

OFFICIAL STATEMENT

New Issues
Book-Entry Only

Rating: S&P "AA"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

\$8,430,000

MARION COUNTY, TENNESSEE COUNTY DISTRICT SCHOOL BONDS, SERIES 2022A

Dated: Date of Issuance: December 19, 2022

Due: June 1, as shown below

Marion County, Tennessee (the "County") will issue its \$8,430,000 County District School Bonds, Series 2022A (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds shall be subject to redemption at the option of the County at any time on or after June 1, 2031, at a price of par plus accrued interest to the redemption date. The Bonds are payable on June 1 of each year as follows:

Maturity (June 1)	Principal	Interest Rate	Yield	CUSIP Number	Maturity (June 1)	Principal	Interest Rate	Yield	CUSIP Number
2023	\$455,000	5.000%	2.300%	569356UM8	2032	\$390,000	5.000%	2.650% ^C	569356UW6
2024	265,000	5.000	2.450	569356UN6	2033	410,000	5.000	2.700 ^C	569356UX4
2025	275,000	5.000	2.500	569356UP1	2034	430,000	5.000	2.860 ^C	569356UY2
2026	290,000	5.000	2.540	569356UQ9	2035	450,000	5.000	3.000 ^C	569356UZ9
2027	305,000	5.000	2.560	569356UR7	2036	470,000	5.000	3.100 ^C	569356VA3
2028	320,000	5.000	2.580	569356US5	2037	495,000	5.000	3.200 ^C	569356VB1
2029	335,000	5.000	2.610	569356UT3	2038	520,000	4.000	3.800 ^C	569356VC9
2030	350,000	5.000	2.630	569356UU0	2039	540,000	4.000	3.850 ^C	569356VD7
2031	370,000	5.000	2.640	569356UV8	2040	565,000	4.000	3.900 ^C	569356VE5
\$1,195,000 4.000% Term Bonds due June 1, 2042, Yield 4.000% 569356VG0									

^C Yield to June 1, 2031 Call Date

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by William L. Gouger, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about December 19, 2022.

December 5, 2022

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by Marion County, Tennessee (the “County”), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

CUSIP data herein is subject to copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of The American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the County nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, Resolution, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Bonds.

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**Marion County, Tennessee
1 Courthouse Square
Jasper, Tennessee 37347**

Officials

David Jackson
County Mayor

Board of Commissioners

David Abbott
Ruric Brandt
Donald Blansett
Dennis Rollins

Gene Hargis
Don Adkins
Steven Franklin
Paul Schafer
Logan Campbell

Peggy Thompson
Jim Nunley
Linda Mason
Chris Morrison
Joey Blevins, Jr.

County Officials

County Clerk
Director of Schools
Trustee

Joanie Spangler
Mark Griffith
Diane Massengale

Counsel for the County

William L. Gouger Jr., Esq.
Jasper, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Municipal Advisor

Stephens Inc.
Nashville, Tennessee

Underwriter

Robert W. Baird
Red Bank, New Jersey

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Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Marion County, Tennessee (the "County").
ISSUES	\$8,430,000 County District School Bonds, Series 2022A (the "Bonds").
PURPOSE	The Bonds are being issued to provide funds to finance capital improvements to County schools and pay Bond issuance costs.
SECURITY	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.
DATED DATE	Settlement Date.
INTEREST DUE	Each June 1 and December 1, commencing June 1, 2023.
PRINCIPAL DUE	June 1, 2023 through June 1, 2040, and June 1, 2042.
SETTLEMENT DATE	December 19, 2022.
OPTIONAL REDEMPTION	The Bonds, shall be subject to redemption at the option of the County at any time on or after June 1, 2031, at a price of par plus accrued interest to the redemption date.
RATING	"AA" by S&P Global Ratings ("S&P") based on documents and other information provided by the County. The rating reflects only the view of S&P and neither the County, the Municipal Advisor nor the Underwriter makes any representations as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from S&P. See "Rating" herein.
TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest

on the Bonds is not treated as an item of tax preference in calculating the federal alternative minimum tax imposed, except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “Tax Matters” herein).

REGISTRATION AND PAYING

AGENT U.S. Bank Trust Company, National Association, Nashville, Tennessee.

MUNICIPAL ADVISOR..... Stephens Inc.

UNDERWRITER..... Robert W. Baird & Co.

Official Statement

Marion County, Tennessee

\$8,430,000 County District School Bonds, Series 2022A

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Marion County, Tennessee (the "County") of \$8,430,000 County District School Bonds, Series 2022A (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001 *et seq.*, Tennessee Code Annotated, and pursuant to Resolution adopted by the Board of County Commissioners of the County on August 29, 2022 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive documents, including the forms of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to finance capital improvements for County schools and pay costs of issuing the Bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on June 1 and December 1 of each year (herein an "Interest Payment Date"), commencing June 1, 2023.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Registration and Payment

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.

U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered

Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of the Bonds will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust

& Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or

registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Optional Redemption

The Bonds maturing on or before June 1, 2031 shall mature without option of prior redemption, and Bonds maturing June 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2031 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds of a series shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on June 1, 2042, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent shall elect. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
	June 1, 2041	\$585,000
June 1, 2042*	June 1, 2042*	\$610,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (other than through mandatory redemption) and cancelled by the Registration Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date, and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by mandatory redemption shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds

called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the respective Resolution.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Plan of Financing

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$8,430,000.00
Reoffering Premium (Discount)	<u>717,503.50</u>
Total Sources	<u>\$9,147,503.50</u>

Uses of Funds

Deposit to Project Fund	\$9,003,102.35
Costs of Issuance ⁽¹⁾	<u>144,401.15</u>
Total Uses	<u>\$9,147,503.50</u>

(1) Includes all fees and expenses, including underwriter's discount and expenses

Rating

The Bonds have been assigned a rating of "AA" by S&P Global Ratings ("S&P") based on documents and other information provided by the County. The rating reflects only the view of S&P and neither the County, the Municipal Advisor nor the Underwriter makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from S&P.

Continuing Disclosure

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2022 (the "Annual Report"), (ii)

provide notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board (“MSRB”) at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the “SID”). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the “Rule”).

In the past five years, the County has not failed to comply in any material respect with any previous undertakings with regard to the Rule.

Future Issues

The County has no additional debt planned or authorized for new capital projects at this time.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by William L Gouger, Esq., Counsel to the County.

Tax Matters

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the Issuer and assuming compliance by the Issuer with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder’s federal gross income under the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section

59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Code imposes requirements on the Bonds that the Issuer must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the Issuer does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The Issuer has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.
- an "applicable corporation" as defined in Section 59(k) of the Code.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification

Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds

or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the County and other sources believed to be reliable, but has not been independently verified by Municipal Advisor. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

Robert W. Baird & Co., Red Bank, New Jersey, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$9,083,054.98, which is par, plus original issue premium of \$717,503.50, and less underwriter's discount of \$64,448.52.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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Certificate of County Mayor

I, David Jackson, do hereby certify that I am the duly qualified and acting County Mayor of Marion County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated December 19, 2022 issued in connection with the sale of the County's \$8,430,000 County District School Bonds, Series 2022A and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 19th day of December, 2022.

/s/ David Jackson
County Mayor

I, Joanie Spangler, do hereby certify that I am the duly qualified and acting County Clerk of Marion County, Tennessee, and as such official, I do hereby certify that David Jackson is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Marion County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ Joanie Spangler
County Clerk

(SEAL)

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

December 19, 2022

We have acted as bond counsel to Marion County, Tennessee (the "Issuer") in connection with the issuance of \$8,430,000 County District School Bonds, Series 2022A, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State

of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

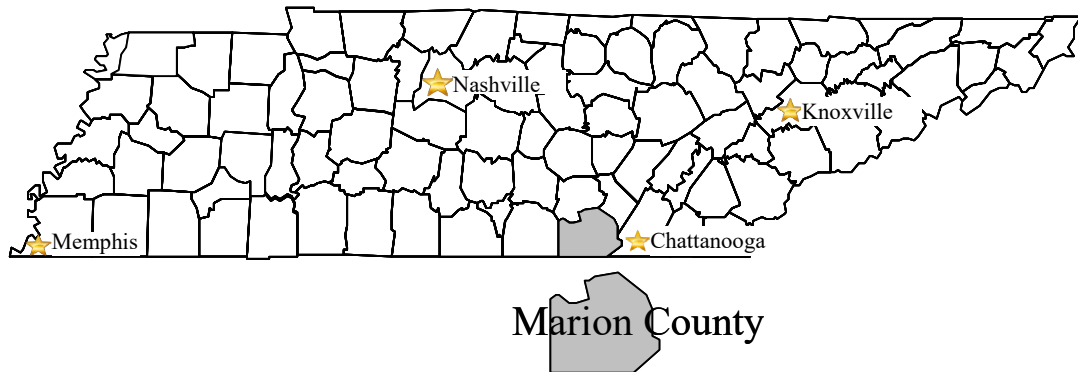
Bass, Berry & Sims, PLC

APPENDIX B

Demographic and General Financial Information
Related to the County

GENERAL INFORMATION

Marion County is located on the southern border of Tennessee adjoining the state borders of Alabama and Georgia. In addition to the county seat of Jasper, other towns and cities in the County are Kimball, Monteagle, New Hope, Orme, Powells Crossroads, South Pittsburg, and Whitwell. The County is also contiguous to Hamilton County, Tennessee where Chattanooga is the county seat and the major city in the area.



The County is one of six counties in the Chattanooga Metropolitan Statistical Area, which had an estimated total population of 565,194 in 2019. The County is approximately 25 miles northwest of Chattanooga via Interstate 24 with a thirty minute or less commuting distance for many residents employed in Hamilton County.

DEMOGRAPHIC DATA

According to the U.S. Census population data for 2021, the County's population of 28,877 has grown 17% since 1990. Various socioeconomic factors are indicated below.

	<u>County</u>	<u>Tennessee</u>
1990 U.S. Census	24,712	4,890,626
2000 U.S. Census	27,733	5,703,719
2010 U.S. Census	28,227	6,355,518
2020 U.S. Census	28,834	6,920,119
2021 U.S. Census Estimate	28,877	6,975,218

Source: U.S. Bureau of Census

Per Capita Personal Income

The County's per capita personal income according to the Bureau of Economic Analysis was \$42,471 in 2020. This reflects a 32% increase since 2011.

	County	Tennessee	% of State
2011 Per Capita Personal Income	\$32,126	\$37,727	85.2%
2012 Per Capita Personal Income	\$32,939	\$39,373	83.7%
2013 Per Capita Personal Income	\$32,923	\$39,454	83.4%
2014 Per Capita Personal Income	\$33,655	\$40,753	82.6%
2015 Per Capita Personal Income	\$35,264	\$42,535	82.9%
2016 Per Capita Personal Income	\$36,833	\$43,499	84.7%
2017 Per Capita Personal Income	\$38,006	\$44,879	84.7%
2018 Per Capita Personal Income	\$38,905	\$46,870	83.0%
2019 Per Capita Personal Income	\$39,769	\$49,343	80.6%
2020 Per Capita Personal Income	\$42,471	\$52,351	81.1%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

Median Housing Value

	Marion County	Tennessee	% of State
2011 Median Housing Value	110,000	150,925	72.9%
2012 Median Housing Value	114,050	160,000	71.3%
2013 Median Housing Value	119,500	165,000	72.4%
2014 Median Housing Value	130,000	166,000	78.3%
2015 Median Housing Value	142,000	175,000	81.1%
2016 Median Housing Value	123,500	185,000	66.8%
2017 Median Housing Value	127,900	196,800	65.0%
2018 Median Housing Value	143,000	210,000	68.1%
2019 Median Housing Value	150,000	226,000	66.4%
2020 Median Housing Value	170,000	244,900	69.4%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

Covid-19

The worldwide spread of COVID-19, a respiratory disease caused by a novel strain of coronavirus, has affected the State, including the County, and is considered a Public Health Emergency of International Concern by the World Health Organization. The spread of COVID-19 has led to quarantine and other “social-distancing” measures in affected regions, including the State and the County, undertaken, from time to time, by government agencies, businesses, schools and other entities. The State’s Governor declared a state of emergency in March 2020 and issued State-wide stay-at-home orders for much of the State, including the Issuer, at various points for all but essential businesses. Although the stay-at-home orders for the County have been lifted, additional social-distancing measures may be instituted by the State and County, if necessary, to mitigate the spread of COVID-19. Further, individuals may choose on their own to modify their behavior in order to mitigate the spread of COVID-19. As such, the disease has affected travel and commercial markets within the State and may continue to do so in the future.

Multiple vaccines for the virus that causes COVID-19 were developed in late 2020. To date, three vaccines have been approved for distribution in the United States with each of these vaccines having an efficacy rate exceeding 65%. Multiple variants of the virus that causes COVID-19 have been documented in the United States and globally, but studies so far suggest that antibodies generated through vaccination with approved vaccines recognize these variants to varying extents. COVID-19 vaccines are currently available to all residents within the State, including the County, who are age 5 and older.

Given the evolving nature of the spread of the disease and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict (i) the extent or duration of the COVID-19 outbreak or other epidemic or pandemic, (ii) the extent or duration of existing or future quarantines, business or school closures, travel restrictions and other measures relating to COVID-19 or other epidemic or pandemic, (iii) whether and to what extent the COVID-19 outbreak or other epidemic or pandemic may adversely affect the operations of the Issuer, (iv) the impact of COVID-19 on the financial condition of the County or (v) the impact of, or the timing of distribution of, the COVID-19 vaccines.

From an operations perspective, the County is working proactively to preserve effective staffing for all essential County operations, and is following guidance produced by the Centers for Disease Control and Prevention for businesses and employers. From a financial perspective, there were no adverse change to property tax collections and sales tax collections as a result of the pandemic. There can be no assurance, however, that future tax collections will not be impacted by the pandemic or new variants. Though no assurances can be made, the County expects its current liquidity position to be adequate to fund essential services and to make timely payments on its debt service when due.

Major Employers

The following are the largest employers and their respective number of employees for the communities in the County.

Employer	Estimated Employees	Product or Service
Marion County School District	507	Education
Lodge Manufacturing Co.	500	Iron Castings
Shaw Industries, Inc.	250	Hardwood Flooring
Valmont Industries, Inc.	200	Communication Poles
Wal-Mart SuperCenter	195	Retail
Variform, Inc.	192	Vinyl Siding
Parkridge West Hospital	165	Medical Facility
Marion County Government	130	Government
Colonial Chemicals, Inc.	130	Chemical Manufacturing
Lowe's Home Centers	125	Retail

Source: Tennessee Department of Economic and Community Development

Labor Force, Employment and Unemployment Data

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2012	11,126	1,141	12,267	9.3%	8.0%	8.1%
2013	10,943	1,096	12,039	9.1%	7.7%	7.4%
2014	10,740	921	11,661	7.9%	6.6%	6.2%
2015	10,952	786	11,738	6.7%	5.6%	5.3%
2016	11,177	752	11,929	6.3%	4.8%	4.9%
2017	11,462	591	12,053	4.9%	3.8%	4.4%
2018	11,764	580	12,344	4.7%	3.5%	3.9%
2019	12,093	543	12,636	4.3%	3.4%	3.7%
2020	11,351	920	12,271	7.5%	7.5%	8.1%
2021	11,798	530	12,328	4.3%	4.3%	5.4%
Aug-22	11,800	466	12,266	3.8%	3.4%	3.7%

Source: Bureau of Labor Statistics

Transportation

Interstate 24 runs through the County providing easy access to the Chattanooga area. In addition to Interstate 24, U.S. Highways 41, 64, and 72 and numerous state highways service the County.

Rail Transport

In addition to an excellent highway system, two major railroads cross the County. The Sequatchie Valley Railroad system runs southwest to northeast through the County. CSX Railroad also serves the County.

Air Transport

The County Airport has a 3,500 foot runway. The nearest commercial airport is Chattanooga Metropolitan Airport approximately 25 miles from the County seat. Chattanooga Metropolitan Airport is served by Allegiant, American Airlines, Delta, and United. Nonstop destinations include Atlanta, Charlotte, Chicago, Dallas, Detroit, New York, Washington DC, Orlando and Tampa / St. Petersburg.

Water Transport

The County has a port facility in New Hope on the Tennessee River, with a nine-foot channel. The river links the region to intermediate points on the Ohio and Mississippi Rivers, the Tennessee-Tombigbee Waterway, and on to the Gulf of Mexico.

Health Care

The County has several health care facilities with the largest being Parkridge West Hospital, a part of the Parkridge Health System in HCA Healthcare's TriStar Division.

Tourism

Physically defined by the incredible Tennessee River Gorge, Nickajack Reservoir and the lower Sequatchie Valley, Marion County is a region of rich contrasts. The state-designated Wildlife Observation Area surrounding the TVA's Raccoon Mountain Pump Storage Project, the cabins at Jim Oliver's Smokehouse, the Monteagle Winery, and the many trails in the South Cumberland State Park, Prentice Cooper State Park, Grundy Forest National Area, Savage Gulf Natural Area, and Nickajack Lake are all interesting destinations that draw visitors into the County.

Higher Education

Students who choose to pursue higher education have excellent choices in the area around Marion County. The University of Tennessee at Chattanooga, Tennessee Temple University, and Chattanooga State Community College are located approximately 25 miles away in Chattanooga. In addition, Sewanee: The University of the South is located in Sewanee, Tennessee near the Marion County/Franklin County line.

Public Education

The average daily membership of the Marion County School System was 3,760 during the 2020-2021 school year. The average daily membership of the Richard City School System was 208 during the 2020-2021 school year.

Average Daily Membership		
<u>School Year</u>	<u>Marion County Schools</u>	<u>Richard City Schools</u>
2011-2012	4,227	339
2012-2013	4,176	297
2013-2014	4,161	277
2014-2015	4,077	270
2015-2016	4,030	278
2016-2017	3,992	251
2017-2018	3,959	248
2018-2019	3,927	244
2019-2020	3,857	211
2020-2021	3,760	208

Source: Tennessee Department of Education

GOVERNMENTAL STRUCTURE

County Government

Marion County government operates under the general laws and uniform structure for counties in Tennessee with a County Mayor, Superintendent of Highways, Director of Schools, various county officials and a county legislative body, the Board of County Commissioners (the “Board”).

All powers of the County are vested in and exercised by the Board. The Board consists of 15 members, serving 4-year terms.

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REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the *Tennessee Code Annotated*.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and

- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

Valuation for Property Tax Purposes

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Highway/Public Works Fund, Special Revenue Funds, General Debt Service Fund, Education Debt Service Fund, County District Debt Service Fund, Capital Projects Funds, and Internal Service Funds. For additional information regarding the component units, see Notes to the latest published Comprehensive Annual Financial Report for the year ending June 30, 2021 in APPENDIX C hereto. Potential purchasers should read APPENDIX C in its entirety for more complete information concerning the County's financial position.

Accounting Method

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund, the Education Debt Service Fund and the County District Debt Service Fund for payments to be made early in the following year.

The primary revenue susceptible to accrual are revenues received from the State of Tennessee. Sales tax collected and held by the State at year end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

FUNDING OF COUNTY DISTRICT DEBT SERVICE REQUIREMENTS

The County District Bonds are considered overlapping debt because the security for the County District Bonds is different as described below.

Historically, in Tennessee, counties with multiple school systems within the same county have issued "County District" School Bonds secured by a general obligation (full, faith and credit pledge) of the property in the county lying outside any city or special school district created as an optional school system by the state. These school bonds are called "County District School Bonds" or "Rural School Bonds". The word "County District" is used to designate the area outside any city or special school district in the county. In Marion County, for example, all eight towns or cities in the County are located in the County School District.

The state law authorizes different methods for funding capital improvements for schools by the County. The County may issue general obligation bonds secured by a general obligation pledge of a property tax on all property within the County with bond proceeds for school purposes divided between the County System and the District based upon the average daily attendance in those grades offered by both school systems. Alternatively, the County may issue "County District" School Bonds secured by a general obligation pledge of a property tax on property within the County lying outside the District. In this case, the County would not be required to distribute a portion of the bond proceeds to the District.

The state law requires each county to operate "a local public school system". The State of Tennessee has authorized a second school system in the County called Richard City School District. The average daily attendance (ADA) for both school systems was 3,752 for the school year 2020-2021. Marion County operated a public school system with 3,549 or 95% of the total pupils in the County attending. The Richard City School District operated a public school system with 202 or 5% of the total pupils in the County attending. In Tax Year 2021, the Richard City School District had 1.8% of the County's assessed property values subject to property taxes. The County has previously issued County District School Bonds with the annual principal and interest payments secured by an unlimited property tax on all the property located outside the Richard City School District. In Tax Year 2020, the County levied a \$0.1655 per \$100 property tax rate on all property assessed values outside of the Richard City School District specifically dedicated to the County District Debt Service Fund for the payment of principal and interest on the Bonds.

LOCAL SALES TAX

Pursuant to Sections 67-6-701 et seq. *Tennessee Code Annotated*, the County is authorized to levy a county-wide local option sales and use tax not to exceed 2.75% on the sale of most merchandise subject to a referendum of the majority of voters. The state law also directs how the proceeds from the local sales tax shall be distributed unless there is a contract of the various cities, county and school systems authorizing a different distribution. For the current 2.75% collected in the County, the first half of the local sales tax must be used for school purposes and divided within a county among the school systems providing public education based on a weighted average daily attendance. The second half of the local sales tax proceeds must be returned to the governmental entity where the original sale was made.

RETIREMENT COMMITMENTS

See Appendix C, page 73, Note H of the Marion County Annual Financial Report for the fiscal year ending June 30, 2021 as presented and prepared by the State Comptroller's Division of County Audit.

OTHER POST-EMPLOYMENT BENEFITS ("OPEB") DISCLOSURE STATEMENT

See Appendix C, page 90, Note I of the Marion County Annual Financial Report for the fiscal year ending June 30, 2021 as presented and prepared by the State Comptroller's Division of County Audit.

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PART ONE

GENERAL FINANCIAL INFORMATION - COUNTY-WIDE

**MARION COUNTY
GENERAL FINANCIAL INFORMATION
COUNTY-WIDE SUMMARY OF CURRENT OUTSTANDING DEBT**

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 06/30/21
<u>Total Bonds</u>					
3,675,000	GO Bonds, Series 2010	03/31/10	04/01/30	2.50% - 4.00%	1,600,000
15,485,000	GO Refunding Bonds, Series 2014	10/15/14	06/01/31	2.00% - 5.00%	11,335,000
3,345,000	GO Refunding Bonds, Series 2015A	02/25/15	04/01/29	2.00% - 2.35%	2,020,000
Total Bonds					\$14,955,000
<u>Total Notes</u>					
\$377,000	Jasper Public Works Project	12/02/12	04/01/23	1.94%	\$80,000
\$550,000	Kenworth Dump Trucks	07/10/17	04/19/24	3.09%	\$245,948
\$295,000	Gradall Excavator	06/15/21	06/15/26	2.23%	\$295,000
Total Notes					\$620,948
<u>Total Capital Leases</u>					
\$78,764	Computers	12/05/18	12/05/23	4.54%	\$32,158
\$168,140	Promethean Boards	05/03/19	05/03/24	0.00%	\$67,256
\$112,016	Body-Worn Cameras	09/30/20	09/30/25	0.00%	\$72,816
Total Capital Leases					\$172,230
Total Outstanding Debt					\$15,748,178

COUNTY-WIDE DEBT STATEMENT (as of June 30, 2021)

Outstanding Debt		
Total Current Outstanding Debt		\$15,748,178
Less: General Debt Service Fund Balance as of June 30, 2021		(2,054,883)
Net Direct Debt		\$13,693,295
Net Overlapping Debt (as of June 30, 2021)		
Jasper		\$286,566
Kimball		0
Marion County - County-District		36,085,000 ⁽¹⁾
Monteagle		275,000
New Hope		0
Orme		0
Powells Crossroads		0
South Pittsburg		281,588
Whitwell		74,354
Total Net Overlapping Debt		\$37,002,508
Overall Net Debt		\$50,695,803

COUNTY-WIDE DEBT RECORD OF MARION COUNTY

There is no record of a default on bond principal and interest from information available.

(1) - As of 6/30/2021 and adjusted for County District School Bonds, Series 2022 and County District School Bonds, Series 2022A.

Note - The Rural School Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County lying outside the Richard City School District.

Sources: Annual Financial Reports for the fiscal year ending June 30, 2021 as presented and prepared by the State Comptroller's Division of County Audit, County officials, and individual Cities and Towns.

COUNTY-WIDE POPULATION

	<u>County</u>	<u>Tennessee</u>
1990 U.S. Census	24,712	4,890,626
2000 U.S. Census	27,733	5,703,719
2010 U.S. Census	28,227	6,355,518
2020 U.S. Census	28,834	6,920,119
2021 U.S. Census Estimate	28,877	6,975,218

Source: U.S. Bureau of Census

COUNTY-WIDE PER CAPITA DEBT RATIOS

Current Outstanding Debt	\$545.35
Net Direct Debt	\$474.19
Total Net Overlapping Debt	\$1,281.38
Overall Net Debt	\$1,755.58

COUNTY-WIDE DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 910,342,637	\$ 3,254,357,612
Current Outstanding Debt to	1.73%	0.48%
Net Direct Debt to	1.50%	0.42%
Total Net Overlapping Debt to	4.06%	1.14%
Overall Net Debt to	5.57%	1.56%

COUNTY-WIDE DEBT TREND

Fiscal Years Ending

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
Bonds	\$14,955,000	\$16,195,000	\$17,395,000	\$18,570,000	\$19,720,000
Notes	620,948	444,505	560,674	674,593	237,000
Capitalized Leases	172,230	148,080	196,093	-	41,191
Total Debt	<u>\$15,748,178</u>	<u>\$16,787,585</u>	<u>\$18,151,767</u>	<u>\$19,244,593</u>	<u>\$19,998,191</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared by the State Comptroller's Division of County Audit and County officials.

COUNTY-WIDE DEBT SERVICE REQUIREMENTS

(as of June 30, 2021)

		<u>Principal</u>		<u>Interest</u>	
	Year Ended June 30	Existing Debt as of 6/30/2021	Percent Principal Retired	Existing Debt as of 6/30/2021	Total Debt Service Requirements
1	2022	1,569,966		490,354	2,060,320
2	2023	1,624,441		438,028	2,062,469
3	2024	1,593,643		373,507	1,967,150
4	2025	1,538,492		337,413	1,875,905
5	2026	1,566,636	50.12%	299,130	1,865,766
6	2027	1,575,000		256,744	1,831,744
7	2028	1,670,000		210,525	1,880,525
8	2029	1,740,000		157,553	1,897,553
9	2030	1,530,000		101,700	1,631,700
10	2031	1,340,000	100.00%	46,900	1,386,900
		<u>\$15,748,178</u>		<u>\$2,711,854</u>	<u>\$18,460,032</u>

Note- Excludes Rural School Bonds

Source: Annual Financial Report and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2021 and County officials.

