

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).

\$1,630,000
MARION COUNTY, TENNESSEE
GENERAL OBLIGATION BONDS, SERIES 2023
(ULT) (BANK QUALIFIED)

Dated: Date of Issuance

Due: April 1, as shown below

Marion County, Tennessee (the "County") will issue its \$1,630,000 General Obligation Bonds, Series 2023 (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 April 1 and October 1 of each year, commencing April 1, 2024, 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 April 1, 2033, at a price of par plus accrued interest to the redemption date. The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number	Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number
2024	\$50,000	5.000%	3.600%	569356VH8	2029	\$60,000	5.000%	3.500%	569356VN5
2025	55,000	5.000	3.550	569356VJ4	2030	65,000	5.000	3.500	569356VP0
2026	55,000	5.000	3.500	569356VK1	2031	65,000	5.000	3.500	569356VQ8
2027	60,000	5.000	3.500	569356VL9	2032	70,000	5.000	3.550	569356VR6
2028	60,000	5.000	3.500	569356VM7	2033	70,000	5.000	3.600	569356VS4

\$235,000 4.000% Term Bonds due April 1, 2036, Yield 3.800%^C, CUSIP 569356VV7

\$355,000 4.000% Term Bonds due April 1, 2040, Yield 4.100%, CUSIP 569356VZ8

\$430,000 4.250% Term Bonds due April 1, 2044, Yield 4.300%, CUSIP 569356WD6

^C Yield to April 1, 2033 Call Date

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. 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 November 27, 2023.

November 14, 2023

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.

Table of Contents

Officials	iv
Summary Statement	v
Official Statement	1
Introduction	1
The Bonds	1
Description	1
Registration and Payment	1
Book-Entry-Only System	2
Optional Redemption	4
Mandatory Redemption	4
Notice of Redemption	5
Security and Sources of Payment	6
Remedies of Bondholders	6
Discharge and Satisfaction of Bonds	6
Plan of Financing	7
Sources and Uses of Funds	7
Rating	7
Continuing Disclosure	7
Future Issues	8
Litigation	8
Approval of Legal Proceedings	8
Tax Matters	8
Federal	8
Bond Premium	9
Original Issue Discount	9
Information Reporting and Backup Withholding	9
Qualified Tax Exempt Obligations	10
State Taxes	10
Changes In Federal and State Tax Law	10
Municipal Advisor	11
Underwriting	11
Forward Looking Statements	11
Miscellaneous	11
Certificate of County Mayor	12
Form of Bond Counsel Opinion	Appendix A
Demographics and Financial Information Related to the County	Appendix B
Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2022	Appendix C
Form of Continuing Disclosure Agreement	Appendix D

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

Officials

David Jackson
County Mayor

Board of Commissioners

David Abbott
Donald Blansett
Ruric Brandt
Sherry VanAllman
Jimmy Cantrell

Gene Hargis
Don Adkins
Steven Franklin
Paul Schafer
Linda Mason

Dennis Rollins
Peggy Thompson
Logan Campbell
Jim Nunley
Chris Morrison

County Officials

County Clerk
Trustee

Joanie Spangler
Diane Massengale

Counsel for the County
William L. Gouger, 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
BOK Financial Securities, Inc.
Dallas, Texas

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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	\$1,630,000 General Obligation Bonds, Series 2023 (the "Bonds").
PURPOSE	The Bonds are being issued to finance emergency services radio towers for the County's Emergency Services District and pay Bond issuance costs.
SECURITY	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. 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 April 1 and October 1, commencing April 1, 2024.
PRINCIPAL DUE	April 1, 2024 through April 1, 2044.
SETTLEMENT DATE	November 27, 2023.
OPTIONAL REDEMPTION	The Bonds shall be subject to redemption at the option of the County at any time on or after April 1, 2033, at a price of par plus accrued interest to the redemption date.
MANDATORY REDEMPTION	The Bonds maturing April 1, 2036, April 1, 2040 and April 1, 2044 shall be subject to mandatory redemption on the dates and in the amounts set forth herein, 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, 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).
BANK QUALIFICATION.....	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
REGISTRATION AND PAYING AGENT	U.S. Bank Trust Company, National Association, Nashville, Tennessee.
MUNICIPAL ADVISOR.....	Stephens Inc.
UNDERWRITER.....	BOK Financial Securities, Inc.

