REVENUES		<u>22,759</u>
EXPENDITURES		
CURRENT		
Community Development		
Garden Club expenditures		13,084
CAPITAL OUTLAY		
Equipment		<u>9,675</u>
TOTAL EXPENDITURES		<u>22,759</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, 2024

REVENUES		
Interest Income		\$871
TOTAL REVENUES		871
Excess (deficiency) of revenues over expenditures		871
OTHER FINANCING SOURCES (USES)		
Transfer to General Fund		(41)
TOTAL FINANCING SOURCES (USES)		(41)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)		830
Fund Balances at beginning of year		32,870
Fund Balances at end of year		\$33,700

CITY OF MARION
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2024

EXPENDITURES	
DEBT SERVICE	
Principal	\$93,511
Interest	<u>11,531</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>