COUNTY-WIDE PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018	2017-2018 2017
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$2,546,854,600	\$2,183,201,722	\$2,019,198,548	\$1,964,765,613	\$1,829,450,600
Commercial & Industrial	394,868,600	384,840,641	372,728,678	360,282,371	336,747,400
Personal Tangible Property	152,479,771	146,930,805	142,982,126	145,108,413	138,499,161
Public Utilities	160,154,641	129,127,982	129,094,694	121,096,793	176,560,646
Total Estimated Actual Values	\$3,254,357,612	\$2,844,101,150	\$2,664,004,046	\$2,591,253,190	\$2,481,257,807
Annual Percentage Change	14.42%	6.76%	2.81%	4.43%	4.17%
Estimated Per Capita Amount	\$112,697	\$98,637	\$92,250	\$90,610	\$85,925
ASSESSED VALUES					
Residential & Farm (at 25%)	\$636,792,985	\$489,781,900	\$475,743,705	\$462,916,860	\$457,334,375
Commercial & Industrial (at 40%)	157,898,165	138,100,900	140,486,100	135,794,340	134,696,560
Personal Tangible Property (at 30%)	45,743,986	40,612,132	40,670,021	41,344,384	41,549,800
Public Utilities (at 30%-55%)	69,907,501	56,364,364	56,349,834	52,858,750	77,068,711
Total Assessed Values	\$910,342,637	\$724,859,296	\$713,249,660	\$692,914,334	\$710,649,446
Annual Percentage Change	25.59%	1.63%	2.93%	-2.50%	5.07%
Estimated Per Capita Amount	\$31,525	\$25,139	\$24,699	\$24,229	\$24,610
Appraisal Ratio	100.00%	89.73%	94.24%	94.24%	100.00%
Assessed Values to Actual Values	27.97%	25.49%	26.77%	26.74%	28.64%
Property Tax Rate					
Total Property Tax Rate	\$1.7603	\$2.1686	\$2.1686	\$2.1686	\$2.1686
Taxes Levied					
	\$16,024,761	\$15,719,299	\$15,467,532	\$15,026,540	\$15,411,144
Collections					
Current Fiscal Year	In Process	\$14,974,635	\$14,386,838	\$14,022,418	\$14,045,984
Percent Collected Current FY	In Process	95.26%	93.01%	93.32%	91.14%

Sources: State Board of Equalization, 2017 - 2021 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2017 - 2021 as prepared by the Comptroller of the Treasury and County Officials.

COUNTY-WIDE TOP PROPERTY TAXPAYERS

<u>Business</u>	<u>Type of Business</u>	<u>Tax Year 2021</u> <u>Assessed Value</u>	<u>Assessed Value</u> <u>as a % of 2021</u> <u>Total Assessment</u>
Sequatchie Valley Electric Co-op	Electric Utility	\$30,834,063	3.39%
East Tn Natural Gas	Gas Utility	8,215,143	0.90%
Agree Stores LLC	Retail	5,752,520	0.63%
CSX Transportation	Railroad	5,008,308	0.55%
Variform Inc.	Vinyl Siding Manufacturer	4,595,429	0.50%
Lodge Mfg.	Cookware	4,400,656	0.48%
BRE Retail	Retail	3,893,360	0.43%
Tennessee American Water	Utility	3,808,527	0.42%
Mueller Property Holdings	Minerals	3,413,320	0.37%
Colonial Chemical	Specialty Chemicals	3,341,085	0.37%

Source: Office of the Trustee of Marion County.

COUNTY-WIDE FUND BALANCES

For Fiscal Years Ending June 30

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
GOVERNMENTAL FUNDS					
General Government Fund	\$12,259,152	\$9,808,501	\$9,189,128	\$9,105,315	\$8,829,547
Highway/Public Works Fund	1,850,702	1,796,669	1,514,713	999,032	1,282,418
Special Revenue Funds	1,040,450	786,542	762,790	710,455	900,285
Education Funds	12,711,151	8,733,211	7,202,239	7,168,996	5,894,351
Debt Service Fund	2,054,883	1,929,293	1,844,155	1,780,511	1,700,891
Education Debt Service Fund	5,662,345	4,572,797	3,808,255	3,190,177	2,667,632
Rural Debt Service Fund	8,080,014	7,331,908	6,661,327	6,780,910	6,253,251
Capital Projects - Education	1,409,595	1,188,490	968,139	407,576	1,514,654
Capital Projects - General	8,526,842	7,697,833	6,858,363	5,809,476	5,231,770
Total Governmental Funds	\$53,595,134	\$43,845,244	\$38,809,109	\$35,952,448	\$34,274,799

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared by the State Comptroller's Division of County Audit.

COUNTY-WIDE LOCAL SALES TAX

For Fiscal Years Ending June 30

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution to Following Funds					
Solid Waste/Sanitation	\$779,738	\$555,308	\$482,118	\$382,905	\$315,565
Education Debt Service	2,298,951	1,976,213	1,828,536	1,739,310	1,746,530
General Purpose School	4,914,609	4,214,227	3,907,396	3,677,142	3,692,284
Special School District	260,802	228,985	207,568	238,295	235,625
Cities Portion	4,443,430	3,850,119	3,597,273	3,559,937	3,590,757
Total Amount Collected	\$12,697,530	\$10,824,852	\$10,022,891	\$9,597,589	\$9,580,761
% of Increase	17.30%	8.00%	4.43%	0.18%	2.81%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared by the State Comptroller's Division of County Audit.

BASIC EDUCATION PROGRAM FUNDING

For Fiscal Years Ending June 30

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
Total BEP Funding	\$21,021,889	\$20,836,193	\$20,332,319	\$20,090,319	\$19,925,319

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared by the State Comptroller's Division of County Audit.

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PART TWO

GENERAL FINANCIAL INFORMATION – COUNTY DISTRICT

The County District area is that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District.

**COUNTY-DISTRICT OF MARION COUNTY
GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT⁽¹⁾**

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2021⁽¹⁾
1,805,000	Rural School GO Refunding Bonds, Series 2015	02/25/15	04/01/25	2.00%-4.00%	795,000
4,315,000	County District School Refunding Bonds, Series 2020	08/12/20	04/01/24	5.00%	3,245,000
23,615,000	County District School Bonds, Series 2022	01/05/22	06/01/40	1.00%-5.00%	23,615,000
8,430,000	County District School Bonds, Series 2022A	12/19/22	06/01/42	4.00%-5.00%	8,430,000
Total Current Outstanding Rural Debt					\$36,085,000

COUNTY-DISTRICT DEBT STATEMENT (as of June 30, 2021)

Outstanding Debt

Total Current Outstanding Debt	\$36,085,000
Less: Debt Service Fund Balance as of June 30, 2021	(8,080,014)

Net Direct Debt

\$28,004,986

Net Overlapping Debt (as of June 30, 2021)

Jasper	\$286,566
Kimball	0
Marion County - General Debt (98.2% of Assessed Valuation)	15,464,805
Monteagle	275,000
New Hope	0
Orme	0
Powell's Crossroads	0
South Pittsburg	281,588
Whitwell	74,354

Total Net Overlapping Debt

\$16,382,313

Overall Net Debt

\$44,387,299

(1) As of 6/30/21 and adjusted for County District School Bonds, Series 2022 and County District School Bonds, Series 2022A.

Sources: Annual Financial Reports for the fiscal year ending June 30, 2021 as presented and prepared by the State Comptroller's Division of County Audit and individual Cities and Towns.

DEBT RECORD OF COUNTY-DISTRICT OF MARION COUNTY

There is no record of a default of payment of principal and interest from information available.

POPULATION

	<u>District</u> (Estimated)	<u>County</u>	<u>Tennessee</u>
	(1)		
1990 U.S. Census	23,862	24,712	4,890,626
2000 U.S. Census	26,786	27,733	5,703,719
2010 U.S. Census	27,280	28,227	6,355,518
2020 U.S. Census	27,887	28,834	6,920,119
2021 U.S. Census Estimate	27,930	28,877	6,975,218

Source: U.S. Bureau of Census

⁽¹⁾ Based on US Census estimated population of the Richard City School District of 947.

COUNTY-DISTRICT PER CAPITA DEBT RATIOS

Current Outstanding Debt	\$1,291.98
Net Direct Debt	\$1,002.68
Total Net Overlapping Debt	\$586.55
Overall Net Debt	\$1,589.23

COUNTY-DISTRICT DEBT RATIOS

	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual Value</u>
Property Values	\$ 893,961,895	\$ 3,198,802,941
Current Outstanding Debt to	4.04%	1.13%
Net Direct Debt to	3.13%	0.88%
Total Net Overlapping Debt to	1.83%	0.51%
Overall Net Debt to	4.97%	1.39%

COUNTY-DISTRICT DEBT TREND

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
Gross Debt					
Rural Debt	\$4,040,000	\$5,640,000	\$6,875,000	\$8,825,000	\$10,125,000
Total Net Debt	<u>\$4,040,000</u>	<u>\$5,640,000</u>	<u>\$6,875,000</u>	<u>\$8,825,000</u>	<u>\$10,125,000</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared by the State Comptroller's Division of County Audit.

COUNTY-DISTRICT DEBT SERVICE REQUIREMENTS

(as of June 30, 2021)⁽¹⁾

		Principal				Interest				
Year Ended		Existing	Plus: County	Plus: County		Existing	Plus: County	Plus: County		
June 30		Debt as of	District School	District School	Percent	Debt as of	District School	District School	Total	Debt Service
		6/30/2021	Bonds, Series	Bonds, Series	Principal	6/30/2021	Bonds, Series	Bonds, Series	Interest	Requirements
			2022	2022A			2022	2022A		
1	2022	1,220,000	10,000		1,230,000	190,350	270,409		460,759	1,690,759
2	2023	1,275,000	965,000	455,000	2,695,000	134,900	666,263	176,985	978,148	3,673,148
3	2024	1,335,000	1,015,000	265,000	2,615,000	73,100	618,013	370,550	1,061,663	3,676,663
4	2025	210,000	1,065,000	275,000	1,550,000	8,400	567,263	357,300	932,963	2,482,963
5	2026		1,120,000	290,000	1,410,000	26.33%	514,013	343,550	857,563	2,267,563
6	2027		1,175,000	305,000	1,480,000		458,013	329,050	787,063	2,267,063
7	2028		1,185,000	320,000	1,505,000		446,263	313,800	760,063	2,265,063
8	2029		1,200,000	335,000	1,535,000		431,450	297,800	729,250	2,264,250
9	2030		1,260,000	350,000	1,610,000		371,450	281,050	652,500	2,262,500
10	2031		1,315,000	370,000	1,685,000	47.98%	321,050	263,550	584,600	2,269,600
11	2032		1,350,000	390,000	1,740,000		281,600	245,050	526,650	2,266,650
12	2033		1,395,000	410,000	1,805,000		241,100	225,550	466,650	2,271,650
13	2034		1,420,000	430,000	1,850,000		213,200	205,050	418,250	2,268,250
14	2035		1,450,000	450,000	1,900,000		184,800	183,550	368,350	2,268,350
15	2036		1,480,000	470,000	1,950,000	73.60%	155,800	161,050	316,850	2,266,850
16	2037		1,505,000	495,000	2,000,000		126,200	137,550	263,750	2,263,750
17	2038		1,535,000	520,000	2,055,000		96,100	112,800	208,900	2,263,900
18	2039		1,570,000	540,000	2,110,000		65,400	92,000	157,400	2,267,400
19	2040		1,600,000	565,000	2,165,000		34,000	70,400	104,400	2,269,400
20	2041			585,000	585,000	98.31%		47,800	47,800	632,800
21	2042			610,000	610,000	100.00%		24,400	24,400	634,400
		<u>\$4,040,000</u>	<u>\$23,615,000</u>	<u>\$8,430,000</u>	<u>\$36,085,000</u>		<u>\$406,750</u>	<u>\$6,062,384</u>	<u>\$4,238,835</u>	<u>\$10,707,969</u>
										<u>\$46,792,969</u>

(1) As of 6/30/21 and adjusted for County District School Bonds, Series 2022 and County District School Bonds, Series 2022A.

Source: Annual Financial Reports for the fiscal year ending June 30, 2021 as presented and prepared by the State Comptroller's Division of County Audit.

**COUNTY-DISTRICT PROPERTY VALUATION AND
PROPERTY TAX**

Fiscal Year Tax Year	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018	2017-2018 2017
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$2,508,445,500	\$2,154,671,236	\$1,992,290,234	\$1,938,199,298	\$1,804,432,600
Commercial & Industrial	379,357,700	370,358,530	358,765,829	346,580,347	324,629,000
Personal Tangible Property	151,636,465	146,018,422	141,935,739	143,645,666	136,577,039
Public Utilities	159,363,276	128,439,240	128,413,173	120,410,355	175,866,609
Total Estimated Actual Values	\$3,198,802,941	\$2,799,487,428	\$2,621,404,975	\$2,548,835,666	\$2,441,505,248
Annual Percentage Change	14.26%	6.79%	2.85%	4.40%	4.31%
Estimated Per Capita Amount	\$114,529	\$100,387	\$93,853	\$92,179	\$88,853
ASSESSED VALUES					
Residential & Farm (at 25%)	\$627,190,710	\$483,381,800	\$469,404,105	\$456,657,835	\$451,079,875
Commercial & Industrial (at 40%)	151,718,120	132,913,780	135,222,660	130,629,220	129,849,200
Personal Tangible Property (at 30%)	45,490,995	40,364,234	40,372,877	40,928,489	40,973,162
Public Utilities (at 30%-55%)	69,562,070	56,063,728	56,052,350	52,559,120	76,765,764
Total Assessed Values	\$893,961,895	\$712,723,542	\$701,051,992	\$680,774,664	\$698,668,001
Annual Percentage Change	25.43%	1.66%	2.98%	-2.56%	5.25%
Estimated Per Capita Amount	\$32,007	\$25,558	\$25,099	\$24,620	\$25,426
Appraisal Ratio	100.00%	89.73%	94.24%	94.24%	100.00%
Assessed Values to Actual Values	27.95%	25.46%	26.74%	26.71%	28.62%
Property Tax Rate					
Rural Debt Fund	\$0.1655	\$0.2036	\$0.2036	\$0.2036	\$0.2036
Total Property Tax Rate	\$0.1655	\$0.2036	\$0.2036	\$0.2036	\$0.2036
Taxes Levied⁽¹⁾	\$1,479,507	\$1,451,105	\$1,427,342	\$1,386,057	\$1,422,488
Collections⁽²⁾					
Current Fiscal Year	In Process	\$1,387,872	\$1,332,762	\$1,299,957	\$1,294,551
Percent Collected Current FY	In Process	95.64%	93.37%	93.79%	91.01%

⁽¹⁾ The Rural Debt Service Fund was established July 1, 2000.

⁽²⁾ Delinquent property taxes for prior years are not maintained for the Rural Debt Service Fund. However when they are collected, they are deposited to the Fund.

Sources: State Board of Equalization, 2017 - 2021 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2017 - 2021 as prepared by the Comptroller of the Treasury and County Officials.

COUNTY-DISTRICT DEBT SERVICE FUND BALANCES

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>
GOVERNMENTAL FUNDS					
Rural Debt Service Fund	\$8,080,014	\$7,331,908	\$6,661,327	\$6,780,910	\$6,253,251

Sources: Annual Financial Reports for the fiscal years ending June 30, 2017 - 2021 as presented and prepared
by the State Comptroller's Division of County Audit.

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APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2021



ANNUAL FINANCIAL REPORT

Marion County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
MARION COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

This financial report is available at www.comptroller.tn.gov

MARION COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Marion County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Marion County as of and for the year ended June 30, 2021.

Results

Our report on Marion County's financial statements is unmodified.

Our audit resulted in no findings.

INTRODUCTORY SECTION

Marion County Officials

June 30, 2021

Officials

David Jackson, County Mayor
James Hawk, Highway Supervisor
Mark Griffith, Director of Schools
Diane Massengale, Trustee
Darrell Pittman, Assessor of Property
Dwight Minter, County Clerk
Lonna Henderson, Circuit and General Sessions Courts Clerk
Paige Mashburn, Clerk and Master
Debbie Pittman, Register of Deeds
Ronnie Burnett, Sheriff

Board of County Commissioners

David Abbott, Chairman	Robert Eugene Hargis
Don Adkins, Jr.	Allen Kirk
Donald Blansett	Jim Nunley
Matt Blansett	Gary Reames
Joey Blevins, Jr.	Mack Reeves
Kenneth Cookston	Kenneth Skiles
Steven Franklin	Peggy Thompson
Roger Grayson	

Board of Education

Ryan Phillips, Chairman
Donna Blansett
Nathan Billingsley
Linda Hooper
Brian Nunley

Audit Committee

John Moore, Chairman
David Abbott
Don Adkins
Gary Hooper
Steve Moss

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Marion County Mayor and
Board of County Commissioners
Marion County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marion County Conservation Commission (a major enterprise fund), which represent 100 percent of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Internal School Fund of the Marion County School Department (a discretely presented component unit), which represents 1.6 percent, 1.9 percent, and 3.6 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marion County Conservation Commission and the Internal School Fund of the Marion County School Department is based solely on the reports of the other auditors. 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. Those standards require that we plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Marion County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.10 to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$1,137,704 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Marion County School Department's net position totaling \$855,486 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in total other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marion County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service, Education Debt Service, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service, Education Debt Service, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component

unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service, Education Debt Service, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021, on our consideration of Marion County'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 Marion County'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 Marion County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Marion County, Tennessee
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental	Business-type		Marion
	Activities	Activities	Total	County
				School
				Department
<u>ASSETS</u>				
Cash	\$ 138,701	\$ 135,084	\$ 273,785	\$ 895,234
Equity in Pooled Cash and Investments	40,336,819	0	40,336,819	10,424,825
Inventories	0	0	0	111,430
Accounts Receivable	566	0	566	2,619
Due from Other Governments	1,159,319	0	1,159,319	2,132,921
Due from Primary Government	0	0	0	108,969
Due from Component Units	99,414	0	99,414	0
Prepaid Items	1,900	0	1,900	0
Property Taxes Receivable	10,752,606	0	10,752,606	5,825,284
Allowance for Uncollectible Property Taxes	(441,426)	0	(441,426)	(239,170)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	196,573
Net Pension Asset - Agent Plan	379,670	0	379,670	257,788
Net Pension Asset - Teacher Retirement Plan	0	0	0	123,655
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	3,072,047
Assets Not Depreciated:				
Land	2,739,127	0	2,739,127	1,118,836
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	12,094,725	0	12,094,725	30,363,707
Infrastructure	6,530,906	0	6,530,906	0
Other Capital Assets	1,907,934	215,826	2,123,760	433,055
Total Assets	\$ 75,700,261	\$ 350,910	\$ 76,051,171	\$ 54,827,773
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 27,555	\$ 0	\$ 27,555	\$ 140,089
Pension Changes in Assumptions	93,714	0	93,714	346,588
Pension Changes in Investment Earnings	156,184	0	156,184	802,229
Pension Changes in Proportion	0	0	0	41,869
Pension Contributions After Measurement Date	437,707	0	437,707	1,687,612
OPEB Changes in Experience	30,355	0	30,355	346,749
OPEB Changes in Assumptions	54,328	0	54,328	389,306
OPEB Changes in Proportion	0	0	0	114,273
OPEB Contributions After Measurement Date	22,115	0	22,115	114,469
Total Deferred Outflows of Resources	\$ 821,958	\$ 0	\$ 821,958	\$ 3,983,184
<u>LIABILITIES</u>				
Accounts Payable	\$ 116,960	\$ 1,800	\$ 118,760	\$ 293,516
Accrued Payroll	27,597	0	27,597	418,602
Due to Primary Government	0	0	0	99,414
Due to Component Unit	108,969	0	108,969	0
Due to Litigants, Heirs, and Others	27,357	0	27,357	0
Accrued Interest Payable	107,719	0	107,719	0
Noncurrent Liabilities:				
Due Within One Year - Debt	2,789,966	0	2,789,966	0
Due Within One Year - Other	15,647	0	15,647	0
Due in More Than One Year - Debt	17,950,783	0	17,950,783	0
Due in More Than One Year - Other	412,041	0	412,041	3,175,551
Total Liabilities	\$ 21,557,039	\$ 1,800	\$ 21,558,839	\$ 3,987,083

(Continued)

Exhibit A

Marion County, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental	Business-type		Marion
	Activities	Activities	Total	County
				School
				Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,997,314	\$ 0	\$ 9,997,314	\$ 5,416,039
Pension Changes in Experience	201,675	0	201,675	1,644,905
Pension Changes in Proportion	0	0	0	9,058
OPEB Changes in Experience	61,136	0	61,136	563,267
OPEB Changes in Assumptions	8,907	0	8,907	254,841
OPEB Changes in Proportion	0	0	0	56,716
Total Deferred Inflows of Resources	<u>\$ 10,269,032</u>	<u>\$ 0</u>	<u>\$ 10,269,032</u>	<u>\$ 7,944,826</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 19,007,134	\$ 215,826	\$ 19,222,960	\$ 31,915,598
Restricted for:				
General Government	293,324	0	293,324	0
Finance	168,930	0	168,930	0
Administration of Justice	345,675	0	345,675	0
Public Safety	288,186	0	288,186	0
Public Health and Welfare	752,449	0	752,449	0
Highways/Public Works	2,047,400	0	2,047,400	0
Debt Service	10,195,933	0	10,195,933	0
Capital Projects	8,557,998	0	8,557,998	0
Education	0	0	0	4,038,394
Pensions	379,670	0	379,670	3,650,063
Unrestricted	<u>2,659,449</u>	<u>133,284</u>	<u>2,792,733</u>	<u>7,274,993</u>
Total Net Position	<u>\$ 44,696,148</u>	<u>\$ 349,110</u>	<u>\$ 45,045,258</u>	<u>\$ 46,879,048</u>

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

Exhibit B

Marion County, Tennessee
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Marion County School Department
Functions/Programs	Expenses				Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 3,254,029	\$ 796,480	\$ 947,244	\$ 4,820	\$ (1,505,485)	\$ 0	\$ (1,505,485)	\$ 0
Finance	1,012,478	1,005,157	0	0	(7,321)	0	(7,321)	0
Administration of Justice	1,217,951	522,413	4,500	0	(691,038)	0	(691,038)	0
Public Safety	5,447,519	181,995	388,571	0	(4,876,953)	0	(4,876,953)	0
Public Health and Welfare	1,267,255	53,756	677,456	0	(536,043)	0	(536,043)	0
Social, Cultural, and Recreational Services	1,074,603	209,062	728,379	0	(137,162)	0	(137,162)	0
Agriculture and Natural Resources	179,363	0	0	0	(179,363)	0	(179,363)	0
Highways/Public Works	3,351,134	262,108	2,512,533	0	(576,493)	0	(576,493)	0
Interest on Long-term Debt	748,079	0	0	0	(748,079)	0	(748,079)	0
Education	25,087	0	0	735,494	710,407	0	710,407	0
Total Governmental Activities	\$ 17,577,498	\$ 3,030,971	\$ 5,258,683	\$ 740,314	\$ (8,547,530)	\$ 0	\$ (8,547,530)	\$ 0
Business-type Activities:								
Marion County Conservation Commission	\$ 206,893	\$ 227,948	\$ 0	\$ 0	\$ 0	\$ 21,055	\$ 21,055	\$ 0
Total Primary Government	\$ 17,784,391	\$ 3,258,919	\$ 5,258,683	\$ 740,314	\$ (8,547,530)	\$ 21,055	\$ (8,526,475)	\$ 0
Component Unit:								
Marion County School Department	\$ 39,713,106	\$ 74,955	\$ 8,929,038	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ (30,699,113)
Total Component Unit	\$ 39,713,106	\$ 74,955	\$ 8,929,038	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ (30,699,113)

(Continued)

Exhibit B

Marion County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Marion County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
					Primary Government			
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 8,042,194	\$ 0	\$ 8,042,194	\$ 5,639,626
Property Taxes Levied for Debt Service					2,153,847	0	2,153,847	0
Local Option Sales Taxes					3,126,197	0	3,126,197	4,974,357
Hotel/Motel Tax					0	0	0	38,653
Litigation Taxes					99,580	0	99,580	0
Business Tax					405,444	0	405,444	0
Wholesale Beer Tax					0	0	0	109,066
Mixed Drink Tax					0	0	0	14,419
Other Local Taxes					32,469	0	32,469	0
Grants and Contributions Not Restricted to Specific Programs					1,084,462	0	1,084,462	22,827,183
Unrestricted Investment Income					542,975	0	542,975	42,868
Proceeds from Sale of Land/Equipment					58,356	0	58,356	0
Miscellaneous					71,551	0	71,551	205,833
Amortization Premium					258,317	0	258,317	0
Total General Revenues					\$ 15,875,392	\$ 0	\$ 15,875,392	\$ 33,852,005
Change in Net Position					\$ 7,327,862	\$ 21,055	\$ 7,348,917	\$ 3,152,892
Net Position, July 1, 2020					37,368,286	328,055	37,696,341	42,870,670
Restatement - See Note I.D.10					0	0	0	855,486
Net Position, June 30, 2021					\$ 44,696,148	\$ 349,110	\$ 45,045,258	\$ 46,879,048

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

Exhibit C-1

Marion County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>ASSETS</u>					
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	12,211,667	1,617,119	8,076,039	5,442,923	8,632,873
Accounts Receivable	0	435	0	0	0
Due from Other Governments	140,220	429,846	0	439,422	0
Due from Other Funds	7,773	0	0	0	0
Property Taxes Receivable	7,295,718	0	1,587,368	0	1,167,376
Allowance for Uncollectible Property Taxes	(299,533)	0	(65,128)	0	(47,936)
Prepaid Items	1,900	0	0	0	0
Total Assets	<u>\$ 19,357,945</u>	<u>\$ 2,047,400</u>	<u>\$ 9,598,279</u>	<u>\$ 5,882,345</u>	<u>\$ 9,752,313</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 85,590	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll	27,597	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to Component Units	0	0	0	0	108,969
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	<u>\$ 113,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 108,969</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,783,191	\$ 0	\$ 1,475,964	\$ 0	\$ 1,085,346
Deferred Delinquent Property Taxes	194,642	0	42,301	0	31,156
Other Deferred/Unavailable Revenue	7,773	196,698	0	220,000	0
Total Deferred Inflows of Resources	<u>\$ 6,985,606</u>	<u>\$ 196,698</u>	<u>\$ 1,518,265</u>	<u>\$ 220,000</u>	<u>\$ 1,116,502</u>

(Continued)