Official Statement

Marion County, Tennessee

\$1,630,000 General Obligation Bonds, Series 2023 (ULT) (Bank Qualified)

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 \$1,630,000 General Obligation Bonds, Series 2023 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution adopted by the Board of County Commissioners of the County on September 25, 2023 (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 emergency services radio towers for the County's Emergency Services District 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 April 1 and October 1 of each year (herein an "Interest Payment Date"), commencing April 1, 2024.

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 April 1, 2033 shall mature without option of prior redemption, and Bonds maturing April 1, 2034 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on April 1, 2033 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

Mandatory Redemption

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on April 1, 2036, April 1, 2040 and April 1, 2044, 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>
April 1, 2036	April 1, 2034	\$75,000
	April 1, 2035	80,000
	April 1, 2036*	80,000
April 1, 2040	April 1, 2037	\$85,000
	April 1, 2038	85,000
	April 1, 2039	90,000
	April 1, 2040*	95,000
April 1, 2044	April 1, 2041	\$100,000
	April 1, 2042	105,000
	April 1, 2043	110,000
	April 1, 2044*	115,000

*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, whether optional or mandatory, 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 the County. 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	\$1,630,000.00
Net Reoffering Premium	<u>37,139.05</u>
Total Sources	<u>\$1,667,139.05</u>

Uses of Funds

Deposit to Project Fund	\$1,588,260.80
Costs of Issuance ⁽¹⁾	<u>78,878.25</u>
Total Uses	<u>\$1,667,139.05</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, 2023 (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, 2023.

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
- a borrower of money to purchase or carry the Bonds, or
- 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.

Qualified Tax-Exempt Obligations

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the Municipality as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

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. The information set forth herein has been obtained by the County and other sources believed to be reliable. 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

BOK Financial Securities, Inc., Dallas, Texas, 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 \$1,644,319.05, which is par, plus net original issue premium of \$37,139.05, less underwriter's discount of \$22,820.00.

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 November 14, 2023 issued in connection with the sale of the County's \$1,630,000 General Obligation Bonds, Series 2023 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 27th day of November, 2023.

/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.

(Form of Opinion of Bond Counsel)

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

November 27, 2023

We have acted as bond counsel to Marion County, Tennessee (the "Issuer") in connection with the issuance of \$1,630,000 General Obligation Bonds, Series 2023, 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 the County.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) 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, 2023. 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 and Paragraph 6 below, 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.

6. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265 of the Code.

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,

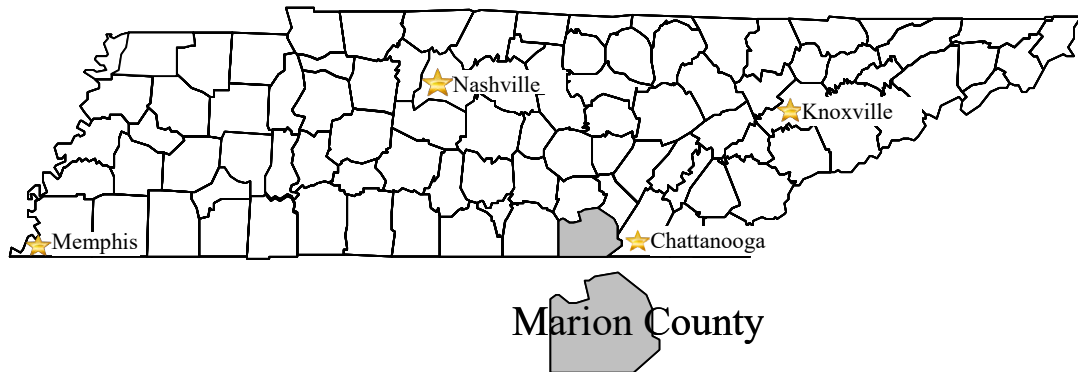
Bass Berry & Sims PLC

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 574,507 in 2022. 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 2022, the County's population of 29,094 has grown 5% since 2000. 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	28,865	6,925,619
2021 U.S. Census Estimate	28,927	6,968,351
2022 U.S. Census Estimate	29,094	7,051,339

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 \$46,559 in 2021. This reflects a 41% increase since 2012.