Exhibit C-1

Marion County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 1,900	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	73,141	0	0	0	0
Restricted for Finance	38,071	0	0	0	0
Restricted for Administration of Justice	345,675	0	0	0	0
Restricted for Public Safety	69,233	0	0	0	0
Restricted for Public Health and Welfare	4,595	0	0	0	0
Restricted for Other Operations	5,857	0	0	0	0
Restricted for Highways/Public Works	0	1,850,702	0	0	0
Restricted for Debt Service	0	0	8,080,014	0	0
Restricted for Capital Projects	0	0	0	0	8,526,842
Committed:					
Committed for Debt Service	0	0	0	5,662,345	0
Committed for Capital Projects	0	0	0	0	0
Assigned:					
Assigned for Social, Cultural, and Recreational Services	8,571	0	0	0	0
Unassigned	11,712,109	0	0	0	0
Total Fund Balances	<u>\$ 12,259,152</u>	<u>\$ 1,850,702</u>	<u>\$ 8,080,014</u>	<u>\$ 5,662,345</u>	<u>\$ 8,526,842</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,357,945</u>	<u>\$ 2,047,400</u>	<u>\$ 9,598,279</u>	<u>\$ 5,882,345</u>	<u>\$ 9,752,313</u>

(Continued)

Exhibit C-1

Marion County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 138,501	\$	138,701
Equity in Pooled Cash and Investments	4,356,311		40,336,932
Accounts Receivable	131		566
Due from Other Governments	149,831		1,159,319
Due from Other Funds	0		7,773
Property Taxes Receivable	702,144		10,752,606
Allowance for Uncollectible Property Taxes	(28,829)		(441,426)
Prepaid Items	0		1,900
Total Assets	<u>\$ 5,318,089</u>	<u>\$</u>	<u>51,956,371</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 31,370	\$	116,960
Accrued Payroll	0		27,597
Due to Other Funds	7,886		7,886
Due to Component Units	0		108,969
Due to Litigants, Heirs, and Others	27,357		27,357
Total Liabilities	<u>\$ 66,613</u>	<u>\$</u>	<u>288,769</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 652,813	\$	9,997,314
Deferred Delinquent Property Taxes	18,735		286,834
Other Deferred/Unavailable Revenue	75,000		499,471
Total Deferred Inflows of Resources	<u>\$ 746,548</u>	<u>\$</u>	<u>10,783,619</u>

(Continued)

Exhibit C-1

Marion County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$	0	\$ 1,900
Restricted:			
Restricted for General Government		17,784	90,925
Restricted for Finance		130,859	168,930
Restricted for Administration of Justice		0	345,675
Restricted for Public Safety		218,953	288,186
Restricted for Public Health and Welfare		672,854	677,449
Restricted for Other Operations		0	5,857
Restricted for Highways/Public Works		0	1,850,702
Restricted for Debt Service		2,054,883	10,134,897
Restricted for Capital Projects		0	8,526,842
Committed:			
Committed for Debt Service		0	5,662,345
Committed for Capital Projects		1,409,595	1,409,595
Assigned:			
Assigned for Social, Cultural, and Recreational Services		0	8,571
Unassigned		0	11,712,109
Total Fund Balances	\$	4,504,928	\$ 40,883,983
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	5,318,089	\$ 51,956,371

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

Exhibit C-2

Marion County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement
of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	40,883,983
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,739,127	
Add: buildings and improvements net of accumulated depreciation		12,094,725	
Add: infrastructure net of accumulated depreciation		6,530,906	
Add: other capital assets net of accumulated depreciation		<u>1,907,934</u>	23,272,692
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(18,995,000)	
Less: notes payable		(620,948)	
Less: capital leases payable		(172,230)	
Add: debt to be contributed by the school department		99,414	
Less: compensated absences payable		(16,469)	
Less: OPEB liability		(411,219)	
Less: accrued interest on outstanding debt		(107,719)	
Less: unamortized premium on debt		<u>(952,571)</u>	(21,176,742)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	715,160	
Less: deferred inflows of resources related to pensions		(201,675)	
Add: deferred outflows of resources related to OPEB		106,798	
Less: deferred inflows of resources related to OPEB		<u>(70,043)</u>	550,240
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			379,670
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>786,305</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>44,696,148</u></u>

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

Exhibit C-3

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 7,670,458	\$ 0	\$ 1,532,794	\$ 2,298,951	\$ 1,143,744
Licenses and Permits	364,972	0	0	0	0
Fines, Forfeitures, and Penalties	104,372	0	0	0	0
Charges for Current Services	81,520	243,471	0	0	0
Other Local Revenues	763,420	27,427	0	21,732	0
Fees Received From County Officials	1,087,891	0	0	0	0
State of Tennessee	2,022,986	2,512,533	0	0	0
Federal Government	1,169,825	0	0	0	13,028
Other Governments and Citizens Groups	419,170	0	733,349	50,811	0
Total Revenues	\$ 13,684,614	\$ 2,783,431	\$ 2,266,143	\$ 2,371,494	\$ 1,156,772
<u>Expenditures</u>					
Current:					
General Government	\$ 1,975,162	\$ 0	\$ 0	\$ 0	\$ 220,490
Finance	483,374	0	0	0	0
Administration of Justice	1,184,479	0	0	0	0
Public Safety	5,242,577	0	0	0	0
Public Health and Welfare	533,847	0	0	0	0
Social, Cultural, and Recreational Services	233,641	0	0	0	0
Agriculture and Natural Resources	93,949	0	0	0	0
Other Operations	1,549,750	0	0	22,854	107,273
Highways	0	2,990,664	0	0	0
Debt Service:					
Principal on Debt	39,200	78,557	1,250,000	853,666	0
Interest on Debt	0	10,027	236,918	405,426	0
Other Debt Service	0	0	96,302	0	0
Total Expenditures	\$ 11,335,979	\$ 3,079,248	\$ 1,583,220	\$ 1,281,946	\$ 327,763

(Continued)

Exhibit C-3

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,348,635	\$ (295,817)	\$ 682,923	\$ 1,089,548	\$ 829,009
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 295,000	\$ 0	\$ 0	\$ 0
Capital Leases Issued	112,016	0	0	0	0
Refunding Debt Issued	0	0	4,315,000	0	0
Premiums on Debt Sold	0	0	444,835	0	0
Proceeds from Sale of Capital Assets	0	44,850	0	0	0
Transfers In	0	10,000	0	0	0
Transfers Out	(10,000)	0	0	0	0
Discounts on Debt Issued	0	0	(7,137)	0	0
Payments to Refunded Debt Escrow Agent	0	0	(4,687,515)	0	0
Total Other Financing Sources (Uses)	\$ 102,016	\$ 349,850	\$ 65,183	\$ 0	\$ 0
Net Change in Fund Balances	\$ 2,450,651	\$ 54,033	\$ 748,106	\$ 1,089,548	\$ 829,009
Fund Balance, July 1, 2020	9,808,501	1,796,669	7,331,908	4,572,797	7,697,833
Fund Balance, June 30, 2021	\$ 12,259,152	\$ 1,850,702	\$ 8,080,014	\$ 5,662,345	\$ 8,526,842

(Continued)

Exhibit C-3

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 1,474,076	\$	14,120,023
Licenses and Permits	0		364,972
Fines, Forfeitures, and Penalties	10,099		114,471
Charges for Current Services	582,763		907,754
Other Local Revenues	226,346		1,038,925
Fees Received From County Officials	0		1,087,891
State of Tennessee	170,752		4,706,271
Federal Government	509		1,183,362
Other Governments and Citizens Groups	0		1,203,330
Total Revenues	<u>\$ 2,464,545</u>	<u>\$</u>	<u>24,726,999</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 2,480	\$	2,198,132
Finance	505,785		989,159
Administration of Justice	672		1,185,151
Public Safety	122,291		5,364,868
Public Health and Welfare	658,301		1,192,148
Social, Cultural, and Recreational Services	0		233,641
Agriculture and Natural Resources	0		93,949
Other Operations	25,784		1,705,661
Highways	0		2,990,664
Debt Service:			
Principal on Debt	435,000		2,656,423
Interest on Debt	113,281		765,652
Other Debt Service	348		96,650
Total Expenditures	<u>\$ 1,863,942</u>	<u>\$</u>	<u>19,472,098</u>

(Continued)

Exhibit C-3

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 600,603	\$ 5,254,901	
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 295,000	
Capital Leases Issued	0	112,016	
Refunding Debt Issued	0	4,315,000	
Premiums on Debt Sold	0	444,835	
Proceeds from Sale of Capital Assets	0	44,850	
Transfers In	0	10,000	
Transfers Out	0	(10,000)	
Discounts on Debt Issued	0	(7,137)	
Payments to Refunded Debt Escrow Agent	0	(4,687,515)	
Total Other Financing Sources (Uses)	\$ 0	\$ 517,049	
Net Change in Fund Balances	\$ 600,603	\$ 5,771,950	
Fund Balance, July 1, 2020	3,904,325	35,112,033	
Fund Balance, June 30, 2021	\$ 4,504,928	\$ 40,883,983	

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

Exhibit C-4

Marion County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	5,771,950
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	667,547	
Less: current-year depreciation expense		<u>(1,522,504)</u>	(854,957)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(59,125)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$	786,305	
Less: deferred delinquent property taxes and other deferred June 30, 2020		<u>(817,595)</u>	(31,290)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	2,490,000	
Add: principal payments on notes		118,557	
Add: principal payments on capital leases		87,866	
Less: proceeds of debt issued		(4,722,016)	
Add: debt refunded		4,665,000	
Less: changes in premium on debt issuance		(186,518)	
Less: contributions from the school department for capital lease		<u>(48,666)</u>	2,404,223
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	17,573	
Change in compensated absences payable		3,556	
Change in net pension liability/asset		(63,410)	
Change in deferred outflows related to pensions		69,982	
Change in deferred inflows related to pensions		93,117	
Change in OPEB liability		(97,209)	
Change in deferred outflows related to OPEB		65,344	
Change in deferred inflows related to OPEB		<u>8,108</u>	<u>97,061</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>7,327,862</u></u>

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

Exhibit C-5

Marion County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,670,458	\$ 7,204,500	\$ 7,204,500	\$ 465,958
Licenses and Permits	364,972	252,000	252,000	112,972
Fines, Forfeitures, and Penalties	104,372	116,800	116,800	(12,428)
Charges for Current Services	81,520	73,200	73,200	8,320
Other Local Revenues	763,420	471,300	471,300	292,120
Fees Received From County Officials	1,087,891	1,067,000	1,067,000	20,891
State of Tennessee	2,022,986	2,295,040	2,320,040	(297,054)
Federal Government	1,169,825	564,650	657,801	512,024
Other Governments and Citizens Groups	419,170	316,000	316,000	103,170
Total Revenues	\$ 13,684,614	\$ 12,360,490	\$ 12,478,641	\$ 1,205,973
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 124,072	\$ 169,000	\$ 169,000	\$ 44,928
Board of Equalization	1,561	6,200	6,200	4,639
Beer Board	2,901	2,925	2,925	24
Budget and Finance Committee	3,391	6,500	6,500	3,109
County Mayor/Executive	301,930	345,845	347,345	45,415
Election Commission	298,242	339,475	340,225	41,983
Register of Deeds	252,215	252,938	254,438	2,223
Development	50,000	50,000	50,000	0
Building	135,075	157,107	158,107	23,032
County Buildings	681,328	1,104,755	1,105,255	423,927
Other General Administration	124,447	135,153	136,153	11,706
<u>Finance</u>				
Property Assessor's Office	245,826	266,587	268,087	22,261
Reappraisal Program	84,451	87,956	88,706	4,255
County Trustee's Office	59,884	80,207	80,207	20,323
County Clerk's Office	93,213	116,136	116,136	22,923
<u>Administration of Justice</u>				
Circuit Court	551,869	563,877	573,127	21,258
General Sessions Court	135,309	138,932	138,932	3,623
Chancery Court	241,357	268,607	270,107	28,750
Juvenile Court	255,944	270,079	271,579	15,635
<u>Public Safety</u>				
Sheriff's Department	3,459,941	3,385,650	3,600,876	140,935
Administration of the Sexual Offender Registry	1,579	955	7,955	6,376
Jail	1,436,638	1,755,886	1,653,826	217,188
Correctional Incentive Program Improvements	15,626	26,715	26,715	11,089
Fire Prevention and Control	234,669	237,287	237,287	2,618
Civil Defense	55,141	64,300	64,550	9,409
Rescue Squad	15,000	15,000	15,000	0
County Coroner/Medical Examiner	23,983	18,050	25,550	1,567
<u>Public Health and Welfare</u>				
Local Health Center	223,910	393,300	395,300	171,390
Ambulance/Emergency Medical Services	165,548	164,000	165,550	2
Alcohol and Drug Programs	3,111	7,115	7,115	4,004
Other Local Health Services	58,340	56,500	81,500	23,160

(Continued)

Exhibit C-5

Marion County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Sanitation Education/Information	\$ 82,938	\$ 72,401	\$ 83,351	\$ 413
<u>Social, Cultural, and Recreational Services</u>				
Libraries	172,222	172,222	172,222	0
Parks and Fair Boards	27,687	27,501	27,751	64
Other Social, Cultural, and Recreational	33,732	70,000	70,000	36,268
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	48,558	74,475	74,475	25,917
Soil Conservation	45,391	46,229	46,729	1,338
<u>Other Operations</u>				
Tourism	33,649	25,000	55,251	21,602
Industrial Development	28,128	40,385	40,385	12,257
Other Economic and Community Development	81,099	161,268	161,268	80,169
Airport	812,004	466,955	967,955	155,951
Veterans' Services	19,273	21,215	21,465	2,192
Other Charges	575,597	512,000	630,151	54,554
<u>Principal on Debt</u>				
General Government	39,200	0	39,200	0
Total Expenditures	\$ 11,335,979	\$ 12,176,688	\$ 13,054,456	\$ 1,718,477
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,348,635	\$ 183,802	\$ (575,815)	\$ 2,924,450
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 112,016	\$ 0	\$ 112,016	\$ 0
Transfers Out	(10,000)	(235,000)	(235,000)	225,000
Total Other Financing Sources	\$ 102,016	\$ (235,000)	\$ (122,984)	\$ 225,000
Net Change in Fund Balance	\$ 2,450,651	\$ (51,198)	\$ (698,799)	\$ 3,149,450
Fund Balance, July 1, 2020	9,808,501	8,964,816	8,964,816	843,685
Fund Balance, June 30, 2021	\$ 12,259,152	\$ 8,913,618	\$ 8,266,017	\$ 3,993,135

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

Exhibit C-6

Marion County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 2,014	\$ 2,014	\$ (2,014)
Charges for Current Services	243,471	140,000	140,000	103,471
Other Local Revenues	27,427	21,300	21,300	6,127
State of Tennessee	2,512,533	2,505,737	2,505,737	6,796
Total Revenues	<u>\$ 2,783,431</u>	<u>\$ 2,669,051</u>	<u>\$ 2,669,051</u>	<u>\$ 114,380</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 409,086	\$ 369,508	\$ 417,086	\$ 8,000
Highway and Bridge Maintenance	1,481,191	1,957,588	2,077,588	596,397
Operation and Maintenance of Equipment	333,323	390,106	390,106	56,783
Other Charges	56,583	54,413	60,938	4,355
Employee Benefits	311,281	312,637	343,127	31,846
Capital Outlay	399,200	651,062	1,087,603	688,403
<u>Principal on Debt</u>				
Highways and Streets	78,557	78,557	78,557	0
<u>Interest on Debt</u>				
Highways and Streets	10,027	10,028	10,028	1
Total Expenditures	<u>\$ 3,079,248</u>	<u>\$ 3,823,899</u>	<u>\$ 4,465,033</u>	<u>\$ 1,385,785</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (295,817)</u>	<u>\$ (1,154,848)</u>	<u>\$ (1,795,982)</u>	<u>\$ 1,500,165</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 295,000	\$ 0	\$ 295,000	\$ 0
Proceeds from Sale of Capital Assets	44,850	0	0	44,850
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources	<u>\$ 349,850</u>	<u>\$ 10,000</u>	<u>\$ 305,000</u>	<u>\$ 44,850</u>
Net Change in Fund Balance	\$ 54,033	\$ (1,144,848)	\$ (1,490,982)	\$ 1,545,015
Fund Balance, July 1, 2020	<u>1,796,669</u>	<u>1,544,182</u>	<u>1,544,182</u>	<u>252,487</u>
Fund Balance, June 30, 2021	<u><u>\$ 1,850,702</u></u>	<u><u>\$ 399,334</u></u>	<u><u>\$ 53,200</u></u>	<u><u>\$ 1,797,502</u></u>

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

Exhibit D-1

Marion County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2021

Major
Enterprise
Fund

Marion
County
Conservation
Commission

ASSETS

Cash	\$ 135,084
Assets Net of Accumulated Depreciation:	
Other Capital Assets	<u>215,826</u>
Total Assets	<u>\$ 350,910</u>

LIABILITIES

Accounts Payable	<u>\$ 1,800</u>
Total Liabilities	<u>\$ 1,800</u>

NET POSITION

Net Investment in Capital Assets	\$ 215,826
Unrestricted	<u>133,284</u>
Total Net Position	<u><u>\$ 349,110</u></u>

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

Exhibit D-2

Marion County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Major Enterprise Fund Marion County Conservation Commission
<u>Operating Revenues</u>	
User Fees/Vending	\$ 227,948
Total Operating Revenues	<u>\$ 227,948</u>
<u>Operating Expenses</u>	
Salaries and Benefits	\$ 27,706
Utilities	38,651
Contract Services	7,818
Telephone	762
Equipment	10,769
Depreciation	26,849
Professional Fees	6,275
Legal Settlement	75,000
Insurance	823
Fuel	1,657
Supplies	9,992
Printing	471
Miscellaneous	120
Total Operating Expenses	<u>\$ 206,893</u>
Operating Income	<u>\$ 21,055</u>
Nonoperating Revenue	
Capital Contributions	\$
Total Nonoperating Revenue/(Expenses)	<u>\$ 0</u>
Change in Net Position	\$ 21,055
Net Position, July 1, 2020	<u>328,055</u>
Net Position, June 30, 2021	<u><u>\$ 349,110</u></u>

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

Exhibit D-3

Marion County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Major Enterprise Fund Marion County Conservation Commission
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 227,948
Payments to Suppliers	(150,465)
Payments to Employees	(27,706)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 49,777</u>
Net Increase (Decrease) in Cash	\$ 49,777
Cash, July 1, 2020	<u>85,307</u>
Cash, June 30, 2021	<u><u>\$ 135,084</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 21,055
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	26,849
Changes in Assets and Liabilities:	
(Increase) Decrease in Prepaid Items	823
Increase (Decrease) in Accounts Payable	<u>1,050</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 49,777</u></u>

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

Exhibit E-1

Marion County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 841,137
Equity in Pooled Cash and Investments	199,299
Accounts Receivable	4,334
Due from Other Governments	887,682
Due from Other Funds	113
Property Taxes Receivable	340,745
Allowance for Uncollectible Property Taxes	<u>(13,724)</u>
Total Assets	<u>\$ 2,259,586</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 922
Due to Other Taxing Units	<u>950,113</u>
Total Liabilities	<u>\$ 951,035</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	\$ 285,373
Deferred Delinquent Property Taxes	<u>8,187</u>
Total Deferred Inflows of Resources	<u>\$ 293,560</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 1,014,991</u>
Total Net Position	<u><u>\$ 1,014,991</u></u>

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

Exhibit E-2

Marion County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 4,443,430
ADA - Educational Funds Collected for Cities	590,544
Fines/Fees and Other Collections	6,686,631
Drug Task Force Collections	349,313
Total Additions	<u>\$ 12,069,918</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 4,443,430
Payments to City School Systems	628,140
Payments to State	4,732,731
Payments to County/City	780,919
Payments to Individuals and Others	1,243,770
Payment of Drug Task Force Expenses	363,641
Total Deductions	<u>\$ 12,192,631</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (122,713)
Net Position, July 1, 2020	0
Restatement - See Note I.D.10	<u>1,137,704</u>
Net Position June 30, 2021	<u><u>\$ 1,014,991</u></u>

MARION COUNTY, TENNESSEE

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MARION COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marion County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Marion County:

A. Reporting Entity

Marion County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Marion County (the primary government) and its component units. In addition, the financial statements of the Marion County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Marion County School Department operates the public school system in the county, and the voters of Marion County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Marion County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Marion County, and the Marion County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Marion County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Marion County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Marion County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Marion County Emergency
Communications District
P.O. Box 818
Jasper, TN 37347

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Marion County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Marion County issues all debt for the discretely presented Marion County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021.

Separate financial statements are provided for governmental funds, proprietary fund (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Marion County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Marion County only reports one proprietary fund, an enterprise fund.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Marion County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been

accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes a private-purpose trust fund and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

Marion County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

Rural Debt Service Fund – This fund accounts for the resources accumulated and payments made for the principal and interest on rural school long-term general obligation debt of governmental funds.

Education Debt Service Fund – This fund accounts for the accumulation of resources for, and the contribution to the primary government of, education related long-term debt principal, interest, and related costs.

Other Capital Projects Fund – This fund is used to account for various capital expenditures of the county.

Marion County reports the following major proprietary fund:

Marion County Conservation Commission Fund – This fund accounts for the management of the Marion County Park located on Nickajack Lake.

Additionally, Marion County reports the following fund type:

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, property taxes levied on residents of Richard City, local sales taxes received by the state to be forwarded to the various cities in Marion County, the city school system's share of educational revenues, and state grants and other restricted revenues held for the benefit of the Twelfth Judicial District Drug Task Force.

The discretely presented Marion County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the school department. It is used to account for general operations of the school department.

School Federal Projects Fund – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

Additionally, the Marion County School Department reports the following fund type:

Private Purpose Trust Fund – The Other Trust Fund is used to account for resources legally held in trust to fund two scholarships. One scholarship is for graduates of Whitwell Middle School who become graduates of Whitwell High School and plan to pursue a post-secondary education. The other scholarship is for graduating seniors of Marion County who plan to attend college and major in education. Earnings on invested resources may be used to fund the scholarships, but the principal must be maintained intact.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the

foundational revenues of this fund. The current year (FY21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Marion County School Department (excluding the school department's Private Purpose Trust Fund). Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. In addition, investments are held separately by the discretely presented school department's Private Purpose Trust Fund. Marion County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State

Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Marion County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.18 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an

estimated allowance for uncollectible taxes is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements.

3. Inventories and Prepaid Items

Inventories of the discretely presented Marion County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Marion County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an

irrevocable agreement and may only be used for the benefit of the Marion County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Marion County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. **Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Infrastructure:	
Roads	5 - 20
Bridges	40
Other Capital Assets	5 - 20

6. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, investment earnings, and proportionate share of contributions; OPEB changes in experience, assumptions, and changes in proportionate share of contributions; and employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience and proportionate share of contributions; OPEB changes in experience, assumptions, and proportionate share of contributions; and various receivables for revenues which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since Marion County does not have a policy to pay any amounts when employees separate from service with the government. Vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. It is Marion County's policy to pay a separated employee a maximum of 15 days accrued vacation leave.

The general policy of the discretely presented Marion County School Department allows 12-month employees to earn one day annual leave for each 20 days worked. Any accumulated vacation days, in excess of 20 days, at the end of the school year are converted to sick leave. There is no lump sum payment or compensation for unused annual vacation leave. All professional and support personnel of the school department are allowed to accumulate unlimited sick leave days. The granting of vacation and sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

8. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

In the government-wide financial statements, and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2021, Marion County had \$15,474,414 in outstanding debt for capital purposes for the discretely presented Marion County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (Richard City School System) based on an average daily attendance proration. This debt is a liability of Marion County, but the capital assets acquired are reported in the financial statements of the school department and the Richard City School System. Therefore, Marion County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county’s Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

10. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Marion County School Department. A restatement of \$855,486 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$1,137,704 using the economic measurement focus and the accrual basis of accounting.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Marion County’s participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Marion County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Marion County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher

Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Marion County. For this purpose, Marion County recognizes benefit payments when due and payable in accordance with benefit terms. Marion County's OPEB plan is not administered through a trust.

Discretely Presented Marion County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Marion County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Marion County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Marion County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the General Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the Education Debt Service Fund by \$853. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

C. The Discretely Presented Marion County School Department Had Deposits That Were Exposed to Custodial Credit Risk

At June 30, 2021, the government's brokerage firm was holding investments of \$363,312 for the discretely presented Marion County School Department's Private Purpose Trust Fund, which were exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Marion County and the Marion County School Department (excluding the Private Purpose Trust Fund) participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected in the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under

this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the

State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2021, the discretely presented Marion County School Department had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. All the investments are nonpooled investments held by the school department's Private Purpose Trust Fund.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Private Purpose Trust Fund:			
Nonpooled Investments:			
Corporate Bonds - National Rural Utilities	N/A	6-15-22	\$ 50,613
Corporate Bonds - Caterpillar Financial	N/A	12-15-22	51,035
Corporate Bonds - General Electric	N/A	1-9-23	41,572
Corporate Bonds - Wells Fargo	N/A	2-13-23	41,931
Corporate Bonds - Ford Motor Credit	N/A	5-20-24	74,372
Corporate Bonds - Toyota Motor	N/A	3-25-26	50,582
Corporate Bonds - Apple	N/A	8-4-26	53,207
Total			<u><u>\$ 363,312</u></u>

Investment by Fair Value Level	Fair Value 6-30-21	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds - National Rural Utilities	\$ 50,613	\$ 50,613	\$ 0	\$ 0
Corporate Bonds - Caterpillar Financial	51,035	51,035	0	0
Corporate Bonds - General Electric	41,572	41,572	0	0
Corporate Bonds - Wells Fargo	41,931	41,931	0	0
Corporate Bonds - Ford Motor Credit	74,372	74,372	0	0
Corporate Bonds - Toyota Motor	50,582	50,582	0	0
Corporate Bonds - Apple	53,207	53,207	0	0
Total	\$ 363,312	\$ 363,312	\$ 0	\$ 0

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Marion County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Marion County has no investment policy that would further limit its investment choices. The following is the rating given each nonpooled investment by Moody's Investor's Service and Standard & Poor's Ratings:

Investment	Moody's Investor's Service	Standard & Poor's Rating
Corporate Bonds - National Rural Utilities	A2	A-
Corporate Bonds - Caterpillar Financial	A2	A
Corporate Bonds - General Electric	Baa1	BBB+
Corporate Bonds - Wells Fargo	A3	BBB
Corporate Bonds - Ford Motor Credit	Ba2	BB+
Corporate Bonds - Toyota Motor	A1	A+
Corporate Bonds - Apple	Aa1	AA+

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Marion County places no limit on the amount the county may invest in one issuer.

The nonpooled investments (\$363,312) represent the entire investments of the school department's Private Purpose Trust Fund. These investments are as follows: Corporate Bonds – National Rural Utilities (14 percent), Corporate Bonds – Caterpillar Financial (14 percent), Corporate Bonds – General Electric (11 percent), Corporate Bonds – Wells Fargo (12 percent), Corporate Bonds – Ford Motor Credit (20 percent), Corporate Bonds – Toyota Motor (14 percent), and Corporate Bonds – Apple (15 percent).

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The school department has a custodial credit risk exposure of \$363,312 for all of the investments in corporate bonds because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. The school department does not have a formal policy that limits custodial credit risk for investments.