	County	Tennessee	% of State
2012 Per Capita Personal Income	\$32,956	\$39,082	84.3%
2013 Per Capita Personal Income	\$32,947	\$39,102	84.3%
2014 Per Capita Personal Income	\$33,692	\$40,230	83.7%
2015 Per Capita Personal Income	\$35,314	\$41,942	84.2%
2016 Per Capita Personal Income	\$36,890	\$42,943	85.9%
2017 Per Capita Personal Income	\$38,074	\$44,411	85.7%
2018 Per Capita Personal Income	\$38,934	\$46,452	83.8%
2019 Per Capita Personal Income	\$40,301	\$48,889	82.4%
2020 Per Capita Personal Income	\$43,088	\$51,928	83.0%
2021 Per Capita Personal Income	\$46,559	\$56,970	81.7%

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

Median Housing Value

	Marion		
	County	Tennessee	% of State
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%
2021 Median Housing Value	200,000	283,410	70.6%
2022 Median Housing Value	215,000	325,000	66.2%

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.

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.
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	11,762	567	12,329	4.6%	3.5%	3.9%
2019	12,087	530	12,617	4.2%	3.3%	3.7%
2020	11,349	934	12,283	7.6%	7.5%	8.1%
2021	11,620	560	12,180	4.6%	4.5%	5.4%
2022	11,792	479	12,271	3.9%	3.4%	3.6%
Aug-23	11,946	498	12,444	4.0%	3.1%	3.8%

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 3,751 during the 2021-2022 school year. The average daily membership of the Richard City School System was 198 during the 2021-2022 school year.

Average Daily Membership		
<u>School Year</u>	<u>Marion County Schools</u>	<u>Richard City Schools</u>
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
2021-2022	3,751	198

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, 2022 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 3,672 for the school year 2021-2022. Marion County operated a public school system with 3,487 or 95% of the total pupils in the County attending. The Richard City School District operated a public school system with 185 or 5% of the total pupils in the County attending. In Tax Year 2022, the Richard City School District had 1.72% 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 2023, 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 76, Note H of the Marion County Annual Financial Report for the fiscal year ending June 30, 2022 as presented and prepared by the State Comptroller's Division of County Audit.

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

See Appendix C, page 93, Note I of the Marion County Annual Financial Report for the fiscal year ending June 30, 2022 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 6/30/2022⁽¹⁾
<u>Total Bonds</u>					
3,675,000	GO Bonds, Series 2010	03/31/10	04/01/30	2.50% - 4.00%	1,450,000
15,485,000	GO Refunding Bonds, Series 2014	10/15/14	06/01/31	2.00% - 5.00%	10,400,000
3,345,000	GO Refunding Bonds, Series 2015A	02/25/15	04/01/29	2.00% - 2.35%	1,780,000
1,630,000	GO Bonds, Series 2023	11/27/23	04/01/44	4.00% - 5.00%	1,630,000
Total Bonds					\$15,260,000
<u>Total Notes</u>					
\$377,000	Jasper Public Works Project	12/02/12	04/01/23	1.94%	\$40,000
\$550,000	Kenworth Dump Trucks	07/10/17	04/19/24	3.09%	\$164,964
\$295,000	Gradall Excavator	06/15/21	06/15/26	2.23%	\$238,572
Total Notes					\$443,536
<u>Total Capital Leases</u>					
\$78,764	Computers	12/05/18	12/05/23	4.54%	\$16,436
\$168,140	Promethean Boards	05/03/19	05/03/24	0.00%	\$33,628
\$112,016	Body-Worn Cameras	09/30/20	09/30/25	0.00%	\$54,612
Total Capital Leases					\$104,676
Total Outstanding Debt					\$15,808,212

COUNTY-WIDE DEBT STATEMENT (as of June 30, 2022)

Outstanding Debt		
Total Current Outstanding Debt		\$15,808,212
Less: General Debt Service Fund Balance as of June 30, 2022		(2,219,552)
Net Direct Debt		\$13,588,660
Net Overlapping Debt (as of June 30, 2022)		
Jasper		\$254,725
Kimball		0
Marion County - County-District		34,855,000 ⁽²⁾
Monteagle		235,000
New Hope		0
Orme		0
Powells Crossroads		0
South Pittsburg		405,679
Whitwell		75,548
Total Net Overlapping Debt		\$35,825,952
Overall Net Debt		\$49,414,612

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 6/30/2022 and adjusted for GO Bonds, Series 2023.

(2) - As of 6/30/2022 and adjusted for 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, 2022 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	28,865	6,925,619
2021 U.S. Census Estimate	28,927	6,968,351
2022 U.S. Census Estimate	29,094	7,051,339

Source: U.S. Bureau of Census

COUNTY-WIDE PER CAPITA DEBT RATIOS

Current Outstanding Debt	\$543.35
Net Direct Debt	\$467.06
Total Net Overlapping Debt	\$1,231.39
Overall Net Debt	\$1,698.45

COUNTY-WIDE DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 954,235,047	\$ 3,417,013,562
Current Outstanding Debt to	1.66%	0.46%
Net Direct Debt to	1.42%	0.40%
Total Net Overlapping Debt to	3.75%	1.05%
Overall Net Debt to	5.18%	1.45%

COUNTY-WIDE DEBT TREND

Fiscal Years Ending

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Bonds	\$13,630,000	\$14,955,000	\$16,195,000	\$17,395,000	\$18,570,000
Notes	443,536	620,948	444,505	560,674	674,593
Capitalized Leases	104,676	172,230	148,080	196,093	-
Total Debt	<u>\$14,178,212</u>	<u>\$15,748,178</u>	<u>\$16,787,585</u>	<u>\$18,151,767</u>	<u>\$19,244,593</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 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, 2022)⁽¹⁾

Principal					Interest			Total Debt Service Requirements
Year Ended June 30	Existing Debt as of 6/30/2022	Plus: GO Bonds, Series 2023	Total Principal Requirements	Percent Principal Retired	Existing Debt as of 6/30/2022	Plus: GO Bonds, Series 2023	Total Interest Requirements	
1 2023	1,624,441		1,624,441		438,028		438,028	2,062,469
2 2024	1,593,643	50,000	1,643,643		373,507	24,929	398,436	2,042,079
3 2025	1,538,492	55,000	1,593,492		337,413	69,875	407,288	2,000,780
4 2026	1,566,636	55,000	1,621,636		299,130	67,125	366,255	1,987,891
5 2027	1,575,000	60,000	1,635,000	51.35%	256,744	64,375	321,119	1,956,119
6 2028	1,670,000	60,000	1,730,000		210,525	61,375	271,900	2,001,900
7 2029	1,740,000	60,000	1,800,000		157,553	58,375	215,928	2,015,928
8 2030	1,530,000	65,000	1,595,000		101,700	55,375	157,075	1,752,075
9 2031	1,340,000	65,000	1,405,000		46,900	52,125	99,025	1,504,025
10 2032		70,000	70,000	93.10%		48,875	48,875	118,875
11 2033		70,000	70,000			45,375	45,375	115,375
12 2034		75,000	75,000			41,875	41,875	116,875
13 2035		80,000	80,000			38,875	38,875	118,875
14 2036		80,000	80,000			35,675	35,675	115,675
15 2037		85,000	85,000	95.57%		32,475	32,475	117,475
16 2038		85,000	85,000			29,075	29,075	114,075
17 2039		90,000	90,000			25,675	25,675	115,675
18 2040		95,000	95,000			22,075	22,075	117,075
19 2041		100,000	100,000			18,275	18,275	118,275
20 2042		105,000	105,000	98.58%		14,025	14,025	119,025
21 2043		110,000	110,000			9,563	9,563	119,563
22 2044		115,000	115,000	100.00%		4,888	4,888	119,888
	<u>\$14,178,212</u>	<u>\$1,630,000</u>	<u>\$15,808,212</u>		<u>\$2,221,500</u>	<u>\$820,279</u>	<u>\$3,041,779</u>	<u>\$18,849,991</u>

Note- Excludes Rural School Bonds

(1) - As of 6/30/2022 and adjusted for GO Bonds, Series 2023.