TCRS Stabilization Trust

Legal Provisions. The Marion County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Marion County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2021, the Marion County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 60,937
Developed Market International Equity	N/A	N/A	27,520
Emerging Market International Equity	N/A	N/A	7,863
Private Equity and Strategic Lending	N/A	N/A	39,315
U.S. Fixed Income	N/A	N/A	39,315
Real Estate	N/A	N/A	19,657
Short-term Securities	N/A	N/A	<u>1,966</u>
Total			<u>\$ 196,573</u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 2,739,127	\$ 0	\$ 0	\$ 2,739,127
Total Capital Assets Not Depreciated	\$ 2,739,127	\$ 0	\$ 0	\$ 2,739,127
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,175,081	\$ 0	\$ 0	\$ 19,175,081
Infrastructure	30,562,906	0	0	30,562,906
Other Capital Assets	4,762,947	667,547	(404,621)	5,025,873
Total Capital Assets Depreciated	\$ 54,500,934	\$ 667,547	\$ (404,621)	\$ 54,763,860
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,581,616	\$ 498,740	\$ 0	\$ 7,080,356
Infrastructure	23,372,644	659,356	0	24,032,000
Other Capital Assets	3,099,027	364,408	(345,496)	3,117,939
Total Accumulated Depreciation	\$ 33,053,287	\$ 1,522,504	\$ (345,496)	\$ 34,230,295
Total Capital Assets Depreciated, Net	\$ 21,447,647	\$ (854,957)	\$ (59,125)	\$ 20,533,565
Governmental Activities Capital Assets, Net	\$ 24,186,774	\$ (854,957)	\$ (59,125)	\$ 23,272,692

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 426,476
Public Safety	302,739
Public Health and Welfare	50,810
Highways/Public Works	<u>742,479</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,522,504</u></u>

**Discretely Presented Marion County School Department -
Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,118,836	\$ 0	\$ 0	\$ 1,118,836
Total Capital Assets Not Depreciated	<u>\$ 1,118,836</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,118,836</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,953,770	\$ 0	\$ 0	\$ 60,953,770
Other Capital Assets	867,851	116,005	(30,743)	953,113
Total Capital Assets Depreciated	<u>\$ 61,821,621</u>	<u>\$ 116,005</u>	<u>\$ (30,743)</u>	<u>\$ 61,906,883</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,151,039	\$ 1,439,024	\$ 0	\$ 30,590,063
Other Capital Assets	491,401	52,235	(23,578)	520,058
Total Accumulated Depreciation	<u>\$ 29,642,440</u>	<u>\$ 1,491,259</u>	<u>\$ (23,578)</u>	<u>\$ 31,110,121</u>
Total Capital Assets Depreciated, Net	<u>\$ 32,179,181</u>	<u>\$ (1,375,254)</u>	<u>\$ (7,165)</u>	<u>\$ 30,796,762</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 33,298,017</u></u>	<u><u>\$ (1,375,254)</u></u>	<u><u>\$ (7,165)</u></u>	<u><u>\$ 31,915,598</u></u>

Depreciation expense was charged to functions of the discretely presented Marion County School Department as follows:

Governmental Activities:

Instruction	\$ 1,421,323
Support Services	27,932
Operation of Non-instructional Services	<u>42,004</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,491,259</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 7,773
Nonmajor custodial	"	113
Discretely Presented School Department:		
General Purpose School	School Federal Projects	653,324
Central Cafeteria	General Purpose School	7,536

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	Other Capital Projects	\$ 108,969
Primary Government:		
Governmental Activities	School Department	99,414

A portion of the amount reflected as Due to Primary Government from the discretely presented school department on the government-wide Statement of Net Position (\$99,414) represents debt issued by the primary government for the schools. The principal is being contributed by the school department to the primary government to retire this debt.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2021, consisted of the following amounts:

Primary Government

Transfer Out	<u>Transfer In</u>	
	Highway/ Public Works Fund	Purpose
General Fund	\$ 10,000	General Maintenance/ Construction

Discretely Presented Marion County School Department

Transfer Out	<u>Transfer In</u>	
	General Purpose School Fund	Purpose
School Federal Projects	\$ 129,830	Indirect Costs

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Capital Leases

On December 5, 2018, Marion County entered into a five-year lease-purchase agreement to acquire computers for the school department. The terms of the agreement require total lease payments of \$78,764 plus interest of 4.54 percent. Title to the computers transfers to the school department at the end of the lease period. The lease payments are made from Education Debt Service Fund through contributions from the school department's General Purpose School Fund. These items do not meet the county's capitalization threshold.

On May 3, 2019, Marion County entered into a five-year lease-purchase agreement to acquire Promethean boards for the school department. The terms of the agreement require total lease payments of \$168,140. Title to the computers transfers to the school department at the end of the lease period. The lease payments are made from Education Debt Service Fund through

contributions from the school department's General Purpose School and School Federal Projects funds. These items do not meet the county's capitalization threshold.

On September 30, 2020, Marion County entered into a five-year lease agreement to acquire body-worn cameras for the sheriff's department. The terms of the agreement require total lease payments of \$112,016. Title to the body-worn cameras transfers to the sheriff's department at the end of the lease period. The lease payments are made from the General Fund. These items do not meet the county's capitalization threshold.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30	Governmental Funds
2022	\$ 69,015
2023	69,015
2024	18,204
2025	18,204
Total Minimum Lease Payments	\$ 174,438
Less: Amount Representing Interest	(2,208)
Present Value of Minimum Lease Payments	\$ 172,230

E. Long-term Debt

Primary Government

General Obligation Bonds and Notes

General Obligation Bonds – Marion County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service, Rural Debt Service, and Education Debt Service funds.

Direct Borrowing and Direct Placements - Marion County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith,

credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 11 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2021, will be retired from the General and Highway/Public Works funds.

On December 21, 2012, Marion County issued a \$377,000 capital outlay note for a public works project. This capital outlay note will finance a portion of the cost of a sewer line extension and sewer pump station construction on the city of Jasper's existing sewer system to serve a commercial development and other properties within a newly-annexed portion of the city. Marion County and the city of Jasper entered into an interlocal agreement with the express understanding and agreement that the city of Jasper would be responsible for repayment of all principal and interest due on the capital outlay note. The city of Jasper will remit to the county on or before March 15, of each of the next two years, an amount between \$40,776 and \$41,552, depending on the debt service (principal and interest payments) for that particular year.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	2.5 to 4 %	4-1-30	\$ 3,675,000	\$ 1,600,000
General Obligation Bonds - Refunding	0.29 to 5	6-1-31	37,995,000	17,395,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.94 to 3.09	6-15-26	1,222,000	620,948
Capital Leases	0 to 4.54	9-30-25	358,920	172,230

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2021, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 2,545,000	\$ 663,512	\$ 3,208,512
2023	2,650,000	560,988	3,210,988
2024	2,770,000	440,038	3,210,038
2025	1,670,000	343,094	2,013,094
2026	1,505,000	297,757	1,802,757
2027-2031	7,855,000	773,421	8,628,421
Total	\$ 18,995,000	\$ 3,078,810	\$ 22,073,810

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2022	\$ 177,412	\$ 15,731	\$ 193,143
2023	181,173	11,193	192,366
2024	140,439	6,569	147,008
2025	60,288	2,719	63,007
2026	61,636	1,374	63,010
Total	<u>\$ 620,948</u>	<u>\$ 37,586</u>	<u>\$ 658,534</u>

There is \$15,797,242 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$659, based on the 2020 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums totaled \$719, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-21
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computers	\$ 32,158
Promethean Boards	16,006
<u>Contributions from the School Federal Projects Fund</u>	
Promethean Boards	<u>51,250</u>
Total	<u>\$ 99,414</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:		Notes - Direct Placement	Capital Leases - Direct Placement
	Bonds		
Balance, July 1, 2020	\$ 21,835,000	\$ 444,505	\$ 148,080
Additions	4,315,000	295,000	112,016
Reductions	(7,155,000)	(118,557)	(87,866)
Balance, June 30, 2021	<u>\$ 18,995,000</u>	<u>\$ 620,948</u>	<u>\$ 172,230</u>
Balance Due Within One Year	<u>\$ 2,545,000</u>	<u>\$ 177,412</u>	<u>\$ 67,554</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 19,788,178
Less: Balance Due Within One Year - Debt	(2,789,966)
Add: Unamortized Premium on Debt	<u>952,571</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 17,950,783</u>

Current Refunding

On August 12, 2020, Marion County refunded a general obligation bond issue with a separate general obligation bond issue. The county issued \$4,315,000 of general obligation refunding bonds to provide resources to pay the outstanding balance of bonds issued for education improvement projects. As a result, the refunded bonds are considered retired, and the liability has been removed from the county's long-term debt. As a result of this refunding, total debt service payments over the next 3 years will be reduced by \$404,673, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$310,425 was obtained.

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2020	\$ 20,025	\$ 314,010
Additions	25,658	109,634
Reductions	(29,214)	(12,425)
Balance, June 30, 2021	<u>\$ 16,469</u>	<u>\$ 411,219</u>
Balance Due Within One Year	<u>\$ 15,647</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 427,688
Less: Balance Due Within One Year - Other	<u>(15,647)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 412,041</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Fund.

Discretely Presented Marion County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Marion County School Department for the year ended June 30, 2021, was as follows:

Governmental Activities:	Other Post- employment Benefits
Balance, July 1, 2020	\$ 2,651,360
Additions	682,846
Reductions	<u>(158,655)</u>
Balance, June 30, 2021	<u>\$ 3,175,551</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 3,175,551
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 3,175,551</u></u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. On-Behalf Payments

Discretely Presented Marion County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Marion County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2021, were \$62,895 and \$50,090, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Marion County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Marion County participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county pays an annual premium to the TN-RMT for workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Marion County

Employee Health Insurance

Marion County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Marion County School Department

The discretely presented Marion County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

The school department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, workers' compensation, and environmental. Settled claims did not exceed commercial insurance coverage during any of the past three fiscal years.

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The county is involved in several pending lawsuits. Attorneys for the county and the discretely presented school department estimate that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Change in Administration

On August 31, 2020, Steve Lamb left the Office of Property Assessor and was succeeded by Darrell Pittman, effective September 1, 2020.

E. Landfill Closure/Postclosure Care Costs

Marion County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure costs generally are paid near the date that the landfill stops accepting waste and postclosure care costs are paid during the 30-year period following closure. Marion County has contracted with Solid Waste Disposal, Inc., a private company, to operate the county's landfill. This contract was amended on November 26, 2012, and requires Solid Waste Disposal, Inc., to be responsible for all closure and postclosure care costs of the county's landfill during the term of the contract. The terms of the 2012 amendment to the contract run for three consecutive ten-year periods. Prior to expiration of the initial ten-year term, the parties have the right to renegotiate or adjust the fees paid from Solid Waste

Disposal, Inc., to the county. Any adjustment or modification made will apply to the second ten-year term. Prior to expiration of the second ten-year term, the parties have the right to renegotiate or adjust the fees paid from Solid Waste Disposal, Inc., to the county. Any adjustment or modification made will apply to the third ten-year term. The \$652,451 estimated closure and postclosure costs of the landfill at June 30, 2021, were not included in the county's long-term debt due to the uncertainty of what amount, if any, will be paid by the county. This amount is based on estimates of what it would cost to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district is composed of Rhea, Bledsoe, Franklin, Grundy, Marion, and Sequatchie counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Marion County made no contributions to the DTF for the year ended June 30, 2021 and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of the District Attorney General
Twelfth Judicial District
375 Church Street, Suite 300
Dayton, TN 37321

G. Jointly Governed Organization

The Marion County Railroad Authority is jointly operated by the county and the cities of Jasper, Kimball, and South Pittsburg. The Marion County Railroad Authority's board comprises the Marion County Mayor, Marion County Highway Supervisor, and the mayors of the three cities; however, the county and cities do not have any ongoing financial interest in or responsibility for the entity.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Marion County and non-certified employees of the discretely presented Marion County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 59.56 percent, the non-certified employees of the discretely presented school department comprise 40.44 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the

CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	189
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	268
Active Employees	321
Total	<u><u>778</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. Marion County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contributions for Marion County were \$720,182 based on a rate of 6.88 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Marion County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Marion County's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Marion County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 34,628,287	\$ 35,365,402	\$ (737,115)
Changes for the Year:			
Service Cost	\$ 996,845	\$ 0	\$ 996,845
Interest	2,523,622	0	2,523,622
Differences Between Expected and Actual Experience	(401,673)	0	(401,673)
Contributions-Employer	0	753,154	(753,154)
Contributions-Employees	0	549,358	(549,358)
Net Investment Income	0	1,745,246	(1,745,246)
Benefit Payments, Including Refunds of Employee Contributions	(1,633,100)	(1,633,100)	0
Administrative Expense	0	(28,621)	28,621
Net Changes	\$ 1,485,694	\$ 1,386,037	\$ 99,657
Balance, June 30, 2020	\$ 36,113,981	\$ 36,751,439	\$ (637,458)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	59.56%	\$ 21,509,487	\$ 21,889,157	\$ (379,670)
School Department	40.44%	14,604,494	14,862,282	(257,788)
Total		\$ 36,113,981	\$ 36,751,439	\$ (637,458)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Marion County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25

percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Marion County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 3,858,636 \$ (637,458) \$ (4,383,287)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2021, Marion County recognized pension expense of \$613,467.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Marion County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 46,264	\$ 338,608
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	262,230	0
Changes in Assumptions	157,344	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	720,182	N/A
Total	\$ 1,186,020	\$ 338,608

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 715,160	\$ 201,675
School Department	470,860	136,933
Total	<u>\$ 1,186,020</u>	<u>\$ 338,608</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (53,635)
2023	20,622
2024	79,426
2025	80,810
2026	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Marion County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Marion County and non-certified employees of the discretely presented Marion County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 59.56 percent and the non-certified employees of the discretely presented school department comprise 40.44 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Marion County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one

percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2021, to the Teacher Retirement Plan were \$60,436, which is 2.02 percent of covered payroll. In addition, employer contributions of \$59,714, which is 1.98 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$123,655) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .217456 percent. The proportion as of June 30, 2019, was .216379 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of \$49,899.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 4,594	\$ 30,987
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,073	0
Changes in Assumptions	3,877	0
Changes in Proportion of Net Pension Liability (Asset)	4,505	6,130
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	60,436	N/A
Total	\$ 83,485	\$ 37,117

The school department's employer contributions of \$60,436 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (1,113)
2023	343
2024	1,085
2025	1,296
2026	(2,116)
Thereafter	(13,564)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 96,183 \$ (123,655) \$ (285,702)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Marion County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are

reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Marion County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$1,344,701 which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$3,072,047) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .402852 percent. The proportion measured at June 30, 2019, was .409533 percent.

Pension Expense (negative pension expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$49,961).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 116,786	\$ 1,476,985
Changes in Assumptions	279,081	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	686,110	0
Changes in Proportion of Net Pension Liability (Asset)	37,364	2,928
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	1,344,701	N/A
Total	<u>\$ 2,464,042</u>	<u>\$ 1,479,913</u>

The school department's employer contributions of \$1,344,701 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (744,010)
2023	(99,205)
2024	28,144
2025	454,499
2026	0
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 9,553,997 \$ (3,072,047) \$ (13,542,002)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$149,656 and teachers contributed \$94,466 to this deferred compensation pension plan.

I. **Other Postemployment Benefits (OPEB)**

Marion County and the discretely presented Marion County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Marion County and the Marion County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes. The Marion County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Marion County School Department may then join the Tennessee Plan –

Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and school department’s total OPEB liability for each plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 9.02% for for pre-65 retirees in the 2021 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%.
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.21 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and

adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2021 plan year was revised from 6.03 to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

Local Government OPEB Plans (Primary Government)

Plan description. Employees of Marion County are provided with pre-65 retiree health insurance benefits through the Local Government Plans (LGPs) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs.

Benefits provided. Marion County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGPs. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGPs, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Marion County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

	Marion County	Hwy Dept	Total
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	4	0	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees Eligible for Benefits	135	27	162
Total	139	27	166

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2021, the county paid \$22,115 (Marion County - \$21,808, Highway Dept - \$307) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	Marion County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2019	\$ 254,581	\$ 59,429	\$ 314,010
Changes for the Year:			
Service Cost	\$ 25,065	\$ 8,199	\$ 33,264
Interest	9,611	2,362	11,973
Difference between Expected and Actuarial Experience	35,047	(5,010)	30,037
Changes in Assumption and Other Inputs	25,801	8,559	34,360
Benefit Payments	(11,771)	(654)	(12,425)
Net Changes	\$ 83,753	\$ 13,456	\$ 97,209
Balance June 30, 2020	\$ 338,334	\$ 72,885	\$ 411,219

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized OPEB expense of \$45,872 (Marion County - \$38,527, Highway Dept - \$7,345). At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DO - County \$30,355 and DI - County \$38,728, Hwy \$22,408)	\$ 30,355	\$ 61,136
Changes of Assumptions/Inputs (DO - County \$42,043, Hwy \$12,285 and DI - County \$7,303, Hwy \$1,604)	54,328	8,907
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2020 (DO - County \$21,808, Hwy \$307)	<u>22,115</u>	<u>0</u>
Total	<u>\$ 106,798</u>	<u>\$ 70,043</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	County	Hwy	Total Amount
2022	\$ 3,851	\$ (3,216)	\$ 635
2023	3,851	(3,216)	635
2024	3,851	(3,216)	635
2025	3,851	(2,816)	1,035
2026	3,851	206	4,057
Thereafter	7,112	531	7,643

In the table shown above positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
County	\$ 364,846	\$ 338,334	\$ 313,459
Hwy	81,225	72,885	65,219
Total OPEB Liability	<u>\$ 446,071</u>	<u>\$ 411,219</u>	<u>\$ 378,678</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Current Trend Rate 9.02 to 4.5%	1% Increase 10.02 to 5.5%
County	\$ 301,492	\$ 338,334	\$ 381,919
Hwy	61,683	72,885	86,551
Total OPEB Liability	<u>\$ 363,175</u>	<u>\$ 411,219</u>	<u>\$ 468,470</u>

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

Plan Description. Employees of the Marion County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Marion County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan

(CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Marion County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	14
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	0
Active Employees Eligible for Benefits	342
Total	<u><u>356</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$114,469 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		Total OPEB Liability
	Marion County School Department 66.83%	State of TN 33.17%	
Balance July 1, 2019	\$ 2,651,360	\$ 1,436,207	\$ 4,087,567
Changes for the Year:			
Service Cost	\$ 142,749	\$ 70,842	\$ 213,591
Interest	98,826	49,045	147,871
Difference between Expected and Actuarial Experience	(39,591)	(19,648)	(59,239)
Changes in Assumption and Other Inputs	360,799	179,055	539,854
Change in Proportion	80,472	(80,472)	0
Benefit Payments	(119,064)	(59,089)	(178,153)
Net Changes	\$ 524,191	\$ 139,733	\$ 663,924
Balance June 30, 2020	\$ 3,175,551	\$ 1,575,940	\$ 4,751,491

The Marion County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Marion County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$104,311 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Marion County School Department's proportionate share of the collective OPEB liability was 66.83 percent and the State of Tennessee's share was 33.17 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$335,492, including the state's share of the expense. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 346,749	\$ 563,267
Changes of Assumptions/Inputs	389,306	254,841
Changes in Proportion	114,273	56,716
Benefits Paid After the Measurement Date of June 30, 2020	114,469	0
Total	<u>\$ 964,797</u>	<u>\$ 874,824</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2022	\$ (10,394)
2023	(10,394)
2024	(10,394)
2025	(10,394)
2026	(10,394)
Thereafter	27,474

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,412,038	\$ 3,175,551	\$ 2,946,463
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Current Rate 9.02 to 4.5%	1% Increase 10.02 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 2,795,709	\$ 3,175,551	\$ 3,624,085
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J. Termination Benefits

The discretely presented Marion County School Department offers a retirement incentive to support staff with at least 20 years with the school department, and to teachers who retire from the school department. Employees must notify the school department of their plans to retire by April 15 in the year they choose to retire. In accordance with contract provisions, eligible retirees receive a \$500 retirement incentive. During the year ended June 30, 2021, nine school department employees accepted the retirement incentive; therefore, the total cost of the cash payments reported in the government-wide Statement of Net Position by function was \$4,500.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Supervisor

Purchasing procedures for the highway department are governed by Chapter 24, Private Acts of 1933, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*. Provisions of the Private Act provide for the highway supervisor and county mayor to jointly approve all machinery purchases. Provisions of the County Uniform Road Law require that competitive bids be solicited through public advertisement on all purchases exceeding \$10,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Marion County School Department are governed by purchasing laws applicable to the schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – MARION COUNTY CONSERVATION COMMISSION (ENTERPRISE FUND)

The financial statements of Marion County Conservation Commission (commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The following is a summary of the more significant accounting policies:

A. Summary of Significant Accounting Policies

Reporting Entity

Marion County Conservation Commission was organized in 1989 for the purpose of managing the Marion County Park located on Nickajack Lake.

The primary source of revenue of the Marion County Conservation Commission is service fees charged for the use of the park, primarily camping fees.

The Marion County Board of Commissioners serves as the Board of Directors for the conservation commission as well as appoints two individuals outside of the county commission to serve on the board. As the governing board is not elected, but instead is entirely appointed by the county, the commission cannot be a primary government. Instead, it qualifies as a proprietary fund of Marion County, Tennessee (the primary government). The county commission may

appropriate funds for the operation and maintenance of the conservation commission and must approve long-term debt issued by the commission.

The financial statements present only the Marion County Conservation Commission of Marion County, Tennessee, as of June 30, 2021. These financial statements are in no way intended to represent the government wide financial position of Marion County, Tennessee, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basic Financial Statements

All activities of the commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The commission's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operations are included on the Statement of Net Position. Net position (i.e., assets + deferred outflows - liabilities - deferred inflows) are segregated into net investment in capital assets, restricted components, and unrestricted components.

The financial records are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The allowance method is used to estimate the uncollectible accounts. Unbilled service receivables are recorded at year-end.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the commission's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the commission's policy to use restricted resources first, then unrestricted resources as needed.

Cash and Cash Equivalents

For purposes of reporting cash on the Statement of Cash Flows, the commission considers all unrestricted highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. At June 30, 2021, the commission had no cash equivalents.

Investments

Investments are reported at fair value, which is based on quoted market prices. The commission is authorized by Tennessee statutes to invest in the following:

1. Bonds, notes or treasury bills of the United States.
2. Non-convertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, and the Student Loan Marketing Association.
3. Any obligations which are guaranteed as to principal and interest by the United States or any of its agencies.
4. Certificates-of-deposit and other evidence of deposit at state and federal chartered banks and savings and loan associations.
5. Obligations of the United States or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself if the market value of the security itself is more than the amount of funds invested.
6. Money market funds whose portfolios consist of any of the foregoing investments.
7. The local government investment pool.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the current year-end are recorded as prepaid expenses.

Inventory

Supplies and materials are recorded as expenses at the time items are purchased and are not inventories at year-end, due to lack of materiality.

Restricted Assets

Certain resources can be classified as restricted assets on the Statement of Net Position because their use is limited. At year-end, there were no restricted assets to be reported.

Capital Assets

Capital assets are defined by the commission as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The commission's policy is to capitalize the net interest cost incurred during the year resulting from borrowings utilized to finance the construction of assets.

Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Mobile Home	20
Bathhouse	12-20
Land Improvements	10-20
Equipment	3-10
Picnic Pavilion	15-20

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the entity has no items that qualify for reporting as a deferred outflow of resources.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the entity has no items that qualify for reporting as a deferred inflow of resources.

Compensated Absences

Policies regarding employee vacation and sick leave benefits do not meet the criteria, which would require accrual of a liability for future benefits.

Net Position

Net position is the residual of all elements presented in the Statement of Financial Position (i.e., assets + deferred outflows - liabilities - deferred inflows). Net investment in capital assets represents capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction, or improvement of those assets. Restricted net position represents restricted assets reduced by any related outstanding debt.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Events Occurring after Reporting Date

The commission has evaluated events and transactions that occurred between June 30, 2021, and the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

B. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure the commission's deposits may not be returned to it. The commission does not have a deposit or investment policy for custodial credit risk; however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under *TCA* Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2021, the carrying amount of the commission's deposits was \$135,084, and the bank balance was \$168,846. None of the commission's bank balance was exposed to custodial credit risk as uninsured or uncollateralized due to the fact that all of its deposits and investments are in a financial institution that is a participant in the State of Tennessee collateral pool.

Investments

The commission had no investments at year-end.

C. Capital Assets

Capital asset activity for the year ended June 30, 2021, follows:

	Balance 7-1-20	Additions	Balance 6-30-21
Business-type Activities:			
Capital Assets Depreciated:			
Mobile Home	\$ 52,148	\$ 0	\$ 52,148
Bathhouse	116,564	0	116,564
Land Improvements	98,147	0	98,147
Equipment	64,496	0	64,496
Picnic Pavilion	65,686	0	65,686
Total Assets	\$ 397,041	\$ 0	\$ 397,041
Less Accumulated Depreciation for:			
Mobile Home	\$ 3,911	\$ 2,608	\$ 6,519
Bathhouse	26,011	9,669	35,680
Land Improvements	67,328	3,977	71,305
Equipment	46,605	6,748	53,353
Picnic Pavilion	10,511	3,847	14,358
Total Accumulated Depreciation	\$ 154,366	\$ 26,849	\$ 181,215
Net Capital Assets	\$ 242,675	\$ (26,849)	\$ 215,826

D. Land Use

The Marion County Park is located on land owned by the Tennessee Valley Authority (TVA). TVA permits Marion County to use the park land at no charge.

E. Wages

The managers of the park are compensated by the general government of Marion County. During the year ended June 30, 2021, the commission reimbursed the county \$27,706 relating to the salaries, payroll taxes and workers compensation insurance. Additionally, the manager is permitted to live in the mobile home rent free, including utilities.

F. Compliance with Finance Related Legal and Contractual Provisions

The commission has no material violations of finance related to legal and contractual provisions.

G. Contingent Liabilities

As of June 30, 2021, the commission does not have any material contingent liabilities that would have a material effect on the commission's financial condition.

H. Litigation

The commission is not currently involved in any litigation.