Source: Annual Financial Report and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2022 and County officials.

COUNTY-WIDE PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$2,669,933,500	\$2,546,854,600	\$2,183,201,722	\$2,019,198,548	\$1,964,765,613
Commercial & Industrial	401,161,300	394,868,600	384,840,641	372,728,678	360,282,371
Personal Tangible Property	181,182,982	152,479,771	146,930,805	142,982,126	145,108,413
Public Utilities	164,735,780	160,154,641	129,127,982	129,094,694	121,096,793
Total Estimated Actual Values	\$3,417,013,562	\$3,254,357,612	\$2,844,101,150	\$2,664,004,046	\$2,591,253,190
Annual Percentage Change	5.00%	14.42%	6.76%	2.81%	4.43%
Estimated Per Capita Amount	\$117,447	\$111,857	\$98,637	\$92,250	\$90,610
ASSESSED VALUES					
Residential & Farm (at 25%)	\$667,558,315	\$636,792,985	\$489,781,900	\$475,743,705	\$462,916,860
Commercial & Industrial (at 40%)	160,414,615	157,898,165	138,100,900	140,486,100	135,794,340
Personal Tangible Property (at 30%)	54,354,949	45,743,986	40,612,132	40,670,021	41,344,384
Public Utilities (at 30%-55%)	71,907,168	69,907,501	56,364,364	56,349,834	52,858,750
Total Assessed Values	\$954,235,047	\$910,342,637	\$724,859,296	\$713,249,660	\$692,914,334
Annual Percentage Change	4.82%	25.59%	1.63%	2.93%	-2.50%
Estimated Per Capita Amount	\$32,798	\$31,290	\$25,139	\$24,699	\$24,229
Appraisal Ratio	100.00%	100.00%	89.73%	94.24%	94.24%
Assessed Values to Actual Values	27.93%	27.97%	25.49%	26.77%	26.74%
Property Tax Rate					
Total Property Tax Rate	\$1.7603	\$1.7603	\$2.1686	\$2.1686	\$2.1686
Taxes Levied	\$16,797,400	\$16,024,761	\$15,719,299	\$15,467,532	\$15,026,540
Collections					
Current Fiscal Year	In Process	\$14,991,549	\$14,974,635	\$14,386,838	\$14,022,418
Percent Collected Current FY	In Process	93.55%	95.26%	93.01%	93.32%

Sources: State Board of Equalization, 2018 - 2022 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2018 - 2022 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 2022</u> <u>Assessed Value</u>	<u>Assessed Value</u> <u>as a % of 2022</u> <u>Total Assessment</u>
Sequatchie Valley Electric Co-op	Electric Utility	\$31,309,943	3.28%
East Tn Natural Gas	Gas Utility	8,074,636	0.85%
Agree Stores LLC	Retail	5,752,520	0.60%
CSX Transportation	Railroad	5,491,138	0.58%
Variform Inc.	Vinyl Siding Manufacturer	5,234,743	0.55%
Tennessee American Water	Utility	5,020,288	0.53%
Mueller Property Holdings	Minerals	4,953,839	0.52%
Lodge Mfg.	Cookware	4,897,215	0.51%
Regency Kimball	Retail	3,893,360	0.41%
Colonial Chemical	Specialty Chemicals	3,590,669	0.38%

Source: Office of the Trustee of Marion County.