I. Commercial Insurance

It is the policy of the commission to purchase commercial insurance or to be covered under the entire Marion County Government for the risks of losses to which it is exposed. The risks include general liability, property and casualty, worker's compensation, employee fidelity, and directors' and officers' liability. The commission reimburses Marion County for the cost of insurance.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Marion County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$ 766,971	\$ 752,309	\$ 787,075	\$ 818,011	\$ 905,238	\$ 955,882	\$ 996,845
Interest	1,832,858	1,941,251	2,054,385	2,160,673	2,258,565	2,385,378	2,523,622
Differences Between Actual and Expected Experience	(37,596)	(72,712)	(228,892)	(86,350)	29,000	57,772	(401,673)
Changes in Assumptions	0	0	0	786,720	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,073,082)	(1,131,572)	(1,162,760)	(1,289,908)	(1,555,358)	(1,433,247)	(1,633,100)
Net Change in Total Pension Liability	\$ 1,489,151	\$ 1,489,276	\$ 1,449,808	\$ 2,389,146	\$ 1,637,445	\$ 1,965,785	\$ 1,485,694
Total Pension Liability, Beginning	24,207,676	25,696,827	27,186,103	28,635,911	31,025,057	32,662,502	34,628,287
Total Pension Liability, Ending (a)	\$ 25,696,827	\$ 27,186,103	\$ 28,635,911	\$ 31,025,057	\$ 32,662,502	\$ 34,628,287	\$ 36,113,981
Plan Fiduciary Net Position							
Contributions - Employer	\$ 581,841	\$ 601,407	\$ 611,505	\$ 649,560	\$ 701,746	\$ 725,353	\$ 753,154
Contributions - Employee	465,460	451,664	459,052	487,916	511,863	529,962	549,358
Net Investment Income	3,782,091	819,239	725,465	3,161,152	2,552,131	2,457,938	1,745,246
Benefit Payments, Including Refunds of Employee Contributions	(1,073,082)	(1,131,572)	(1,162,760)	(1,289,908)	(1,555,358)	(1,433,247)	(1,633,100)
Administrative Expense	(12,205)	(15,587)	(22,153)	(26,408)	(28,907)	(27,790)	(28,621)
Net Change in Plan Fiduciary Net Position	\$ 3,744,105	\$ 725,151	\$ 611,109	\$ 2,982,312	\$ 2,181,475	\$ 2,252,216	\$ 1,386,037
Plan Fiduciary Net Position, Beginning	22,869,034	26,613,139	27,338,290	27,949,399	30,931,711	33,113,186	35,365,402
Plan Fiduciary Net Position, Ending (b)	\$ 26,613,139	\$ 27,338,290	\$ 27,949,399	\$ 30,931,711	\$ 33,113,186	\$ 35,365,402	\$ 36,751,439
Net Pension Liability (Asset), Ending (a - b)	\$ (916,312)	\$ (152,187)	\$ 686,512	\$ 93,346	\$ (450,684)	\$ (737,115)	\$ (637,458)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.57%	100.56%	97.60%	99.70%	101.38%	102.13%	101.77%
Covered Payroll	\$ 8,937,781	\$ 9,028,233	\$ 9,181,418	\$ 9,753,157	\$ 10,086,009	\$ 10,573,650	\$ 10,978,897
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.25%)	(1.69%)	7.48%	0.96%	(4.47%)	(6.97%)	(5.81%)

Note 1: Ten years of data will be presented when available.

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees if the primary government and non-certified employees of the discretely presented school department.

Exhibit F-2

Marion County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 581,841	\$ 601,407	\$ 611,505	\$ 649,560	\$ 701,746	\$ 725,353	\$ 651,050	\$ 720,182
Less Contributions in Relation to the Actuarially Determined Contribution	(581,841)	(601,407)	(611,505)	(649,560)	(701,746)	(725,353)	(753,154)	(720,182)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(102,104)	\$ 0
Covered Payroll	\$ 8,937,781	\$ 9,028,233	\$ 9,181,418	\$ 9,753,157	\$ 10,086,009	\$ 10,573,650	\$ 10,978,897	\$ 10,475,236
Contributions as a Percentage of Covered Payroll	6.51%	6.66%	6.66%	6.66%	6.96%	6.86%	6.86%	6.88%

Note 1: Ten years of data will be presented when available.

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees if the primary government and non-certified employees of the discretely presented school department.

Exhibit F-3

Marion County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Marion County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 23,373	\$ 37,708	\$ 57,654	\$ 70,939	\$ 44,421	\$ 55,706	\$ 60,436
Less Contributions in Relation to the Contractually Required Contribution	(23,373)	(37,708)	(57,654)	(70,939)	(44,421)	(55,706)	(60,436)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 584,315	\$ 942,703	\$ 1,441,355	\$ 1,773,467	\$ 2,289,727	\$ 2,744,102	\$ 2,991,866
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

Note 1: Ten years of data will be presented when available.

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

Exhibit F-4

Marion County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Marion County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 1,361,307	\$ 1,311,722	\$ 1,290,031	\$ 1,271,709	\$ 1,282,612	\$ 1,436,392	\$ 1,425,267	\$ 1,344,701
Less Contributions in Relation to the Contractually Required Contribution	(1,361,307)	(1,311,722)	(1,290,031)	(1,271,709)	(1,282,612)	(1,436,392)	(1,425,267)	(1,344,701)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 15,330,020	\$ 14,510,210	\$ 14,270,258	\$ 14,067,577	\$ 14,125,683	\$ 13,732,244	\$ 13,407,982	\$ 13,096,424
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

Note: Ten years of data will be presented when available.

Exhibit F-5

Marion County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Marion County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.275422%	0.214248%	0.219605%	0.202942%	0.216379%	0.217456%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,314)	\$ (22,304)	\$ (57,940)	\$ (92,040)	\$ (122,143)	\$ (123,655)
Covered Payroll	\$ 584,315	\$ 942,703	\$ 1,441,355	\$ 1,773,467	\$ 2,289,727	\$ 2,744,102
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)	(4.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

Note: Ten years of data will be presented when available.

Exhibit F-6

Marion County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Marion County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.390575%	0.387610%	0.395320%	0.397957%	0.403398%	0.409533%	0.402852%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (63,467)	\$ 158,778	\$ 2,470,530	\$ (130,206)	\$ (1,419,523)	\$ (4,210,740)	\$ (3,072,047)
Covered Payroll	\$ 15,330,037	\$ 14,510,210	\$ 14,270,258	\$ 14,067,577	\$ 14,125,683	\$ 13,732,244	\$ 13,407,982
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.91%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

Note: Ten years of data will be presented when available.

Marion County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans
Primary Government
For the Fiscal Year Ended June 30

Marion County Plan

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 19,909	\$ 19,438	\$ 22,162	\$ 25,065
Interest	6,771	8,711	9,033	9,611
Differences Between Actual and Expected Experience	0	(37,646)	(17,621)	35,047
Changes in Assumptions or Other Inputs	(12,431)	13,278	14,339	25,801
Benefit Payments	0	(1,923)	(1,406)	(11,771)
Net Change in Total OPEB Liability	\$ 14,249	\$ 1,858	\$ 26,507	\$ 83,753
Total OPEB Liability, Beginning	211,967	226,216	228,074	254,581
Total OPEB Liability, Ending	<u>\$ 226,216</u>	<u>\$ 228,074</u>	<u>\$ 254,581</u>	<u>\$ 338,334</u>
Covered Employee Payroll	\$ 4,590,400	\$ 4,893,419	\$ 4,886,658	\$ 5,128,636
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.93%	4.66%	5.21%	6.60%

Highway Department Plan

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 5,721	\$ 5,411	\$ 6,727	\$ 8,199
Interest	1,945	2,479	2,719	2,362
Differences Between Actual and Expected Experience	0	(7,725)	(20,127)	(5,010)
Changes in Assumptions or Other Inputs	(3,608)	5,454	2,491	8,559
Benefit Payments	0	(1,412)	(1,527)	(654)
Net Change in Total OPEB Liability	\$ 4,058	\$ 4,207	\$ (9,717)	\$ 13,456
Total OPEB Liability, Beginning	60,881	64,939	69,146	59,429
Total OPEB Liability, Ending	<u>\$ 64,939</u>	<u>\$ 69,146</u>	<u>\$ 59,429</u>	<u>\$ 72,885</u>
Covered Employee Payroll	\$ 988,686	\$ 1,059,611	\$ 1,180,878	\$ 1,228,907
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.57%	6.53%	5.03%	5.93%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Marion County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Marion County School Department
For the Fiscal Year Ended June 30

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 263,146	\$ 243,395	\$ 219,129	\$ 213,591
Interest	138,598	164,224	135,456	147,871
Differences Between Actual and Expected Experience	0	(1,119,453)	663,958	(59,239)
Changes in Assumptions or Other Inputs	(207,554)	146,166	(329,677)	539,854
Benefit Payments	(297,066)	(318,772)	(245,890)	(178,153)
Net Change in Total OPEB Liability	\$ (102,876)	\$ (884,440)	\$ 442,976	\$ 663,924
Total OPEB Liability, Beginning	4,631,907	4,529,031	3,644,591	4,087,567
 Total OPEB Liability, Ending	 \$ 4,529,031	 \$ 3,644,591	 \$ 4,087,567	 \$ 4,751,491
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 1,572,792	 \$ 1,222,093	 \$ 1,436,207	 \$ 1,575,940
Employer Proportionate Share of the Total OPEB Liability	2,956,239	2,422,498	2,651,360	3,175,551
 Covered Employee Payroll	 \$ 18,435,435	 \$ 19,972,929	 \$ 20,287,586	 \$ 20,205,983
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.57%	18.25%	20.15%	23.52%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

MARION COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the July 1, 2019, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Marion County that is subsequently contributed to the discretely presented Marion County School Department. This fund is also used to account for revenues collected as lease payments on county-owned buildings to be used for future capital outlays.

Exhibit G-1

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 138,501	\$ 138,501	\$ 0
Equity in Pooled Cash and Investments	17,784	629,506	246,310	0	893,600	2,053,116
Accounts Receivable	0	0	0	131	131	0
Due from Other Governments	0	149,831	0	0	149,831	0
Property Taxes Receivable	0	0	0	0	0	702,144
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(28,829)
Total Assets	<u>\$ 17,784</u>	<u>\$ 779,337</u>	<u>\$ 246,310</u>	<u>\$ 138,632</u>	<u>\$ 1,182,063</u>	<u>\$ 2,726,431</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 31,370	\$ 0	\$ 0	\$ 31,370	\$ 0
Due to Other Funds	0	113	0	7,773	7,886	0
Due to Litigants, Heirs, and Others	0	0	27,357	0	27,357	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 31,483</u>	<u>\$ 27,357</u>	<u>\$ 7,773</u>	<u>\$ 66,613</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 652,813
Deferred Delinquent Property Taxes	0	0	0	0	0	18,735
Other Deferred/Unavailable Revenue	0	75,000	0	0	75,000	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 75,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,000</u>	<u>\$ 671,548</u>

(Continued)

Exhibit G-1

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Debt Service
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 17,784	\$ 0	\$ 0	\$ 0	\$ 17,784	\$ 0
Restricted for Finance	0	0	0	130,859	130,859	0
Restricted for Public Safety	0	0	218,953	0	218,953	0
Restricted for Public Health and Welfare	0	672,854	0	0	672,854	0
Restricted for Debt Service	0	0	0	0	0	2,054,883
Committed:						
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	\$ 17,784	\$ 672,854	\$ 218,953	\$ 130,859	\$ 1,040,450	\$ 2,054,883
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,784	\$ 779,337	\$ 246,310	\$ 138,632	\$ 1,182,063	\$ 2,726,431

(Continued)

Exhibit G-1

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 138,501
Equity in Pooled Cash and Investments	1,409,595	4,356,311
Accounts Receivable	0	131
Due from Other Governments	0	149,831
Property Taxes Receivable	0	702,144
Allowance for Uncollectible Property Taxes	0	(28,829)
Total Assets	<u>\$ 1,409,595</u>	<u>\$ 5,318,089</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 31,370
Due to Other Funds	0	7,886
Due to Litigants, Heirs, and Others	0	27,357
Total Liabilities	<u>\$ 0</u>	<u>\$ 66,613</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 652,813
Deferred Delinquent Property Taxes	0	18,735
Other Deferred/Unavailable Revenue	0	75,000
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 746,548</u>

(Continued)

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital</u> <u>Projects Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	
	Education	Capital	Projects	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$	0	\$	17,784
Restricted for Finance		0		130,859
Restricted for Public Safety		0		218,953
Restricted for Public Health and Welfare		0		672,854
Restricted for Debt Service		0		2,054,883
Committed:				
Committed for Capital Projects		1,409,595		1,409,595
Total Fund Balances	\$	1,409,595	\$	4,504,928
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,409,595	\$	5,318,089

Exhibit G-2

Marion County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Revenues</u>						
Local Taxes	\$ 6,561	\$ 779,738	\$ 0	\$ 0	\$ 786,299	\$ 687,777
Fines, Forfeitures, and Penalties	0	0	10,099	0	10,099	0
Charges for Current Services	0	53,756	0	529,007	582,763	0
Other Local Revenues	0	3,008	0	0	3,008	0
State of Tennessee	0	170,752	0	0	170,752	0
Federal Government	0	0	509	0	509	0
Total Revenues	\$ 6,561	\$ 1,007,254	\$ 10,608	\$ 529,007	\$ 1,553,430	\$ 687,777
<u>Expenditures</u>						
Current:						
General Government	\$ 2,480	\$ 0	\$ 0	\$ 0	\$ 2,480	\$ 0
Finance	0	0	0	505,785	505,785	0
Administration of Justice	0	0	0	672	672	0
Public Safety	0	0	122,291	0	122,291	0
Public Health and Welfare	0	658,301	0	0	658,301	0
Other Operations	66	9,826	101	0	9,993	13,558
Debt Service:						
Principal on Debt	0	0	0	0	0	435,000
Interest on Debt	0	0	0	0	0	113,281
Other Debt Service	0	0	0	0	0	348
Total Expenditures	\$ 2,546	\$ 668,127	\$ 122,392	\$ 506,457	\$ 1,299,522	\$ 562,187

(Continued)

Exhibit G-2

Marion County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,015	\$ 339,127	\$ (111,784)	\$ 22,550	\$ 253,908	\$ 125,590
Net Change in Fund Balances	\$ 4,015	\$ 339,127	\$ (111,784)	\$ 22,550	\$ 253,908	\$ 125,590
Fund Balance, July 1, 2020	13,769	333,727	330,737	108,309	786,542	1,929,293
Fund Balance, June 30, 2021	\$ 17,784	\$ 672,854	\$ 218,953	\$ 130,859	\$ 1,040,450	\$ 2,054,883

(Continued)

Exhibit G-2

Marion County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital</u> <u>Projects Fund</u>		Total Nonmajor Governmental Funds
	Education Capital Projects		
<u>Revenues</u>			
Local Taxes	\$	0	\$ 1,474,076
Fines, Forfeitures, and Penalties		0	10,099
Charges for Current Services		0	582,763
Other Local Revenues		223,338	226,346
State of Tennessee		0	170,752
Federal Government		0	509
Total Revenues	\$	223,338	\$ 2,464,545
<u>Expenditures</u>			
Current:			
General Government	\$	0	\$ 2,480
Finance		0	505,785
Administration of Justice		0	672
Public Safety		0	122,291
Public Health and Welfare		0	658,301
Other Operations		2,233	25,784
Debt Service:			
Principal on Debt		0	435,000
Interest on Debt		0	113,281
Other Debt Service		0	348
Total Expenditures	\$	2,233	\$ 1,863,942

(Continued)

Exhibit G-2

Marion County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>		Total Nonmajor Governmental Funds	
	Education Capital Projects			
Excess (Deficiency) of Revenues Over Expenditures	\$	221,105	\$	600,603
Net Change in Fund Balances	\$	221,105	\$	600,603
Fund Balance, July 1, 2020		1,188,490		3,904,325
Fund Balance, June 30, 2021	\$	1,409,595	\$	4,504,928

Exhibit G-3

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,561	\$ 8,000	\$ 8,000	\$ (1,439)
Total Revenues	<u>\$ 6,561</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ (1,439)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 2,480	\$ 14,000	\$ 14,000	\$ 11,520
<u>Other Operations</u>				
Other Charges	66	100	100	34
Total Expenditures	<u>\$ 2,546</u>	<u>\$ 14,100</u>	<u>\$ 14,100</u>	<u>\$ 11,554</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,015</u>	<u>\$ (6,100)</u>	<u>\$ (6,100)</u>	<u>\$ 10,115</u>
Net Change in Fund Balance	\$ 4,015	\$ (6,100)	\$ (6,100)	\$ 10,115
Fund Balance, July 1, 2020	<u>13,769</u>	<u>12,898</u>	<u>12,898</u>	<u>871</u>
Fund Balance, June 30, 2021	<u><u>\$ 17,784</u></u>	<u><u>\$ 6,798</u></u>	<u><u>\$ 6,798</u></u>	<u><u>\$ 10,986</u></u>

Exhibit G-4

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 779,738	\$ 315,000	\$ 315,000	\$ 464,738
Charges for Current Services	53,756	47,000	47,000	6,756
Other Local Revenues	3,008	0	0	3,008
State of Tennessee	170,752	150,000	150,000	20,752
Total Revenues	<u>\$ 1,007,254</u>	<u>\$ 512,000</u>	<u>\$ 512,000</u>	<u>\$ 495,254</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 658,301	\$ 764,539	\$ 767,289	\$ 108,988
<u>Other Operations</u>				
Other Charges	9,826	6,000	11,000	1,174
Total Expenditures	<u>\$ 668,127</u>	<u>\$ 770,539</u>	<u>\$ 778,289</u>	<u>\$ 110,162</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 339,127</u>	<u>\$ (258,539)</u>	<u>\$ (266,289)</u>	<u>\$ 605,416</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 225,000	\$ 225,000	\$ (225,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ (225,000)</u>
Net Change in Fund Balance	\$ 339,127	\$ (33,539)	\$ (41,289)	\$ 380,416
Fund Balance, July 1, 2020	<u>333,727</u>	<u>216,708</u>	<u>216,708</u>	<u>117,019</u>
Fund Balance, June 30, 2021	<u><u>\$ 672,854</u></u>	<u><u>\$ 183,169</u></u>	<u><u>\$ 175,419</u></u>	<u><u>\$ 497,435</u></u>

Exhibit G-5

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 10,099	\$ 14,000	\$ 14,000	\$ (3,901)
Federal Government	509	0	0	509
Total Revenues	<u>\$ 10,608</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ (3,392)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 122,291	\$ 139,550	\$ 171,700	\$ 49,409
<u>Other Operations</u>				
Other Charges	101	0	200	99
Total Expenditures	<u>\$ 122,392</u>	<u>\$ 139,550</u>	<u>\$ 171,900</u>	<u>\$ 49,508</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (111,784)</u>	<u>\$ (125,550)</u>	<u>\$ (157,900)</u>	<u>\$ 46,116</u>
Net Change in Fund Balance	\$ (111,784)	\$ (125,550)	\$ (157,900)	\$ 46,116
Fund Balance, July 1, 2020	<u>330,737</u>	<u>180,922</u>	<u>180,922</u>	<u>149,815</u>
Fund Balance, June 30, 2021	<u><u>\$ 218,953</u></u>	<u><u>\$ 55,372</u></u>	<u><u>\$ 23,022</u></u>	<u><u>\$ 195,931</u></u>

Exhibit G-6

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 687,777	\$ 657,498	\$ 657,498	\$ 30,279
Total Revenues	<u>\$ 687,777</u>	<u>\$ 657,498</u>	<u>\$ 657,498</u>	<u>\$ 30,279</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 13,558	\$ 15,000	\$ 15,000	\$ 1,442
<u>Principal on Debt</u>				
General Government	435,000	435,000	435,000	0
<u>Interest on Debt</u>				
General Government	113,281	113,282	113,282	1
<u>Other Debt Service</u>				
General Government	348	1,000	1,000	652
Total Expenditures	<u>\$ 562,187</u>	<u>\$ 564,282</u>	<u>\$ 564,282</u>	<u>\$ 2,095</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 125,590</u>	<u>\$ 93,216</u>	<u>\$ 93,216</u>	<u>\$ 32,374</u>
Net Change in Fund Balance	\$ 125,590	\$ 93,216	\$ 93,216	\$ 32,374
Fund Balance, July 1, 2020	<u>1,929,293</u>	<u>1,913,808</u>	<u>1,913,808</u>	<u>15,485</u>
Fund Balance, June 30, 2021	<u><u>\$ 2,054,883</u></u>	<u><u>\$ 2,007,024</u></u>	<u><u>\$ 2,007,024</u></u>	<u><u>\$ 47,859</u></u>

Major Governmental Funds

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for the construction and renovation of the county's rural schools.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the contribution to the primary government of, education related long-term debt principal, interest, and related costs.

Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for various capital outlays of the county.

Exhibit H-1

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,532,794	\$ 1,466,177	\$ 1,466,177	\$ 66,617
Other Governments and Citizens Groups	733,349	774,868	774,868	(41,519)
Total Revenues	\$ 2,266,143	\$ 2,241,045	\$ 2,241,045	\$ 25,098
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,250,000	\$ 1,285,000	\$ 1,285,000	\$ 35,000
<u>Interest on Debt</u>				
Education	236,918	236,100	236,950	32
<u>Other Debt Service</u>				
Education	96,302	36,500	101,683	5,381
Total Expenditures	\$ 1,583,220	\$ 1,557,600	\$ 1,623,633	\$ 40,413
Excess (Deficiency) of Revenues Over Expenditures	\$ 682,923	\$ 683,445	\$ 617,412	\$ 65,511
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 4,315,000	\$ 0	\$ 4,219,300	\$ 95,700
Premiums on Debt Sold	444,835	0	444,835	0
Discounts on Debt Issued	(7,137)	0	(7,137)	0
Payments to Refunded Debt Escrow Agent	(4,687,515)	0	(4,687,515)	0
Total Other Financing Sources	\$ 65,183	\$ 0	\$ (30,517)	\$ 95,700
Net Change in Fund Balance	\$ 748,106	\$ 683,445	\$ 586,895	\$ 161,211
Fund Balance, July 1, 2020	7,331,908	7,297,150	7,297,150	34,758
Fund Balance, June 30, 2021	\$ 8,080,014	\$ 7,980,595	\$ 7,884,045	\$ 195,969

Exhibit H-2

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,298,951	\$ 1,500,000	\$ 1,500,000	\$ 798,951
Other Local Revenues	21,732	11,000	11,000	10,732
Other Governments and Citizens Groups	50,811	0	50,811	0
Total Revenues	<u>\$ 2,371,494</u>	<u>\$ 1,511,000</u>	<u>\$ 1,561,811</u>	<u>\$ 809,683</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 22,854	\$ 18,000	\$ 22,000	\$ (854)
<u>Principal on Debt</u>				
Education	853,666	805,000	853,666	0
<u>Interest on Debt</u>				
Education	405,426	201,641	405,427	1
Total Expenditures	<u>\$ 1,281,946</u>	<u>\$ 1,024,641</u>	<u>\$ 1,281,093</u>	<u>\$ (853)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,089,548</u>	<u>\$ 486,359</u>	<u>\$ 280,718</u>	<u>\$ 808,830</u>
Net Change in Fund Balance	\$ 1,089,548	\$ 486,359	\$ 280,718	\$ 808,830
Fund Balance, July 1, 2020	<u>4,572,797</u>	<u>4,224,221</u>	<u>4,224,221</u>	<u>348,576</u>
Fund Balance, June 30, 2021	<u><u>\$ 5,662,345</u></u>	<u><u>\$ 4,710,580</u></u>	<u><u>\$ 4,504,939</u></u>	<u><u>\$ 1,157,406</u></u>

Exhibit H-3

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,143,744	\$ 1,065,340	\$ 1,065,340	\$ 78,404
State of Tennessee	0	38,566	25,538	(25,538)
Federal Government	13,028	0	13,028	0
Total Revenues	<u>\$ 1,156,772</u>	<u>\$ 1,103,906</u>	<u>\$ 1,103,906</u>	<u>\$ 52,866</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 220,490	\$ 33,447	\$ 533,447	\$ 312,957
<u>Other Operations</u>				
Other Economic and Community Development	84,724	6,809	88,809	4,085
Other Charges	22,549	22,000	24,500	1,951
Total Expenditures	<u>\$ 327,763</u>	<u>\$ 62,256</u>	<u>\$ 646,756</u>	<u>\$ 318,993</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 829,009</u>	<u>\$ 1,041,650</u>	<u>\$ 457,150</u>	<u>\$ 371,859</u>
Net Change in Fund Balance	\$ 829,009	\$ 1,041,650	\$ 457,150	\$ 371,859
Fund Balance, July 1, 2020	<u>7,697,833</u>	<u>7,632,162</u>	<u>7,632,162</u>	<u>65,671</u>
Fund Balance, June 30, 2021	<u><u>\$ 8,526,842</u></u>	<u><u>\$ 8,673,812</u></u>	<u><u>\$ 8,089,312</u></u>	<u><u>\$ 437,530</u></u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the state of Tennessee and forwarded to the various cities on a monthly basis.

Special School District Fund – The Special School District Fund is used to account for property taxes levied on residents of Richard City. These property taxes are remitted to the Richard City Schools on a monthly basis.

City School ADA – Richard City Fund – The City School ADA – Richard City Fund is used to account for the Richard City School System’s share of education revenues collected by the county, which must be apportioned between the school systems on an average daily attendance basis. These collections are remitted to the Richard City Schools on a monthly basis.

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

Exhibit I-1

Marion County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

Custodial Funds						
	Cities - Sales Tax	Special School District	City School ADA - Richard City	Constitu - tional Officers - Custodial	Judicial District Drug	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 841,137	\$ 0	\$ 841,137
Equity in Pooled Cash and Investments	0	200	28,532	0	170,567	199,299
Accounts Receivable	0	0	238	4,096	0	4,334
Due from Other Governments	837,870	0	49,812	0	0	887,682
Due from Other Funds	0	0	0	0	113	113
Property Taxes Receivable	0	33,809	306,936	0	0	340,745
Allowance for Uncollectible Property Taxes	0	(1,122)	(12,602)	0	0	(13,724)
Total Assets	\$ 837,870	\$ 32,887	\$ 372,916	\$ 845,233	\$ 170,680	\$ 2,259,586
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 922	\$ 922
Due to Other Taxing Units	837,870	32,887	79,356	0	0	950,113
Total Liabilities	\$ 837,870	\$ 32,887	\$ 79,356	\$ 0	\$ 922	\$ 951,035

(Continued)

Marion County, Tennessee
Combining Statement of Net Position
Custodial Funds (Cont.)