COUNTY-WIDE FUND BALANCES

For Fiscal Years Ending June 30

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
GOVERNMENTAL FUNDS					
General Government Fund	\$12,494,608	\$12,259,152	\$9,808,501	\$9,189,128	\$9,105,315
Highway/Public Works Fund	1,135,546	1,850,702	1,796,669	1,514,713	999,032
Special Revenue Funds	1,430,078	1,040,450	786,542	762,790	710,455
Education Funds	15,876,955	12,711,151	8,733,211	7,202,239	7,168,996
Debt Service Fund	2,219,552	2,054,883	1,929,293	1,844,155	1,780,511
Education Debt Service Fund	6,935,409	5,662,345	4,572,797	3,808,255	3,190,177
Rural Debt Service Fund	8,628,341	8,080,014	7,331,908	6,661,327	6,780,910
Capital Projects - Education	25,860,517	1,409,595	1,188,490	968,139	407,576
Capital Projects - General	7,846,601	8,526,842	7,697,833	6,858,363	5,809,476
Total Governmental Funds	\$82,427,607	\$53,595,134	\$43,845,244	\$38,809,109	\$35,952,448

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 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>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution to Following Funds					
Solid Waste/Sanitation	\$938,319	\$779,738	\$555,308	\$482,118	\$382,905
Education Debt Service	2,580,712	2,298,951	1,976,213	1,828,536	1,739,310
General Purpose School	5,583,326	4,914,609	4,214,227	3,907,396	3,677,142
Special School District	314,617	260,802	228,985	207,568	238,295
Cities Portion	4,997,748	4,443,430	3,850,119	3,597,273	3,559,937
Total Amount Collected	\$14,414,722	\$12,697,530	\$10,824,852	\$10,022,891	\$9,597,589
% of Increase	13.52%	17.30%	8.00%	4.43%	0.18%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 as presented and prepared by the State Comptroller's Division of County Audit.

BASIC EDUCATION PROGRAM FUNDING

For Fiscal Years Ending June 30

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Total BEP Funding	\$21,389,319	\$21,021,889	\$20,836,193	\$20,332,319	\$20,090,319

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 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 6/30/2022⁽¹⁾
1,805,000	Rural School GO Refunding Bonds, Series 2015	02/25/15	04/01/25	2.00%-4.00%	610,000
4,315,000	County District School Refunding Bonds, Series 2020	08/12/20	04/01/24	5.00%	2,210,000
23,615,000	County District School Bonds, Series 2022	01/05/22	06/01/40	1.00%-5.00%	23,605,000
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					<u>\$34,855,000</u>

COUNTY-DISTRICT DEBT STATEMENT (as of June 30, 2022)

Outstanding Debt

Total Current Outstanding Debt	\$34,855,000
Less: Debt Service Fund Balance as of June 30, 2022	<u>(8,628,341)</u>

Net Direct Debt

\$26,226,659

Net Overlapping Debt (as of June 30, 2022)

Jasper	\$254,725
Kimball	0
Marion County - General Debt (98.28% of Assessed Valuation)	15,535,981 ⁽²⁾
Monteagle	235,000
New Hope	0
Orme	0
Powell's Crossroads	0
South Pittsburg	405,679
Whitwell	75,548

Total Net Overlapping Debt

\$16,506,933

Overall Net Debt

\$42,733,592

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

(2) As of 6/30/2022 and adjusted for GO Bonds, Series 2023.

Sources: Annual Financial Reports for the fiscal year ending June 30, 2022 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
2021 U.S. Census Estimate	27,980	28,927	6,968,351
2022 U.S. Census Estimate	28,147	29,094	7,051,339

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	\$1,238.32
Net Direct Debt	\$931.77
Total Net Overlapping Debt	\$586.45
Overall Net Debt	\$1,518.23

COUNTY-DISTRICT DEBT RATIOS

	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual Value</u>
Property Values	\$ 937,802,280	\$ 3,361,459,344
Current Outstanding Debt to	3.72%	1.04%
Net Direct Debt to	2.80%	0.78%
Total Net Overlapping Debt to	1.76%	0.49%
Overall Net Debt to	4.56%	1.27%

COUNTY-DISTRICT DEBT TREND

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
Gross Debt					
Rural Debt	\$34,855,000	\$4,040,000	\$5,640,000	\$6,875,000	\$8,825,000
Total Net Debt	<u>\$34,855,000</u>	<u>\$4,040,000</u>	<u>\$5,640,000</u>	<u>\$6,875,000</u>	<u>\$8,825,000</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 as presented and prepared by the State Comptroller's Division of County Audit.