	Custodial Funds					
	Cities - Sales Tax	Special School District	City School ADA - Richard City	Constitu - tional Officers - Custodial	Judicial District Drug	Total
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 285,373	\$ 0	\$ 0	\$ 285,373
Deferred Delinquent Property Taxes	0	0	8,187	0	0	8,187
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 293,560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 293,560</u>
<u>NET POSITION</u>						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 845,233	\$ 169,758	\$ 1,014,991
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 845,233</u>	<u>\$ 169,758</u>	<u>\$ 1,014,991</u>

Exhibit I-2

Marion County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds					
	Cities - Sales Tax	Special School District	City School ADA - Richard City	Constitu - tional Officers - Custodial	Judicial District Drug	Total
<u>Additions</u>						
Sales Tax Collections for Other Governments	\$ 4,443,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,443,430
ADA - Educational Funds Collected for Cities	0	18,913	571,631	0	0	590,544
Fines/Fees and Other Collections	0	0	0	6,686,631	0	6,686,631
Drug Task Force Collections	0	0	0	0	349,313	349,313
Total Additions	\$ 4,443,430	\$ 18,913	\$ 571,631	\$ 6,686,631	\$ 349,313	\$ 12,069,918
<u>Deductions</u>						
Payment of Sales Tax Collections for Other Governments	\$ 4,443,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,443,430
Payments to City School Systems	0	19,100	609,040	0	0	628,140
Payments to State	0	0	0	4,732,731	0	4,732,731
Payments to County/City	0	0	0	780,919	0	780,919
Payments to Individuals and Others	0	0	0	1,243,770	0	1,243,770
Payment of Drug Task Force Expenses	0	0	0	0	363,641	363,641
Total Deductions	\$ 4,443,430	\$ 19,100	\$ 609,040	\$ 6,757,420	\$ 363,641	\$ 12,192,631
Change in Net Position	\$ 0	\$ (187)	\$ (37,409)	\$ (70,789)	\$ (14,328)	\$ (122,713)
Net Position July 1, 2020	0	0	0	0	0	0
Restatement - See Note I.D.10	0	187	37,409	916,022	184,086	1,137,704
Net Position June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 845,233	\$ 169,758	\$ 1,014,991

Marion County School Department

This section presents combining and individual fund financial statements for the Marion County School Department, a discretely presented component unit. The school department uses a General Fund, three Special Revenue Funds, and one Private Purpose Trust Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for two scholarships. One is for graduates of the Whitwell Middle School who become graduates of the Whitwell High School, and one is for graduating seniors planning to major in education.

Exhibit J-1

Marion County, Tennessee
Statement of Activities
Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 22,994,632	\$ 21,839	\$ 2,715,527	\$ 10,000	\$ (20,247,266)
Support Services	12,004,797	0	2,542,143	0	(9,462,654)
Operation of Non-instructional Services	4,711,532	53,116	3,671,368	0	(987,048)
Interest on Long-term Debt	2,145	0	0	0	(2,145)
Total Governmental Activities	<u>\$ 39,713,106</u>	<u>\$ 74,955</u>	<u>\$ 8,929,038</u>	<u>\$ 10,000</u>	<u>\$ (30,699,113)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,639,626
Local Option Sales Taxes					4,974,357
Hotel/Motel Tax					38,653
Wholesale Beer Tax					109,066
Mixed Drink Tax					14,419
Grants and Contributions Not Restricted to Specific Programs					22,827,183
Unrestricted Investment Earnings					42,868
Miscellaneous					205,833
Total General Revenues					<u>\$ 33,852,005</u>
Change in Net Position					\$ 3,152,892
Net Position, July 1, 2020					42,870,670
Restatement - See Note I.D.10					<u>855,486</u>
Net Position, June 30, 2021					<u><u>\$ 46,879,048</u></u>

Exhibit J-2

Marion County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Marion County School Department
 June 30, 2021

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,448	\$ 893,786	\$ 895,234
Equity in Pooled Cash and Investments	7,567,938	50,000	2,806,887	0	10,424,825
Inventories	0	0	111,430	0	111,430
Accounts Receivable	2,619	0	0	0	2,619
Due from Other Governments	1,254,842	752,681	125,398	0	2,132,921
Due from Other Funds	653,324	0	7,536	0	660,860
Due from Primary Government	108,969	0	0	0	108,969
Property Taxes Receivable	5,825,284	0	0	0	5,825,284
Allowance for Uncollectible Property Taxes	(239,170)	0	0	0	(239,170)
Restricted Assets	196,573	0	0	0	196,573
Total Assets	<u>\$ 15,370,379</u>	<u>\$ 802,681</u>	<u>\$ 3,052,699</u>	<u>\$ 893,786</u>	<u>\$ 20,119,545</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 288,420	\$ 0	\$ 5,096	\$ 0	\$ 293,516
Accrued Payroll	319,245	99,357	0	0	418,602
Due to Other Funds	7,536	653,324	0	0	660,860
Total Liabilities	<u>\$ 615,201</u>	<u>\$ 752,681</u>	<u>\$ 5,096</u>	<u>\$ 0</u>	<u>\$ 1,372,978</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,416,039	\$ 0	\$ 0	\$ 0	\$ 5,416,039
Deferred Delinquent Property Taxes	155,423	0	0	0	155,423
Other Deferred/Unavailable Revenue	463,954	0	0	0	463,954
Total Deferred Inflows of Resources	<u>\$ 6,035,416</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,035,416</u>

(Continued)

Marion County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Marion County School Department (Cont.)

	Major Funds			Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 111,430	\$ 0	\$ 111,430
Restricted:					
Restricted for Education	45,558	0	2,936,173	893,786	3,875,517
Restricted for Instruction	1,447	0	0	0	1,447
Restricted for Hybrid Retirement Stabilization Funds	196,573	0	0	0	196,573
Committed:					
Committed for Education	0	50,000	0	0	50,000
Assigned:					
Assigned for Capital Outlay	171,885	0	0	0	171,885
Unassigned	8,304,299	0	0	0	8,304,299
Total Fund Balances	<u>\$ 8,719,762</u>	<u>\$ 50,000</u>	<u>\$ 3,047,603</u>	<u>\$ 893,786</u>	<u>\$ 12,711,151</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,370,379</u>	<u>\$ 802,681</u>	<u>\$ 3,052,699</u>	<u>\$ 893,786</u>	<u>\$ 20,119,545</u>

Exhibit J-3

Marion County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Marion County School Department
June 30, 2021

Amounts reported for governmental activities in the statement
of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 12,711,151
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,118,836	
Add: buildings and improvements net of accumulated depreciation	30,363,707	
Add: other capital assets net of accumulated depreciation	<u>433,055</u>	31,915,598
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due to primary government for capital leases	\$ (99,414)	
Less: OPEB liability	<u>(3,175,551)</u>	(3,274,965)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 3,018,387	
Less: deferred inflows of resources related to pensions	(1,653,963)	
Add: deferred outflows of resources related to OPEB	964,797	
Less: deferred inflows of resources related to OPEB	<u>(874,824)</u>	1,454,397
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 257,788	
Add: net pension asset - teacher retirement plan	123,655	
Add: net pension asset - teacher legacy pension plan	<u>3,072,047</u>	3,453,490
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>619,377</u>
Net position of governmental activities (Exhibit A)		<u>\$ 46,879,048</u>

Exhibit J-4

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 10,785,268	\$ 0	\$ 0	\$ 0	\$ 10,785,268
Licenses and Permits	1,882	0	0	0	1,882
Charges for Current Services	22,424	0	51,531	0	73,955
Other Local Revenues	240,624	0	10,741	1,560,618	1,811,983
State of Tennessee	22,655,038	0	26,491	0	22,681,529
Federal Government	391,540	4,181,649	3,139,920	0	7,713,109
Total Revenues	\$ 34,096,776	\$ 4,181,649	\$ 3,228,683	\$ 1,560,618	\$ 43,067,726
<u>Expenditures</u>					
Current:					
Instruction	\$ 18,959,066	\$ 3,098,626	\$ 0	\$ 0	\$ 22,057,692
Support Services	11,228,152	906,467	0	0	12,134,619
Operation of Non-Instructional Services	507,366	0	2,688,719	1,522,318	4,718,403
Capital Outlay	237,300	46,726	0	0	284,026
Debt Service:					
Principal on Debt	15,038	0	0	0	15,038
Interest on Debt	2,145	0	0	0	2,145
Other Debt Service	733,349	0	0	0	733,349
Total Expenditures	\$ 31,682,416	\$ 4,051,819	\$ 2,688,719	\$ 1,522,318	\$ 39,945,272
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,414,360	\$ 129,830	\$ 539,964	\$ 38,300	\$ 3,122,454

(Continued)

Exhibit J-4

Marion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Marion County School Department (Cont.)

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 129,830	\$ 0	\$ 0	\$ 0	\$ 129,830
Transfers Out	0	(129,830)	0	0	(129,830)
Total Other Financing Sources (Uses)	<u>\$ 129,830</u>	<u>\$ (129,830)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 2,544,190	\$ 0	\$ 539,964	\$ 38,300	\$ 3,122,454
Restatement	0	0	0	855,486	855,486
Fund Balance, July 1, 2020	<u>6,175,572</u>	<u>50,000</u>	<u>2,507,639</u>	<u>0</u>	<u>8,733,211</u>
Fund Balance, June 30, 2021	<u>\$ 8,719,762</u>	<u>\$ 50,000</u>	<u>\$ 3,047,603</u>	<u>\$ 893,786</u>	<u>\$ 12,711,151</u>

Exhibit J-5

Marion County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 3,122,454
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 116,005	
Less: current-year depreciation expense	<u>(1,491,259)</u>	(1,375,254)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value on capital assets disposed		(7,165)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 619,377	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(602,379)</u>	16,998
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on capital leases to primary government		48,666
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent plan	\$ (36,248)	
Change in net pension asset - teacher retirement plan	1,512	
Change in net pension asset - teacher legacy pension plan	(1,138,693)	
Change in deferred outflows related to pensions	274,633	
Change in deferred inflows related to pensions	2,362,701	
Change in OPEB liability	(524,191)	
Change in deferred outflows related to OPEB	349,606	
Change in deferred inflows related to OPEB	<u>57,873</u>	<u>1,347,193</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,152,892</u>

Exhibit J-6

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Marion County School Department
General Purpose School Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,785,268	\$ 8,956,605	\$ 8,956,605	\$ 1,828,663
Licenses and Permits	1,882	2,289	2,289	(407)
Charges for Current Services	22,424	141,590	141,590	(119,166)
Other Local Revenues	240,624	85,000	270,180	(29,556)
State of Tennessee	22,655,038	22,513,079	22,800,629	(145,591)
Federal Government	391,540	194,340	504,358	(112,818)
Total Revenues	\$ 34,096,776	\$ 31,892,903	\$ 32,675,651	\$ 1,421,125
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 14,887,511	\$ 15,242,626	\$ 15,664,727	\$ 777,216
Special Education Program	2,505,204	2,700,481	2,736,097	230,893
Career and Technical Education Program	1,566,351	1,681,554	1,691,554	125,203
<u>Support Services</u>				
Attendance	151,030	119,110	155,519	4,489
Health Services	394,137	420,930	420,930	26,793
Other Student Support	736,849	798,734	812,034	75,185
Regular Instruction Program	1,052,964	1,132,020	1,129,020	76,056
Special Education Program	405,337	464,073	493,732	88,395
Career and Technical Education Program	47,499	62,710	62,710	15,211
Technology	482,366	588,546	588,546	106,180
Other Programs	112,985	0	112,985	0
Board of Education	521,626	723,873	733,873	212,247
Director of Schools	362,457	401,687	401,687	39,230
Office of the Principal	2,180,195	2,232,394	2,233,836	53,641
Fiscal Services	344,592	364,695	364,695	20,103
Human Services/Personnel	122,487	141,067	141,067	18,580
Operation of Plant	2,466,970	2,876,471	2,876,471	409,501
Maintenance of Plant	635,321	816,164	840,708	205,387
Transportation	1,211,337	1,278,506	1,324,089	112,752
<u>Operation of Non-Instructional Services</u>				
Community Services	134,236	274,596	318,700	184,464
Early Childhood Education	373,130	373,130	373,130	0
<u>Capital Outlay</u>				
Regular Capital Outlay	237,300	285,000	470,180	232,880
<u>Principal on Debt</u>				
Education	15,038	15,038	15,038	0
<u>Interest on Debt</u>				
Education	2,145	2,145	2,145	0
<u>Other Debt Service</u>				
Education	733,349	777,492	733,349	0
Total Expenditures	\$ 31,682,416	\$ 33,773,042	\$ 34,696,822	\$ 3,014,406
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,414,360	\$ (1,880,139)	\$ (2,021,171)	\$ 4,435,531

(Continued)

Exhibit J-6

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Marion County School Department
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 129,830	\$ 60,000	\$ 60,000	\$ 69,830
Total Other Financing Sources	\$ 129,830	\$ 60,000	\$ 60,000	\$ 69,830
Net Change in Fund Balance	\$ 2,544,190	\$ (1,820,139)	\$ (1,961,171)	\$ 4,505,361
Fund Balance, July 1, 2020	6,175,572	5,426,546	5,426,546	749,026
Fund Balance, June 30, 2021	\$ 8,719,762	\$ 3,606,407	\$ 3,465,375	\$ 5,254,387

Exhibit J-7

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Marion County School Department
School Federal Projects Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,181,649	\$ 3,563,356	\$ 7,689,891	\$ (3,508,242)
Total Revenues	\$ 4,181,649	\$ 3,563,356	\$ 7,689,891	\$ (3,508,242)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,477,806	\$ 1,531,864	\$ 3,466,420	\$ 988,614
Special Education Program	513,534	480,997	698,452	184,918
Career and Technical Education Program	107,286	104,561	107,286	0
<u>Support Services</u>				
Health Services	26,968	50,000	39,488	12,520
Other Student Support	126,988	237,528	266,661	139,673
Regular Instruction Program	256,740	321,043	424,756	168,016
Special Education Program	400,518	396,458	482,668	82,150
Technology	62,734	79,000	62,734	0
Transportation	32,519	54,178	83,843	51,324
<u>Capital Outlay</u>				
Regular Capital Outlay	46,726	0	1,773,756	1,727,030
Total Expenditures	\$ 4,051,819	\$ 3,255,629	\$ 7,406,064	\$ 3,354,245
Excess (Deficiency) of Revenues Over Expenditures	\$ 129,830	\$ 307,727	\$ 283,827	\$ (153,997)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (129,830)	\$ (307,727)	\$ (283,826)	\$ 153,996
Total Other Financing Sources	\$ (129,830)	\$ (307,727)	\$ (283,826)	\$ 153,996
Net Change in Fund Balance	\$ 0	\$ 0	\$ 1	\$ (1)
Fund Balance, July 1, 2020	50,000	0	0	50,000
Fund Balance, June 30, 2021	\$ 50,000	\$ 0	\$ 1	\$ 49,999

Exhibit J-8

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Marion County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 51,531	\$ 250,000	\$ 250,000	\$ (198,469)
Other Local Revenues	10,741	8,500	8,500	2,241
State of Tennessee	26,491	55,000	55,000	(28,509)
Federal Government	3,139,920	2,509,605	2,509,605	630,315
Total Revenues	<u>\$ 3,228,683</u>	<u>\$ 2,823,105</u>	<u>\$ 2,823,105</u>	<u>\$ 405,578</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,688,719	\$ 3,913,585	\$ 3,913,999	\$ 1,225,280
Total Expenditures	<u>\$ 2,688,719</u>	<u>\$ 3,913,585</u>	<u>\$ 3,913,999</u>	<u>\$ 1,225,280</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 539,964</u>	<u>\$ (1,090,480)</u>	<u>\$ (1,090,894)</u>	<u>\$ 1,630,858</u>
Net Change in Fund Balance	\$ 539,964	\$ (1,090,480)	\$ (1,090,894)	\$ 1,630,858
Fund Balance, July 1, 2020	<u>2,507,639</u>	<u>2,507,304</u>	<u>2,507,304</u>	<u>335</u>
Fund Balance, June 30, 2021	<u><u>\$ 3,047,603</u></u>	<u><u>\$ 1,416,824</u></u>	<u><u>\$ 1,416,410</u></u>	<u><u>\$ 1,631,193</u></u>

Exhibit J-9

Marion County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Marion County School Department
Fiduciary Fund
June 30, 2021

	Other Trust Fund
	Private Purpose Trust Fund
<u>ASSETS</u>	
Current Assets:	
Cash in Bank	\$ 286,219
Equity in Pooled Cash and Investments	21,257
Investments	<u>363,312</u>
Total Assets	<u>\$ 670,788</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 670,788</u>
Total Net Position	<u><u>\$ 670,788</u></u>

Marion County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Marion County School Department
Fiduciary Fund
For the Year Ended June 30, 2021

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MISCELLANEOUS SCHEDULES

Exhibit K-1

Marion County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation Bonds, Series 2010	\$ 3,675,000	2.5 to 4 %	3-31-10	4-1-30	\$ 1,800,000	\$ 0	\$ 200,000	\$ 0	\$ 1,600,000
General Obligation Refunding Bonds, 2015A Series	3,345,000	2 to 2.35	2-25-15	4-1-29	2,255,000	0	235,000	0	2,020,000
Total Payable through General Debt Service Fund					<u>\$ 4,055,000</u>	<u>\$ 0</u>	<u>\$ 435,000</u>	<u>\$ 0</u>	<u>\$ 3,620,000</u>
<u>Payable through Rural Debt Service Fund</u>									
Rural School Refunding Bonds, Series 2011	13,045,000	3 to 4.5	1-6-11	8-12-20	\$ 4,665,000	\$ 0	\$ 0	\$ 4,665,000	\$ 0
Rural School General Obligation Refunding Bonds, 2015 Series	1,805,000	2 to 4	2-25-15	4-1-25	975,000	0	180,000	0	795,000
Rural School General Obligation Refunding Bonds, 2020 Series	4,315,000	0.29	8-12-20	4-1-24	0	4,315,000	1,070,000	0	3,245,000
Total Payable through Rural Debt Service Fund					<u>\$ 5,640,000</u>	<u>\$ 4,315,000</u>	<u>\$ 1,250,000</u>	<u>\$ 4,665,000</u>	<u>\$ 4,040,000</u>
<u>Payable through Education Debt Service Fund</u>									
General Obligation Refunding Bonds, 2014 Series	15,485,000	2 to 5	10-15-14	6-1-31	\$ 12,140,000	\$ 0	\$ 805,000	\$ 0	\$ 11,335,000
Total Payable through Education Debt Service Fund					<u>\$ 12,140,000</u>	<u>\$ 0</u>	<u>\$ 805,000</u>	<u>\$ 0</u>	<u>\$ 11,335,000</u>
Total Bonds Payable					<u>\$ 21,835,000</u>	<u>\$ 4,315,000</u>	<u>\$ 2,490,000</u>	<u>\$ 4,665,000</u>	<u>\$ 18,995,000</u>
NOTES PAYABLE									
<u>Payable through General Fund</u>									
Jasper Public Works Project	(1) 377,000	1.94	12-20-12	4-1-23	\$ 120,000	\$ 0	\$ 40,000	\$ 0	\$ 80,000
Total Payable through General Fund					<u>\$ 120,000</u>	<u>\$ 0</u>	<u>\$ 40,000</u>	<u>\$ 0</u>	<u>\$ 80,000</u>
<u>Payable through Highway/Public Works Fund</u>									
Kenworth Dump Trucks	550,000	3.09	7-10-17	4-19-24	\$ 324,505	\$ 0	\$ 78,557	\$ 0	\$ 245,948
Gradall Excavator	295,000	2.23	6-15-21	6-15-26	0	295,000	0	0	295,000
Total Payable through Highway/Public Works Fund					<u>\$ 324,505</u>	<u>\$ 295,000</u>	<u>\$ 78,557</u>	<u>\$ 0</u>	<u>\$ 540,948</u>
Total Notes Payable					<u>\$ 444,505</u>	<u>\$ 295,000</u>	<u>\$ 118,557</u>	<u>\$ 0</u>	<u>\$ 620,948</u>

(Continued)

Exhibit K-1

Marion County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases (Cont.)

Description of Indebtedness		Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
<u>CAPITAL LEASES PAYABLE</u>											
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>											
Computers	\$	78,764	4.54	%	12-5-18	12-5-23	\$ 47,196	\$ 0	\$ 15,038	\$ 0	\$ 32,158
<u>Contributions Due by the School Department from the General Purpose School and School Federal Projects funds to the Education Debt Service Fund</u>											
Promethean Boards	(2)	168,140	0.00		5-3-19	5-3-23	100,884	0	33,628	0	67,256
<u>Payable through General Fund</u>											
Body-Worn Cameras		112,016	0.00		9-30-20	9-30-25	0	112,016	39,200	0	72,816
Total Capital Leases Payable							\$ 148,080	\$ 112,016	\$ 87,866	\$ 0	\$ 172,230

- (1) Marion County and the city of Jasper entered into an interlocal agreement with the express understanding and agreement that the city of Jasper would be responsible for repayment of all principal and interest due on the capital outlay note.
- (2) The school department intends to contribute approximately 14% from the General Purpose School Fund and 86% from the School Federal Projects Fund for retirement of this debt.

Exhibit K-2

Marion County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 2,545,000	\$ 663,512	\$ 3,208,512
2023	2,650,000	560,988	3,210,988
2024	2,770,000	440,038	3,210,038
2025	1,670,000	343,094	2,013,094
2026	1,505,000	297,756	1,802,756
2027	1,575,000	256,744	1,831,744
2028	1,670,000	210,525	1,880,525
2029	1,740,000	157,553	1,897,553
2030	1,530,000	101,700	1,631,700
2031	1,340,000	46,900	1,386,900
Total	\$ 18,995,000	\$ 3,078,810	\$ 22,073,810

Year Ending June 30	Notes		
	Principal	Interest	Total
2022	\$ 177,412	\$ 15,731	\$ 193,143
2023	181,173	11,193	192,366
2024	140,439	6,569	147,008
2025	60,288	2,719	63,007
2026	61,636	1,374	63,010
Total	\$ 620,948	\$ 37,586	\$ 658,534

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2022	\$ 67,554	\$ 1,461	\$ 69,015
2023	68,268	747	69,015
2024	18,204	0	18,204
2025	18,204	0	18,204
Total	\$ 172,230	\$ 2,208	\$ 174,438

Exhibit K-3

Marion County, Tennessee
Schedule of Investments
Discretely Presented Marion County School Department
June 30, 2021

<u>Fund and Type</u>	<u>Amount</u>
<u>Private Purpose Trust Fund</u>	
Corporate Bonds - National Rural Utilities	\$ 50,613
Corporate Bonds - Caterpillar Financial	51,035
Corporate Bonds - General Electric	41,572
Corporate Bonds - Wells Fargo	41,931
Corporate Bonds - Ford Motor Credit	74,372
Corporate Bonds - Toyota Motor	50,582
Corporate Bonds - Apple	<u>53,207</u>
Total Investments	<u>\$ 363,312</u>

Exhibit K-4

Marion County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Marion County School Department

For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	General Maintenance/Construction	\$ 10,000
Total Transfers Primary Government			<u>\$ 10,000</u>
<u>DISCRETELY PRESENTED MARION COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 129,830
Total Transfers Discretely Presented Marion County School Department			<u>\$ 129,830</u>

Exhibit K-5

Marion County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 102,782 (1) \$	(4)	
Highway Supervisor	Section 8-24-102, <i>TCA</i> , and County Commission	88,735 (2)	(4)	
Director of Schools	State Board of Education and County Board of Education	171,441 (3)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	80,668	1,228,223	RLI Insurance Company
Assessor of Property:				
Steve Lamb (7-1-20 through 8-31-20)	Section 8-24-102, <i>TCA</i>	17,375	(4)	
Darrell Pittman (9-1-20 through 6-30-21)	Section 8-24-102, <i>TCA</i>	63,293	(4)	
County Clerk	Section 8-24-102, <i>TCA</i>	80,668	(4)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	80,668	(4)	
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	80,668	(4)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	80,668	(4)	
Sheriff	Section 8-24-102, <i>TCA</i>	88,735	(4)	
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - Highway Department			400,000	"
Employee Fidelity - School Department			150,000	Liberty Mutual Insurance

(1) Includes a local salary supplement of \$9,612.

(2) Does not include a local salary supplement of \$1,800.

(3) Does not include a chief executive officer training supplement of \$1,000.

(4) Covered under the Public Employee Dishonesty Bond.

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,471,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	325,115	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	138,188	0	0	0	0	0
Interest and Penalty	51,986	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	28,970	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	25,070	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	104,734	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	779,738	0	0	0
Litigation Tax - General	76,526	0	0	0	0	0
Litigation Tax - Special Purpose	1,205	6,561	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	15,288	0	0	0	0	0
Business Tax	405,444	0	0	0	0	0
Mixed Drink Tax	26,612	0	0	0	0	0
Total Local Taxes	\$ 7,670,458	\$ 6,561	\$ 779,738	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 109,041	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	1,441	0	0	0	0	0
Building Permits	254,490	0	0	0	0	0
Total Licenses and Permits	\$ 364,972	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,232	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,454	0	0	0	0	0
Drug Control Fines	0	0	0	10,099	0	0
Jail Fees	479	0	0	0	0	0
DUI Treatment Fines	1,181	0	0	0	0	0
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	780	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	32,930	0	0	0	0	0
Officers Costs	21,651	0	0	0	0	0
Game and Fish Fines	622	0	0	0	0	0
Drug Court Fees	5,109	0	0	0	0	0
Jail Fees	3,313	0	0	0	0	0
DUI Treatment Fines	9,906	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,556	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	142	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	3,133	0	0	0	0	0
<u>Other Courts - In-county</u>						
Officers Costs	884	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 104,372	\$ 0	\$ 0	\$ 10,099	\$ 0	0

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 12,637	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	25,750	0	0	0
Other General Service Charges	0	0	0	0	0	243,471
Service Charges	15	0	0	0	0	0
<u>Fees</u>						
Airport Fees	59,695	0	0	0	0	0
Copy Fees	630	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	1,415	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	529,007	0
Data Processing Fee - Register	13,147	0	0	0	0	0
Data Processing Fee - Sheriff	1,938	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,900	0	0	0	0	0
Data Processing Fee - County Clerk	630	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	0	0	15,369	0	0	0
Total Charges for Current Services	\$ 81,520	\$ 0	\$ 53,756	\$ 0	\$ 529,007	\$ 243,471
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 519,155	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	14,921	0	0	0	0	0
Commissary Sales	25,037	0	0	0	0	0
Sale of Gasoline	147,617	0	0	0	0	17,534
Sale of Recycled Materials	0	0	0	0	0	1,103
Miscellaneous Refunds	2,939	0	3,008	0	0	2,760

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,030
Sale of Property	52,326	0	0	0	0	0
Performance Bond Forfeitures	1,425	0	0	0	0	0
Total Other Local Revenues	\$ 763,420	\$ 0	\$ 3,008	\$ 0	\$ 0	\$ 27,427
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 108,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	366,633	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	140,469	0	0	0	0	0
General Sessions Court Clerk	189,412	0	0	0	0	0
Clerk and Master	78,061	0	0	0	0	0
Register	187,054	0	0	0	0	0
Sheriff	17,375	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,087,891	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	15,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	132,608	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	10,044	0	0	0	0	0

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 171,767	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,369	0	0	0	0	0
Vehicle Certificate of Title Fees	7,655	0	0	0	0	0
Alcoholic Beverage Tax	89,502	0	0	0	0	0
State Revenue Sharing - T.V.A.	341,503	0	170,752	0	0	0
State Revenue Sharing - Telecommunications	43,096	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	5,857	0	0	0	0	0
Contracted Prisoner Boarding	127,530	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,492,159
Petroleum Special Tax	0	0	0	0	0	20,374
Registrar's Salary Supplement	11,373	0	0	0	0	0
Other State Grants	978,313	0	0	0	0	0
Other State Revenues	65,869	0	0	0	0	0
Total State of Tennessee	\$ 2,022,986	\$ 0	\$ 170,752	\$ 0	\$ 0	\$ 2,512,533
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #1	428,625	0	0	0	0	0
COVID-19 Grant #2	30,000	0	0	0	0	0
COVID-19 Grant #3	30,521	0	0	0	0	0
COVID-19 Grant #4	30,982	0	0	0	0	0
Other Federal through State	641,477	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	8,220	0	0	509	0	0
Total Federal Government	\$ 1,169,825	\$ 0	\$ 0	\$ 509	\$ 0	\$ 0

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 12,820	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	406,265	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	85	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 419,170</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 13,684,614</u>	<u>\$ 6,561</u>	<u>\$ 1,007,254</u>	<u>\$ 10,608</u>	<u>\$ 529,007</u>	<u>\$ 2,783,431</u>

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 622,899	\$ 1,387,872	\$ 0	\$ 0	\$ 1,035,852	\$ 9,517,943
Trustee's Collections - Prior Year	31,294	69,328	0	0	52,041	477,778
Circuit Clerk/Clerk and Master Collections - Prior Years	13,301	30,023	0	0	22,120	203,632
Interest and Penalty	5,000	11,075	0	0	8,316	76,377
Payments in-Lieu-of Taxes - T.V.A.	2,789	6,294	0	0	4,637	42,690
Payments in-Lieu-of Taxes - Local Utilities	2,413	5,447	0	0	4,013	36,943
Payments in-Lieu-of Taxes - Other	10,081	22,755	0	0	16,765	154,335
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	2,298,951	0	0	3,078,689
Litigation Tax - General	0	0	0	0	0	76,526
Litigation Tax - Special Purpose	0	0	0	0	0	7,766
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	15,288
Business Tax	0	0	0	0	0	405,444
Mixed Drink Tax	0	0	0	0	0	26,612
Total Local Taxes	\$ 687,777	\$ 1,532,794	\$ 2,298,951	\$ 0	\$ 1,143,744	\$ 14,120,023
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,041
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,441
Building Permits	0	0	0	0	0	254,490
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,972

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,232
Officers Costs	0	0	0	0	0	6,454
Drug Control Fines	0	0	0	0	0	10,099
Jail Fees	0	0	0	0	0	479
DUI Treatment Fines	0	0	0	0	0	1,181
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	0	0	0	0	0	780
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	32,930
Officers Costs	0	0	0	0	0	21,651
Game and Fish Fines	0	0	0	0	0	622
Drug Court Fees	0	0	0	0	0	5,109
Jail Fees	0	0	0	0	0	3,313
DUI Treatment Fines	0	0	0	0	0	9,906
Data Entry Fee - General Sessions Court	0	0	0	0	0	11,556
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	142
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	0	0	0	0	0	3,133
<u>Other Courts - In-county</u>						
Officers Costs	0	0	0	0	0	884
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	114,471

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12,637
Surcharge - Waste Tire Disposal	0	0	0	0	0	25,750
Other General Service Charges	0	0	0	0	0	243,471
Service Charges	0	0	0	0	0	15
<u>Fees</u>						
Airport Fees	0	0	0	0	0	59,695
Copy Fees	0	0	0	0	0	630
Greenbelt Late Application Fee	0	0	0	0	0	150
Telephone Commissions	0	0	0	0	0	1,415
Constitutional Officers' Fees and Commissions	0	0	0	0	0	529,007
Data Processing Fee - Register	0	0	0	0	0	13,147
Data Processing Fee - Sheriff	0	0	0	0	0	1,938
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,900
Data Processing Fee - County Clerk	0	0	0	0	0	630
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	15,369
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	907,754
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	21,732	\$ 2,088	\$ 0	542,975
Lease/Rentals	0	0	0	221,250	0	236,171
Commissary Sales	0	0	0	0	0	25,037
Sale of Gasoline	0	0	0	0	0	165,151
Sale of Recycled Materials	0	0	0	0	0	1,103
Miscellaneous Refunds	0	0	0	0	0	8,707

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds			
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects		Total
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items</u>							
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	6,030
Sale of Property	0	0	0	0	0		52,326
Performance Bond Forfeitures	0	0	0	0	0		1,425
Total Other Local Revenues	\$ 0	\$ 0	\$ 21,732	\$ 223,338	\$ 0	\$	1,038,925
<u>Fees Received From County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	108,887
Trustee	0	0	0	0	0		366,633
<u>Fees In-Lieu-of Salary</u>							
Circuit Court Clerk	0	0	0	0	0		140,469
General Sessions Court Clerk	0	0	0	0	0		189,412
Clerk and Master	0	0	0	0	0		78,061
Register	0	0	0	0	0		187,054
Sheriff	0	0	0	0	0		17,375
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	1,087,891
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	4,500
Airport Maintenance Program	0	0	0	0	0		15,000
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0		132,608
<u>Public Works Grants</u>							
Litter Program	0	0	0	0	0		10,044

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	171,767
Beer Tax	0	0	0	0	0	18,369
Vehicle Certificate of Title Fees	0	0	0	0	0	7,655
Alcoholic Beverage Tax	0	0	0	0	0	89,502
State Revenue Sharing - T.V.A.	0	0	0	0	0	512,255
State Revenue Sharing - Telecommunications	0	0	0	0	0	43,096
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	5,857
Contracted Prisoner Boarding	0	0	0	0	0	127,530
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,492,159
Petroleum Special Tax	0	0	0	0	0	20,374
Registrar's Salary Supplement	0	0	0	0	0	11,373
Other State Grants	0	0	0	0	0	978,313
Other State Revenues	0	0	0	0	0	65,869
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,706,271
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	13,028	13,028
COVID-19 Grant #1	0	0	0	0	0	428,625
COVID-19 Grant #2	0	0	0	0	0	30,000
COVID-19 Grant #3	0	0	0	0	0	30,521
COVID-19 Grant #4	0	0	0	0	0	30,982
Other Federal through State	0	0	0	0	0	641,477
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	8,729
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	13,028	1,183,362

(Continued)

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 733,349	\$ 50,811	\$ 0	\$ 0	\$ 796,980
Contracted Services	0	0	0	0	0	406,265
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	85
Total Other Governments and Citizens Groups	\$ 0	\$ 733,349	\$ 50,811	\$ 0	\$ 0	\$ 1,203,330
Total	\$ 687,777	\$ 2,266,143	\$ 2,371,494	\$ 223,338	\$ 1,156,772	\$ 24,726,999

Exhibit K-7

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,167,335	\$ 0	\$ 0	\$ 0	\$ 5,167,335	
Trustee's Collections - Prior Year	259,661	0	0	0	259,661	
Circuit Clerk/Clerk and Master Collections - Prior Years	110,246	0	0	0	110,246	
Interest and Penalty	41,486	0	0	0	41,486	
Payments in-Lieu-of Taxes - T.V.A.	23,133	0	0	0	23,133	
Payments in-Lieu-of Taxes - Local Utilities	20,018	0	0	0	20,018	
Payments in-Lieu-of Taxes - Other	83,630	0	0	0	83,630	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,914,609	0	0	0	4,914,609	
Hotel/Motel Tax	38,653	0	0	0	38,653	
Mixed Drink Tax	14,419	0	0	0	14,419	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	3,012	0	0	0	3,012	
Wholesale Beer Tax	109,066	0	0	0	109,066	
Total Local Taxes	\$ 10,785,268	\$ 0	\$ 0	\$ 0	\$ 10,785,268	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,882	\$ 0	\$ 0	\$ 0	\$ 1,882	
Total Licenses and Permits	\$ 1,882	\$ 0	\$ 0	\$ 0	\$ 1,882	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Out-of-state Systems	\$ 8,160	\$ 0	\$ 0	\$ 0	\$ 8,160	

(Continued)

Exhibit K-7

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 51,531	\$ 0	\$ 51,531
Receipts from Individual Schools	12,679	0	0	0	12,679
Community Service Fees - Children	1,585	0	0	0	1,585
Total Charges for Current Services	\$ 22,424	\$ 0	\$ 51,531	\$ 0	\$ 73,955
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 32,127	\$ 0	\$ 10,741	\$ 0	\$ 42,868
Miscellaneous Refunds	205,833	0	0	0	205,833
<u>Nonrecurring Items</u>					
Sale of Property	1,258	0	0	0	1,258
Damages Recovered from Individuals	1,000	0	0	0	1,000
<u>Other Local Revenues</u>					
Other Local Revenues	406	0	0	1,560,618	1,561,024
Total Other Local Revenues	\$ 240,624	\$ 0	\$ 10,741	\$ 1,560,618	\$ 1,811,983
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 112,985	\$ 0	\$ 0	\$ 0	\$ 112,985
<u>State Education Funds</u>					
Basic Education Program	21,021,889	0	0	0	21,021,889
School Food Service	0	0	26,491	0	26,491
Driver Education	3,988	0	0	0	3,988
Other State Education Funds	572,110	0	0	0	572,110

(Continued)

Exhibit K-7

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Coordinated School Health	\$ 95,000	\$ 0	\$ 0	\$ 0	\$ 95,000	
Career Ladder Program	65,735	0	0	0	65,735	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	707,400	0	0	0	707,400	
Safe Schools	75,931	0	0	0	75,931	
Total State of Tennessee	<u>\$ 22,655,038</u>	<u>\$ 0</u>	<u>\$ 26,491</u>	<u>\$ 0</u>	<u>\$ 22,681,529</u>	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,780,693	\$ 0	\$ 1,780,693	
USDA - Commodities	0	0	209,605	0	209,605	
Breakfast	0	0	1,027,421	0	1,027,421	
USDA - Other	0	0	122,201	0	122,201	
Vocational Education - Basic Grants to States	0	115,470	0	0	115,470	
Title I Grants to Local Education Agencies	0	1,069,867	0	0	1,069,867	
Special Education - Grants to States	105,275	931,046	0	0	1,036,321	
Special Education Preschool Grants	0	41,562	0	0	41,562	
Safe and Drug-free Schools - State Grants	131,827	0	0	0	131,827	
Rural Education	0	72,800	0	0	72,800	
Eisenhower Professional Development State Grants	0	110,516	0	0	110,516	
COVID-19 Grant #1	0	863,396	0	0	863,396	
COVID-19 Grant #3	0	60,000	0	0	60,000	
COVID-19 Grant #4	3,213	0	0	0	3,213	
COVID-19 Grant B	0	817,658	0	0	817,658	

(Continued)

Exhibit K-7

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant D	\$ 0	\$ 36,782	\$ 0	\$ 0	\$ 36,782
Other Federal through State	151,225	62,552	0	0	213,777
Total Federal Government	<u>\$ 391,540</u>	<u>\$ 4,181,649</u>	<u>\$ 3,139,920</u>	<u>\$ 0</u>	<u>\$ 7,713,109</u>
Total	<u>\$ 34,096,776</u>	<u>\$ 4,181,649</u>	<u>\$ 3,228,683</u>	<u>\$ 1,560,618</u>	<u>\$ 43,067,726</u>

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	38,525	
Social Security		2,947	
Dues and Memberships		2,466	
Legal Services		72,422	
Legal Notices, Recording, and Court Costs		7,704	
Other Supplies and Materials		8	
Total County Commission			\$ 124,072

Board of Equalization

Board and Committee Members Fees	\$	1,450	
Social Security		111	
Total Board of Equalization			1,561

Beer Board

Board and Committee Members Fees	\$	2,700	
Social Security		201	
Total Beer Board			2,901

Budget and Finance Committee

Board and Committee Members Fees	\$	3,150	
Social Security		241	
Total Budget and Finance Committee			3,391

County Mayor/Executive

County Official/Administrative Officer	\$	102,782	
Accountants/Bookkeepers		40,881	
Secretary(ies)		34,960	
Clerical Personnel		34,877	
Other Salaries and Wages		3,750	
Social Security		16,296	
Pensions		14,749	
Employee and Dependent Insurance		24,250	
Unemployment Compensation		44	
Communication		2,816	
Dues and Memberships		1,982	
Maintenance and Repair Services - Equipment		11,647	
Maintenance and Repair Services - Vehicles		251	
Postal Charges		1,997	
Travel		869	
Gasoline		1,132	
Instructional Supplies and Materials		1,500	
Office Supplies		2,107	
Office Equipment		5,040	
Total County Mayor/Executive			301,930

Election Commission

County Official/Administrative Officer	\$	72,602	
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(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Deputy(ies)	\$	33,426	
Part-time Personnel		15,599	
Overtime Pay		3,658	
Election Commission		9,600	
Election Workers		52,245	
Social Security		10,331	
Pensions		7,449	
Employee and Dependent Insurance		13,260	
Unemployment Compensation		61	
Contracts with Private Agencies		26,120	
Legal Notices, Recording, and Court Costs		3,599	
Postal Charges		1,852	
Rentals		1,600	
Travel		816	
Office Supplies		5,525	
Other Supplies and Materials		40,499	
Total Election Commission			\$ 298,242

Register of Deeds

County Official/Administrative Officer	\$	80,668	
Deputy(ies)		35,855	
Clerical Personnel		34,714	
Other Salaries and Wages		34,714	
Social Security		13,421	
Pensions		12,653	
Employee and Dependent Insurance		26,520	
Unemployment Compensation		63	
Data Processing Services		9,970	
Dues and Memberships		808	
Maintenance and Repair Services - Equipment		762	
Postal Charges		328	
Office Supplies		1,581	
Office Equipment		158	
Total Register of Deeds			252,215

Development

Contracts with Government Agencies	\$	50,000	
Total Development			50,000

Building

Supervisor/Director	\$	56,000	
Clerical Personnel		34,664	
Temporary Personnel		450	
Other Salaries and Wages		7,082	
In-service Training		492	
Social Security		6,720	
Pensions		6,637	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Employee and Dependent Insurance	\$	13,260	
Unemployment Compensation		42	
Communication		1,280	
Dues and Memberships		125	
Postal Charges		73	
Travel		5,356	
Office Supplies		1,028	
Office Equipment		1,866	
Total Building			\$ 135,075

County Buildings

Custodial Personnel	\$	34,637	
Other Salaries and Wages		1,322	
Social Security		2,697	
Pensions		2,432	
Employee and Dependent Insurance		6,630	
Unemployment Compensation		21	
Janitorial Services		27,600	
Maintenance and Repair Services - Equipment		99,986	
Other Contracted Services		21,673	
Utilities		232,330	
Other Supplies and Materials		249,998	
Other Charges		132	
Building Improvements		1,870	
Total County Buildings			681,328

Other General Administration

Maintenance Personnel	\$	52,202	
Overtime Pay		282	
Other Salaries and Wages		38,604	
Social Security		6,602	
Pensions		6,180	
Employee and Dependent Insurance		13,260	
Unemployment Compensation		42	
Communication		1,409	
Gasoline		3,788	
Vehicle Parts		2,078	
Total Other General Administration			124,447

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	80,668	
Secretary(ies)		37,819	
Clerical Personnel		34,664	
Other Salaries and Wages		34,664	
Social Security		14,269	
Pensions		12,781	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Employee and Dependent Insurance	\$	17,324	
Unemployment Compensation		63	
Audit Services		4,960	
Legal Services		392	
Maintenance and Repair Services - Equipment		3,000	
Postal Charges		1,758	
Office Supplies		3,464	
Total Property Assessor's Office			\$ 245,826

Reappraisal Program

Clerical Personnel	\$	14,287	
Other Salaries and Wages		34,664	
Social Security		3,731	
Pensions		2,344	
Unemployment Compensation		41	
Postal Charges		8,989	
Travel		4,533	
Other Contracted Services		15,862	
Total Reappraisal Program			84,451

County Trustee's Office

Pensions	\$	13,485	
Employee and Dependent Insurance		26,520	
Dues and Memberships		658	
Legal Notices, Recording, and Court Costs		182	
Maintenance and Repair Services - Equipment		8,325	
Postal Charges		6,744	
Office Supplies		3,970	
Total County Trustee's Office			59,884

County Clerk's Office

Pensions	\$	17,046	
Employee and Dependent Insurance		33,150	
Dues and Memberships		658	
Maintenance and Repair Services - Equipment		22,926	
Postal Charges		11,929	
Office Supplies		6,249	
Office Equipment		1,255	
Total County Clerk's Office			93,213

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	80,668	
Deputy(ies)		286,332	
Other Salaries and Wages		25,849	
Jury and Witness Expense		2,395	
Social Security		29,368	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Pensions	\$	25,779	
Employee and Dependent Insurance		47,075	
Unemployment Compensation		192	
Data Processing Services		27,101	
Dues and Memberships		658	
Maintenance and Repair Services - Equipment		2,660	
Postal Charges		2,522	
Office Supplies		11,030	
Other Charges		8,148	
Office Equipment		2,092	
Total Circuit Court			\$ 551,869

General Sessions Court

Judge(s)	\$	114,932	
Social Security		8,792	
Pensions		7,884	
Library Books/Media		3,551	
Office Supplies		150	
Total General Sessions Court			135,309

Chancery Court

County Official/Administrative Officer	\$	80,668	
Accountants/Bookkeepers		19,604	
Clerical Personnel		35,190	
Other Salaries and Wages		34,664	
Social Security		12,784	
Pensions		11,568	
Employee and Dependent Insurance		26,253	
Unemployment Compensation		46	
Dues and Memberships		658	
Maintenance and Repair Services - Equipment		12,222	
Postal Charges		4,261	
Office Supplies		3,439	
Total Chancery Court			241,357

Juvenile Court

Judge(s)	\$	68,960	
Assistant(s)		36,938	
Probation Officer(s)		35,978	
Overtime Pay		10,094	
Other Salaries and Wages		34,899	
Social Security		13,772	
Pensions		12,629	
Employee and Dependent Insurance		26,399	
Unemployment Compensation		88	
Postal Charges		39	
Travel		225	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Other Contracted Services	\$	14,500	
Office Supplies		1,423	
Total Juvenile Court			\$ 255,944

Public SafetySheriff's Department

County Official/Administrative Officer	\$	88,735	
Deputy(ies)		844,690	
Investigator(s)		45,891	
Accountants/Bookkeepers		7,009	
Salary Supplements		800	
Dispatchers/Radio Operators		406,807	
Clerical Personnel		56,073	
Attendants		81,925	
Part-time Personnel		4,256	
School Resource Officer		388,565	
Overtime Pay		192,521	
Other Salaries and Wages		108,553	
In-service Training		8,461	
Social Security		163,775	
Pensions		144,219	
Employee and Dependent Insurance		278,404	
Unemployment Compensation		1,152	
Data Processing Services		5,000	
Dues and Memberships		2,000	
Maintenance and Repair Services - Equipment		3,414	
Postal Charges		1,280	
Rentals		670	
Travel		2,998	
Gasoline		142,000	
Office Supplies		9,016	
Tires and Tubes		10,617	
Uniforms		5,681	
Vehicle Parts		71,358	
Other Charges		7,113	
Communication Equipment		31,470	
Law Enforcement Equipment		166,264	
Motor Vehicles		179,224	
Total Sheriff's Department			3,459,941

Administration of the Sexual Offender Registry

Other Charges	\$	1,579	
Total Administration of the Sexual Offender Registry			1,579

Jail

Guards	\$	581,756	
Cafeteria Personnel		61,094	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Part-time Personnel	\$	8,194	
Overtime Pay		41,563	
Other Salaries and Wages		40,779	
Social Security		54,627	
Pensions		49,060	
Employee and Dependent Insurance		104,444	
Unemployment Compensation		478	
Medical and Dental Services		328,798	
Food Supplies		147,711	
Office Supplies		1,850	
Prisoners Clothing		2,914	
Other Charges		13,370	
Total Jail			\$ 1,436,638

Correctional Incentive Program Improvements

Other Salaries and Wages	\$	12,389	
Social Security		976	
Pensions		887	
Employee and Dependent Insurance		1,368	
Unemployment Compensation		6	
Total Correctional Incentive Program Improvements			15,626

Fire Prevention and Control

Communication	\$	12,744	
Contributions		2,000	
Other Contracted Services		219,925	
Total Fire Prevention and Control			234,669

Civil Defense

Supervisor/Director	\$	16,404	
Social Security		1,255	
Unemployment Compensation		42	
Communication		2,484	
Dues and Memberships		55	
Other Contracted Services		11,589	
Diesel Fuel		446	
Equipment and Machinery Parts		22,381	
Gasoline		191	
Office Supplies		32	
Other Supplies and Materials		262	
Total Civil Defense			55,141

Rescue Squad

Contributions	\$	15,000	
Total Rescue Squad			15,000

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner

Medical Personnel	\$	22,960	
Social Security		990	
Unemployment Compensation		33	
Total County Coroner/Medical Examiner			\$ 23,983

Public Health and WelfareLocal Health Center

Contributions	\$	86,238	
Other Contracted Services		137,672	
Total Local Health Center			223,910

Ambulance/Emergency Medical Services

Ambulance Services	\$	165,548	
Total Ambulance/Emergency Medical Services			165,548

Alcohol and Drug Programs

Other Salaries and Wages	\$	2,400	
Social Security		179	
Pensions		165	
Employee and Dependent Insurance		366	
Unemployment Compensation		1	
Total Alcohol and Drug Programs			3,111

Other Local Health Services

Pauper Burials	\$	300	
Other Contracted Services		58,040	
Total Other Local Health Services			58,340

Sanitation Education/Information

Guards	\$	26,084	
Clerical Personnel		29,799	
Social Security		4,200	
Pensions		3,799	
Employee and Dependent Insurance		7,978	
Unemployment Compensation		33	
Instructional Supplies and Materials		11,045	
Total Sanitation Education/Information			82,938

Social, Cultural, and Recreational ServicesLibraries

Contributions	\$	172,222	
Total Libraries			172,222

Parks and Fair Boards

Clerical Personnel	\$	3,700	
Custodial Personnel		21,250	
Social Security		1,905	

(Continued)

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Pensions	\$	254	
Employee and Dependent Insurance		556	
Unemployment Compensation		22	
Total Parks and Fair Boards			\$ 27,687

Other Social, Cultural, and Recreational

Contributions	\$	20,000	
Other Charges		13,732	
Total Other Social, Cultural, and Recreational			33,732

Agriculture and Natural Resources

Agricultural Extension Service

Contributions	\$	48,558	
Total Agricultural Extension Service			48,558

Soil Conservation

Clerical Personnel	\$	33,669	
Social Security		2,520	
Pensions		2,276	
Employee and Dependent Insurance		6,630	
Unemployment Compensation		21	
Other Charges		275	
Total Soil Conservation			45,391

Other Operations

Tourism

Other Charges	\$	33,649	
Total Tourism			33,649

Industrial Development

Dues and Memberships	\$	8,448	
Other Charges		19,680	
Total Industrial Development			28,128

Other Economic and Community Development

Other Contracted Services	\$	7,470	
Other Charges		31,301	
Principal on Notes		40,000	
Interest on Notes		2,328	
Total Other Economic and Community Development			81,099

Airport

Supervisor/Director	\$	35,988	
Temporary Personnel		11,093	
Social Security		3,378	
Pensions		2,434	
Employee and Dependent Insurance		6,630	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Unemployment Compensation	\$	54	
Dues and Memberships		250	
Postal Charges		165	
Fuel Oil		118,743	
Office Supplies		1,021	
Utilities		18,254	
Other Supplies and Materials		3,038	
Liability Insurance		2,155	
Other Charges		5,799	
Airport Improvement		32,948	
Other Construction		570,054	
Total Airport			\$ 812,004

Veterans' Services

Supervisor/Director	\$	16,550	
Social Security		1,266	
Unemployment Compensation		21	
Communication		480	
Postal Charges		2	
Travel		114	
Office Supplies		391	
Other Charges		449	
Total Veterans' Services			19,273

Other Charges

Audit Services	\$	11,295	
Operating Lease Payments		3,296	
Office Supplies		6,709	
Building and Contents Insurance		33,004	
Liability Insurance		60,949	
Refunds		914	
Trustee's Commission		178,478	
Vehicle and Equipment Insurance		22,060	
Workers' Compensation Insurance		93,245	
Other Charges		165,647	
Total Other Charges			575,597

Principal on Debt

General Government

Principal on Capital Leases	\$	39,200	
Total General Government			<u>39,200</u>

Total General Fund \$ 11,335,979

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Maintenance and Repair Services - Buildings	\$	2,480	
Total County Buildings			\$ 2,480

Other OperationsOther Charges

Trustee's Commission	\$	66	
Total Other Charges			<u>66</u>

Total Courthouse and Jail Maintenance Fund			\$ 2,546
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Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Truck Drivers	\$	34,528	
Part-time Personnel		192,805	
Overtime Pay		13,632	
Other Salaries and Wages		6,568	
Social Security		18,755	
Pensions		3,720	
Employee and Dependent Insurance		6,417	
Unemployment Compensation		391	
Maintenance and Repair Services - Equipment		1,951	
Disposal Fees		319,409	
Diesel Fuel		14,999	
Tires and Tubes		9,304	
Utilities		20,257	
Gravel and Chert		6,307	
Other Supplies and Materials		8,645	
Other Charges		<u>613</u>	
Total Convenience Centers			\$ 658,301

Other OperationsOther Charges

Trustee's Commission	\$	9,826	
Total Other Charges			<u>9,826</u>

Total Solid Waste/Sanitation Fund			668,127
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Drug Control FundPublic SafetyDrug Enforcement

Accountants/Bookkeepers	\$	4,000	
Secretary(ies)		4,000	
Overtime Pay		9,664	
Social Security		1,351	
Pensions		1,212	
Unemployment Compensation		3	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Confidential Drug Enforcement Payments	\$	4,000	
Other Charges		500	
Law Enforcement Equipment		5,331	
Motor Vehicles		92,230	
Total Drug Enforcement			\$ 122,291

Other OperationsOther Charges

Trustee's Commission	\$	101	
Total Other Charges			101

Total Drug Control Fund \$ 122,392

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	213,453	
Total County Trustee's Office			\$ 213,453

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	292,332	
Total County Clerk's Office			292,332

Administration of JusticeGeneral Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$	564	
Total General Sessions Court Clerk			564

Chancery Court

Constitutional Officers' Operating Expenses	\$	108	
Total Chancery Court			108

Total Constitutional Officers - Fees Fund 506,457

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	88,735	
Assistant(s)		106,326	
Accountants/Bookkeepers		99,262	
Assessment Personnel		34,740	
Salary Supplements		1,800	
Custodial Personnel		3,747	
Social Security		20,942	
Pensions		22,954	
Employer Medicare		4,898	
Communication		4,648	

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Data Processing Services	\$	9,266	
Dues and Memberships		4,482	
Evaluation and Testing		375	
Legal Notices, Recording, and Court Costs		778	
Maintenance and Repair Services - Office Equipment		130	
Postal Charges		407	
Other Contracted Services		3,477	
Office Supplies		1,158	
Other Charges		961	
Total Administration			\$ 409,086

Highway and Bridge Maintenance

Foremen	\$	39,895	
Equipment Operators		145,258	
Equipment Operators - Light		221,666	
Truck Drivers		145,034	
Laborers		188,018	
Social Security		45,882	
Pensions		50,526	
Employer Medicare		10,730	
Other Contracted Services		55,149	
Asphalt - Cold Mix		23,381	
Asphalt - Hot Mix		352,292	
Asphalt - Liquid		31,732	
Crushed Stone		129,676	
Pipe		16,208	
Road Signs		14,962	
Sand		1,046	
Wood Products		592	
Other Supplies and Materials		6,154	
Other Charges		2,990	
Total Highway and Bridge Maintenance			1,481,191

Operation and Maintenance of Equipment

Foremen	\$	40,772	
Mechanic(s)		116,995	
Social Security		9,782	
Pensions		10,823	
Employer Medicare		2,288	
Diesel Fuel		37,878	
Equipment and Machinery Parts		52,240	
Garage Supplies		6,185	
Gasoline		39,597	
Lubricants		7,242	
Propane Gas		2,193	
Tires and Tubes		7,328	
Total Operation and Maintenance of Equipment			333,323

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Electricity	\$	5,604	
Water and Sewer		308	
Building and Contents Insurance		1,548	
Liability Insurance		5,754	
Trustee's Commission		25,212	
Vehicle and Equipment Insurance		18,157	
Total Other Charges			\$ 56,583

Employee Benefits

Employee and Dependent Insurance	\$	269,114	
Workers' Compensation Insurance		42,167	
Total Employee Benefits			311,281

Capital Outlay

Building Improvements	\$	1,546	
Communication Equipment		1,370	
Motor Vehicles		101,541	
Other Equipment		294,743	
Total Capital Outlay			399,200

Principal on Debt

Highways and Streets

Principal on Notes	\$	78,557	
Total Highways and Streets			78,557

Interest on Debt

Highways and Streets

Interest on Notes	\$	10,027	
Total Highways and Streets			10,027

Total Highway/Public Works Fund \$ 3,079,248

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$	13,558	
Total Other Charges			\$ 13,558

Principal on Debt

General Government

Principal on Bonds	\$	435,000	
Total General Government			435,000

Interest on Debt

General Government

Interest on Bonds	\$	113,281	
Total General Government			113,281

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Other Charges

\$ 348

Total General Government

\$ 348

Total General Debt Service Fund

\$ 562,187

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds

\$ 1,250,000

Total Education

\$ 1,250,000

Interest on Debt

Education

Interest on Bonds

\$ 236,918

Total Education

236,918

Other Debt Service

Education

Trustee's Commission

\$ 30,220

Other Charges

899

Other Debt Issuance Charges

65,183

Total Education

96,302

Total Rural Debt Service Fund

1,583,220

Education Debt Service Fund

Other Operations

Other Charges

Trustee's Commission

\$ 22,854

Total Other Charges

\$ 22,854

Principal on Debt

Education

Principal on Bonds

\$ 805,000

Principal on Capital Leases

48,666

Total Education

853,666

Interest on Debt

Education

Interest on Bonds

\$ 403,281

Interest on Capital Leases

2,145

Total Education

405,426

Total Education Debt Service Fund

1,281,946

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Education Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission

\$ 2,233

Total Other Charges

\$ 2,233

Total Education Capital Projects Fund

\$ 2,233

Other Capital Projects Fund

General Government

County Buildings

Other Capital Outlay

\$ 220,490

Total County Buildings

\$ 220,490

Other Operations

Other Economic and Community Development

Water and Sewer

\$ 35,224

Other Construction

49,500

Total Other Economic and Community Development

84,724

Other Charges

Trustee's Commission

\$ 22,549

Total Other Charges

22,549

Total Other Capital Projects Fund

327,763

Total Governmental Funds - Primary Government

\$ 19,472,098

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department
For the Year Ended June 30, 2021

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	9,926,195	
Career Ladder Program		31,000	
Educational Assistants		418,963	
Certified Substitute Teachers		76,982	
Non-certified Substitute Teachers		194,920	
Social Security		630,577	
Pensions		978,608	
Medical Insurance		1,859,354	
Employer Medicare		147,719	
Other Contracted Services		8,604	
Instructional Supplies and Materials		88,796	
Textbooks - Bound		437,471	
Other Supplies and Materials		88,322	
Total Regular Instruction Program			\$ 14,887,511

Special Education Program

Teachers	\$	1,209,002	
Career Ladder Program		5,000	
Homebound Teachers		11,371	
Educational Assistants		293,515	
Speech Pathologist		219,315	
Other Salaries and Wages		8,105	
Certified Substitute Teachers		71	
Non-certified Substitute Teachers		32,270	
Social Security		103,028	
Pensions		159,808	
Medical Insurance		381,089	
Employer Medicare		24,217	
Contracts with Private Agencies		29,644	
Other Contracted Services		40	
Instructional Supplies and Materials		16,014	
Other Supplies and Materials		12,715	
Total Special Education Program			2,505,204

Career and Technical Education Program

Teachers	\$	1,052,108	
Career Ladder Program		2,000	
Non-certified Substitute Teachers		16,898	
Social Security		63,413	
Pensions		94,277	
Medical Insurance		188,497	
Employer Medicare		14,831	
Maintenance and Repair Services - Equipment		3,862	
Other Contracted Services		3,460	
Instructional Supplies and Materials		34,547	
Textbooks - Electronic		8,475	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Textbooks - Bound	\$	5,619	
Other Supplies and Materials		37,018	
Other Charges		330	
Vocational Instruction Equipment		41,016	
Total Career and Technical Education Program			\$ 1,566,351

Support Services

Attendance

Supervisor/Director	\$	69,153	
Career Ladder Program		1,350	
Other Salaries and Wages		27,225	
Social Security		5,922	
Pensions		10,037	
Medical Insurance		10,345	
Employer Medicare		1,385	
Travel		1,098	
Other Contracted Services		36	
Software		21,214	
Other Supplies and Materials		1,398	
In Service/Staff Development		350	
Attendance Equipment		1,517	
Total Attendance			151,030

Health Services

Supervisor/Director	\$	63,594	
Medical Personnel		145,592	
Other Salaries and Wages		83,393	
Social Security		17,158	
Pensions		16,519	
Medical Insurance		47,615	
Employer Medicare		4,013	
Maintenance and Repair Services - Equipment		441	
Travel		1,955	
Other Contracted Services		2,053	
Drugs and Medical Supplies		1,650	
Other Supplies and Materials		5,601	
In Service/Staff Development		2,143	
Other Charges		1,117	
Health Equipment		1,293	
Total Health Services			394,137

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		482,243	
Social Security		28,846	
Pensions		48,112	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Medical Insurance	\$	78,305	
Employer Medicare		6,746	
Contracts with Government Agencies		57,321	
Evaluation and Testing		24,479	
Other Contracted Services		8,630	
In Service/Staff Development		1,167	
Total Other Student Support			\$ 736,849

Regular Instruction Program

Supervisor/Director	\$	240,372	
Career Ladder Program		3,000	
Librarians		463,468	
Secretary(ies)		15,887	
Social Security		43,434	
Pensions		71,847	
Medical Insurance		105,616	
Employer Medicare		10,158	
Travel		2,409	
Other Contracted Services		6,791	
Library Books/Media		69,390	
Other Supplies and Materials		308	
In Service/Staff Development		9,763	
Other Charges		10,521	
Total Regular Instruction Program			1,052,964

Special Education Program

Supervisor/Director	\$	84,575	
Career Ladder Program		2,000	
Secretary(ies)		30,396	
Social Security		7,182	
Pensions		10,976	
Medical Insurance		14,471	
Employer Medicare		1,680	
Maintenance and Repair Services - Equipment		331	
Travel		10,513	
Other Contracted Services		221,996	
Other Supplies and Materials		11,045	
In Service/Staff Development		8,029	
Other Charges		439	
Special Education Equipment		1,704	
Total Special Education Program			405,337

Career and Technical Education Program

Secretary(ies)	\$	31,775	
Social Security		1,576	
Pensions		2,180	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	10,580	
Employer Medicare		369	
Other Supplies and Materials		372	
In Service/Staff Development		647	
Total Career and Technical Education Program			\$ 47,499

Technology

Supervisor/Director	\$	67,872	
Other Salaries and Wages		202,592	
Social Security		16,375	
Pensions		18,318	
Medical Insurance		38,457	
Employer Medicare		3,830	
Internet Connectivity		46,788	
Travel		77	
Other Contracted Services		2,995	
Office Supplies		372	
Cabling		1,842	
Software		27,485	
Other Supplies and Materials		33,595	
In Service/Staff Development		742	
Other Equipment		21,026	
Total Technology			482,366

Other Programs

On-behalf Payments to OPEB	\$	112,985	
Total Other Programs			112,985

Board of Education

Board and Committee Members Fees	\$	16,350	
Social Security		1,014	
Unemployment Compensation		9,567	
Employer Medicare		237	
Audit Services		15,800	
Dues and Memberships		10,155	
Legal Services		108,851	
Travel		481	
Other Contracted Services		267	
Trustee's Commission		220,887	
Workers' Compensation Insurance		128,996	
Criminal Investigation of Applicants - TBI		4,323	
Other Charges		4,698	
Total Board of Education			521,626

Director of Schools

County Official/Administrative Officer	\$	171,441	
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(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Career Ladder Program	\$	1,000	
Secretary(ies)		39,935	
Clerical Personnel		15,887	
Social Security		11,677	
Pensions		21,539	
Medical Insurance		26,834	
Employer Medicare		3,214	
Communication		46,132	
Dues and Memberships		2,843	
Maintenance and Repair Services - Equipment		796	
Postal Charges		1,000	
Travel		2,130	
Other Contracted Services		14,706	
Office Supplies		2,899	
In Service/Staff Development		90	
Other Charges		334	
Total Director of Schools			\$ 362,457

Office of the Principal

Principals	\$	682,665	
Career Ladder Program		5,000	
Assistant Principals		438,138	
Secretary(ies)		430,721	
Other Salaries and Wages		7,350	
Social Security		92,244	
Pensions		143,131	
Medical Insurance		318,445	
Employer Medicare		21,573	
Retirement - Hybrid Stabilization		1,048	
Other Contracted Services		38,674	
Administration Equipment		1,206	
Total Office of the Principal			2,180,195

Fiscal Services

Supervisor/Director	\$	88,652	
Accountants/Bookkeepers		125,175	
Other Salaries and Wages		22,300	
Social Security		13,694	
Pensions		16,198	
Medical Insurance		42,911	
Employer Medicare		3,203	
Data Processing Services		28,959	
Dues and Memberships		196	
Other Contracted Services		808	
Office Supplies		1,481	
In Service/Staff Development		350	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Charges	\$	303	
Administration Equipment		362	
Total Fiscal Services			\$ 344,592

Human Services/Personnel

Other Salaries and Wages	\$	94,662	
Social Security		5,539	
Pensions		6,494	
Medical Insurance		10,360	
Employer Medicare		1,295	
Other Contracted Services		1,881	
Office Supplies		1,912	
Other Charges		344	
Total Human Services/Personnel			122,487

Operation of Plant

Custodial Personnel	\$	622,441	
Social Security		37,315	
Pensions		39,374	
Medical Insurance		187,443	
Employer Medicare		8,727	
Disposal Fees		28,483	
Other Contracted Services		27,244	
Custodial Supplies		156,493	
Electricity		921,567	
Natural Gas		121,234	
Water and Sewer		83,496	
Other Supplies and Materials		15,920	
Building and Contents Insurance		214,498	
Other Charges		2,735	
Total Operation of Plant			2,466,970

Maintenance of Plant

Supervisor/Director	\$	61,549	
Maintenance Personnel		245,162	
Social Security		18,574	
Pensions		21,040	
Medical Insurance		75,429	
Employer Medicare		4,344	
Maintenance and Repair Services - Buildings		13,392	
Maintenance and Repair Services - Equipment		30,569	
Maintenance and Repair Services - Vehicles		546	
Other Contracted Services		13,145	
Other Supplies and Materials		116,449	
In Service/Staff Development		584	
Other Charges		350	
Administration Equipment		34,188	
Total Maintenance of Plant			635,321

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	12,203	
Bus Drivers		1,270	
Other Salaries and Wages		35,912	
Social Security		2,954	
Pensions		4,593	
Medical Insurance		5,220	
Employer Medicare		691	
Contracts with Parents		4,619	
Contracts with Vehicle Owners		1,140,009	
Maintenance and Repair Services - Vehicles		156	
Travel		14	
Other Contracted Services		640	
Diesel Fuel		83	
Other Supplies and Materials		1,485	
In Service/Staff Development		1,488	
Total Transportation			\$ 1,211,337

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	3,725	
Teachers		67,025	
Other Salaries and Wages		30,415	
Social Security		5,782	
Pensions		9,195	
Employer Medicare		1,406	
Retirement - Hybrid Stabilization		224	
Instructional Supplies and Materials		10,348	
Other Supplies and Materials		1,198	
In Service/Staff Development		325	
Other Charges		4,593	
Total Community Services			134,236

Early Childhood Education

Teachers	\$	208,212	
Educational Assistants		73,376	
Social Security		16,458	
Pensions		26,417	
Medical Insurance		43,860	
Employer Medicare		3,850	
Other Fringe Benefits		39	
Other Contracted Services		918	
Total Early Childhood Education			373,130

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	218,785	
Other Capital Outlay		18,515	
Total Regular Capital Outlay			237,300

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	15,038	
Total Education			\$ 15,038

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	2,145	
Total Education			2,145

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	733,349	
Total Education			<u>733,349</u>

Total General Purpose School Fund			\$ 31,682,416
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	479,151	
Educational Assistants		106,546	
Other Salaries and Wages		36,782	
Certified Substitute Teachers		27,750	
Non-certified Substitute Teachers		35,472	
Social Security		39,386	
Pensions		54,091	
Medical Insurance		122,183	
Employer Medicare		9,212	
Other Fringe Benefits		1,186	
Other Contracted Services		39,973	
Instructional Supplies and Materials		55,760	
Textbooks - Electronic		218,483	
Debt Service Contribution to Primary Government		33,628	
Regular Instruction Equipment		<u>1,218,203</u>	
Total Regular Instruction Program			\$ 2,477,806

Special Education Program

Teachers	\$	16,950
Educational Assistants		256,551
Speech Pathologist		926
Other Salaries and Wages		26,664
Social Security		17,995
Pensions		21,170
Medical Insurance		119,651
Employer Medicare		4,212
Other Fringe Benefits		698
Instructional Supplies and Materials		20,252

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	9,675	
Special Education Equipment		18,790	
Total Special Education Program			\$ 513,534

Career and Technical Education Program

Instructional Supplies and Materials	\$	10,784	
Other Supplies and Materials		6,363	
Vocational Instruction Equipment		90,139	
Total Career and Technical Education Program			107,286

Support Services

Health Services

Drugs and Medical Supplies	\$	370	
Other Supplies and Materials		26,598	
Total Health Services			26,968

Other Student Support

Other Salaries and Wages	\$	82,096	
Social Security		5,004	
Pensions		8,283	
Medical Insurance		9,657	
Employer Medicare		1,170	
Other Fringe Benefits		205	
Other Supplies and Materials		6,009	
In Service/Staff Development		7,302	
Other Charges		7,262	
Total Other Student Support			126,988

Regular Instruction Program

Supervisor/Director	\$	76,350	
Secretary(ies)		29,022	
Social Security		6,119	
Pensions		9,832	
Medical Insurance		21,751	
Employer Medicare		1,431	
Other Fringe Benefits		263	
Travel		1,117	
Other Contracted Services		92,309	
Other Supplies and Materials		1,536	
In Service/Staff Development		17,010	
Total Regular Instruction Program			256,740

Special Education Program

Psychological Personnel	\$	198,131	
Other Salaries and Wages		91,879	
Social Security		17,466	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Pensions	\$	28,505	
Medical Insurance		30,580	
Employer Medicare		4,085	
Other Fringe Benefits		725	
Operating Lease Payments		3,014	
Other Supplies and Materials		10,298	
In Service/Staff Development		805	
Other Equipment		15,030	
Total Special Education Program			\$ 400,518

Technology

Other Equipment	\$	62,734	
Total Technology			62,734

Transportation

Other Salaries and Wages	\$	19,392	
Social Security		1,202	
Pensions		706	
Medical Insurance		7,154	
Employer Medicare		281	
Other Fringe Benefits		48	
Maintenance and Repair Services - Vehicles		3,628	
Gasoline		108	
Total Transportation			32,519

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	676	
Building Improvements		373	
Plant Operation Equipment		45,677	
Total Regular Capital Outlay			46,726

Total School Federal Projects Fund \$ 4,051,819

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	78,780	
Cafeteria Personnel		741,766	
Other Salaries and Wages		41,849	
Social Security		51,588	
Pensions		44,491	
Medical Insurance		183,447	
Employer Medicare		12,065	
Other Fringe Benefits		19,239	
Communication		6,812	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Maintenance and Repair Services - Equipment	\$	58,927	
Travel		1,997	
Other Contracted Services		48,819	
Food Preparation Supplies		83,351	
Food Supplies		1,012,838	
USDA - Commodities		209,605	
Other Supplies and Materials		202	
Trustee's Commission		107	
In Service/Staff Development		10,035	
Other Charges		9,165	
Food Service Equipment		73,636	
Total Food Service			\$ 2,688,719

Total Central Cafeteria Fund \$ 2,688,719

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,522,318	
Total Community Services			\$ 1,522,318

Total Internal School Fund 1,522,318

Total Governmental Funds - Marion County School Department \$ 39,945,272

Exhibit K-10

Marion County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2021

	Cities Sales Tax Fund	Special School District Fund	City School ADA - Richard City Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 17,475	\$ 271,882	\$ 289,357
Trustee's Collections - Prior Years	0	1,237	15,029	16,266
Circuit/Clerk and Master Collections - Prior Years	0	0	5,911	5,911
Interest and Penalty	0	201	2,186	2,387
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,320	1,320
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,055	1,055
Payments in-Lieu-of Taxes - Other	0	0	4,406	4,406
Local Option Sales Tax	4,443,430	0	260,802	4,704,232
Hotel/Motel Tax	0	0	2,275	2,275
Mixed Drink Tax	0	0	760	760
Bank Excise Tax	0	0	159	159
Wholesale Beer Tax	0	0	5,739	5,739
Marriage Licenses	0	0	107	107
Total Additions	\$ 4,443,430	\$ 18,913	\$ 571,631	\$ 5,033,974
<u>Deductions</u>				
Remittance of Revenues Collected	\$ 4,400,080	\$ 18,720	\$ 599,803	\$ 5,018,603
Trustee's Commission	43,350	380	9,237	52,967
Total Deductions	\$ 4,443,430	\$ 19,100	\$ 609,040	\$ 5,071,570
Excess of Additions Over (Under) Deductions	\$ 0	\$ (187)	\$ (37,409)	\$ (37,596)
Net Position, July 1, 2020	0	0	0	0
Restatement - See Note I.D.10	0	187	37,409	37,596
Net Position, June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 0

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

**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***

Independent Auditor's Report

Marion County Mayor and
Board of County Commissioners
Marion County, Tennessee

To the County Mayor and Board of County Commissioners:

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 activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 3, 2021. Our report includes a reference to other auditors who audited the financial statements of the Marion County Conservation Commission (business-type activity) and the Internal School Fund (special revenue fund of the discretely presented Marion County School Department) as described in our report on Marion County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion County's internal control over financial reporting (internal control) to determine the 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 Marion County's internal control. Accordingly, we do not express an opinion on the effectiveness of Marion County'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 a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

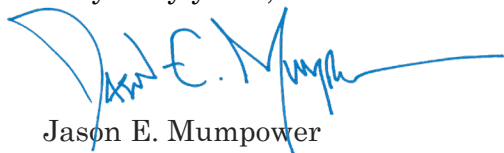
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County'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*.

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 result 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 Marion County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Marion County Mayor and
Board of County Commissioners
Marion County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Marion County'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 Marion County's major federal programs for the year ended June 30, 2021. Marion County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Marion County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marion County's compliance.

Opinion on Each Major Federal Program

In our opinion, Marion County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Marion County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marion County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marion County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 a 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.

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

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.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements. We issued our report thereon dated November 3, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2021

JEM/tg

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10)
For the Year Ended June 30, 2021

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	\$ 992,285 (6)
COVID 19 - School Breakfast Program	10.553	(4)	35,136 (6)
National School Lunch Program	10.555	(4)	1,747,160 (6)
COVID 19 - National School Lunch Program	10.555	(4)	55,969 (6)
Fresh Fruit and Vegetable Program	10.582	(4)	89,302
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	220,068 (6) (7)
Total U.S. Department of Agriculture			<u>\$ 3,139,920</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants	14.228	(4)	\$ 13,028
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(4)	93,151
Total U.S. Department of Housing and Urban Development			<u>\$ 106,179</u>
U.S. Department of Justice:			
Passed-through Tennessee Bureau of Investigation:			
Public Safety Partnership and Community Policing Grants	16.710	(4)	\$ 74,425
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	140,000
			<u>\$ 214,425</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Grant	20.106	(4)	\$ 568,824
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirement	20.607	(8)	9,503
Total U.S. Department of Transportation			<u>\$ 578,327</u>
U.S. Department of Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	\$ 63,213 (6)
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	428,625 (6)
Passed-through State Department of Tourist Development:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	30,521 (6)
Total U.S. Department of Treasury			<u>\$ 522,359</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(4)	\$ 4,820
Total Appalachian Regional Commission			<u>\$ 4,820</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 1,069,867
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	1,036,321
Special Education - Preschool Grants	84.173	(4)	41,562
Career and Technical Education - Basic Grants to States	84.048	(4)	115,470
Twenty-First Century Community Learning Centers	84.287	(4)	131,827
Rural Education	84.358	(4)	72,800

(Continued)

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Supporting Effective Instruction State Grants	84.367	(4)	\$ 110,516
Student Support and Academic Enrichment Program	84.424	(4)	62,553
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER 1.0)	84.425D	(4)	900,178 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER 2.0)	84.425D	(4)	817,658 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(4)	27,526
Total U.S. Department of Education			<u>\$ 4,386,278</u>
Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 HAVA Election Security Grant	90.404	(4)	\$ 6,100 (6)
2020 HAVA Election Security Grant	90.404	(4)	30,982 (6)
Total Election Assistance Commission			<u>\$ 37,082</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
TANF Cluster: (5)			
Temporary Assistance for Needy Families	93.558	(4)	\$ 123,700
Total U.S. Department of Health and Human Services			<u>\$ 123,700</u>
U.S. Department of Homeland Security:			
Direct Program:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 7,023
Total U.S. Department of Health and Human Services			<u>\$ 7,023</u>
Total Expenditures of Federal Awards			<u>\$ 9,120,113</u>
<u>State Grants</u>		<u>Contract Number</u>	
Juvenile Services Program - State Department of Children's Services	N/A	(4)	\$ 4,500
Litter Program - State Department of Transportation	N/A	(4)	10,044
Airport Maintenance Grant - State Department of Transportation	N/A	(4)	15,000
Local Health Services Grant - State Department of Health	N/A	(4)	132,608
Tourism Enhancement Grant - State Department of Economic and Community Development	N/A	(4)	26,785
Site Development Grant Program - State Department of Economic and Community Development	N/A	(4)	21,639
State Direct Appropriation Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	904,889
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(4)	25,000
Arts Program Categorical Grants - Arts 360 - Tennessee Arts Commission	N/A	(4)	8,386
Bridge Camp - State Department of Education	N/A	(4)	41,685
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Middle School STEM and CTE Career Exploration Start-Up Grant - State Department of Education	N/A	(4)	10,000
Safe Schools - State Department of Education	N/A	(4)	75,931
STREAM Mini Camps - State Department of Education	N/A	(4)	29,574
Summer Learning Camps - State Department of Education	N/A	(4)	103,336
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	373,130
Total State Grants			<u>\$ 1,877,507</u>

(Continued)

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10) (Cont.)

FAL = Federal Assistance Listings
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Marion County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$3,050,618; Special Education Cluster total \$1,077,883; TANF Cluster total \$123,700.
- (6) Total for FAL No. 10.553 is \$1,027,421; Total for FAL No. 10.555 is \$2,023,197; Total for FAL No. 21.019 is \$522,359;
Total for FAL No. 84.425D is \$1,717,836; Total for FAL No. 90.404 is \$37,082.
- (7) Commodities \$209,605; Commodity Rebate \$10,463.
- (8) Z-20-THS-152: \$2,871; Z-21-THS-178: \$6,632.
- (9) For the year ended June 30, 2021, Marion County received donated PPE valued at \$385,145 (\$288,859 federal and \$96,286 state) from Tennessee Department of Military. These donations were unaudited.

(10) CONSOLIDATED ADMINISTRATION		
The following amounts were consolidated for administration purposes:		
Program Title	Federal Assistance Listings Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 155,217
Rural Education	84.358	92
Supporting Effective Instruction State Grants	84.367	920
Student Support and Academic Enrichment Program	84.424	184
		<u>\$ 156,413</u>

Marion County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Marion County, Tennessee, for the year ended June 30, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF COUNTY MAYOR

2020	210	2020-001	Expenditures exceeded appropriations.	N/A	Corrected
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Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

MARION COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Marion County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listings Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER 1.0 and ESSER 2.0)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations as a result of our audit of the financial statements of Marion County, Tennessee.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

Marion County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

The audit of Marion County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Marion County.

MARION COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Marion County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Marion County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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APPENDIX D

Form of Continuing Disclosure Agreement

MARION COUNTY, TENNESSEE

\$8,430,000 COUNTY DISTRICT SCHOOL BONDS, SERIES 2022A

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this 19th day of December, 2022 by Marion County, Tennessee (the “Issuer”) in connection with the issuance of its \$8,430,000 County District School Bonds, Series 2022A (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated December 5, 2022, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond Resolution adopted by the Board of Commissioners of the Issuer on August 29, 2022.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2022, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "County-Wide Summary of Outstanding Debt";
2. "County-Wide Debt Statement";
3. "County-Wide Debt Record";
4. "County-Wide Per Capita Debt Ratios";
5. "County-Wide Debt Ratios";
6. "County-Wide Debt Trend";
7. "County-Wide Debt Service Requirements";
8. "County-Wide Property Valuation and Property Tax";
9. "County-Wide Top Property Taxpayers";
10. "County-Wide Fund Balances"; and
11. "County-Wide Local Sales Tax;"
12. "County-Wide Basic Education Program Funding;"
13. "County District Summary of Outstanding Debt";
14. "County District Debt Statement";
15. "County District Debt Record of Marion County (County District)";
16. "County District Per Capita Debt Ratios";
17. "County District Debt Ratios";
18. "County District Debt Trend";
19. "County District Debt Service Requirements";
20. "County District Property Valuation and Property Tax"; and
21. "County District Debt Service Fund Balances".

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2022, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

MARION COUNTY, TENNESSEE

By: _____
County Mayor