COUNTY-DISTRICT DEBT SERVICE REQUIREMENTS

(as of June 30, 2022)⁽¹⁾

		Principal			Interest			
		Plus: County District School			Plus: County District School			
Year Ended	Existing	Bonds, Series	Total	Percent	Existing	Bonds, Series	Total	Debt Service
June 30	Debt as of	2022A	Principal	Principal	Debt as of	2022A	Interest	Requirements
1	2023	2,240,000	455,000	2,695,000	801,163	176,985	978,148	3,673,148
2	2024	2,350,000	265,000	2,615,000	691,113	370,550	1,061,663	3,676,663
3	2025	1,275,000	275,000	1,550,000	575,663	357,300	932,963	2,482,963
4	2026	1,120,000	290,000	1,410,000	514,013	343,550	857,563	2,267,563
5	2027	1,175,000	305,000	1,480,000	27.97%	458,013	329,050	787,063
6	2028	1,185,000	320,000	1,505,000	446,263	313,800	760,063	2,265,063
7	2029	1,200,000	335,000	1,535,000	431,450	297,800	729,250	2,264,250
8	2030	1,260,000	350,000	1,610,000	371,450	281,050	652,500	2,262,500
9	2031	1,315,000	370,000	1,685,000	321,050	263,550	584,600	2,269,600
10	2032	1,350,000	390,000	1,740,000	51.14%	281,600	245,050	526,650
11	2033	1,395,000	410,000	1,805,000	241,100	225,550	466,650	2,271,650
12	2034	1,420,000	430,000	1,850,000	213,200	205,050	418,250	2,268,250
13	2035	1,450,000	450,000	1,900,000	184,800	183,550	368,350	2,268,350
14	2036	1,480,000	470,000	1,950,000	155,800	161,050	316,850	2,266,850
15	2037	1,505,000	495,000	2,000,000	78.41%	126,200	137,550	263,750
16	2038	1,535,000	520,000	2,055,000	96,100	112,800	208,900	2,263,900
17	2039	1,570,000	540,000	2,110,000	65,400	92,000	157,400	2,267,400
18	2040	1,600,000	565,000	2,165,000	34,000	70,400	104,400	2,269,400
19	2041		585,000	585,000		47,800	47,800	632,800
20	2042		610,000	610,000	100.00%	24,400	24,400	634,400
		\$26,425,000	\$8,430,000	\$34,855,000			\$6,008,375	\$4,238,835
							\$10,247,210	\$45,102,210

(1) As of 6/30/22 and adjusted for County District School Bonds, Series 2022A.

Source: Annual Financial Reports for the fiscal year ending June 30, 2022 as presented and prepared by the State Comptroller's Division of County Audit.

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

Fiscal Year Tax Year	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$2,631,804,600	\$2,508,445,500	\$2,154,671,236	\$1,992,290,234	\$1,938,199,298
Commercial & Industrial	385,359,700	379,357,700	370,358,530	358,765,829	346,580,347
Personal Tangible Property	180,354,836	151,636,465	146,018,422	141,935,739	143,645,666
Public Utilities	163,940,208	159,363,276	128,439,240	128,413,173	120,410,355
Total Estimated Actual Values	\$3,361,459,344	\$3,198,802,941	\$2,799,487,428	\$2,621,404,975	\$2,548,835,666
Annual Percentage Change	5.08%	14.26%	6.79%	2.85%	4.40%
Estimated Per Capita Amount	\$119,425	\$113,646	\$100,387	\$93,853	\$92,179
ASSESSED VALUES					
Residential & Farm (at 25%)	\$658,026,090	\$627,190,710	\$483,381,800	\$469,404,105	\$456,657,835
Commercial & Industrial (at 40%)	154,109,785	151,718,120	132,913,780	135,222,660	130,629,220
Personal Tangible Property (at 30%)	54,106,504	45,490,995	40,364,234	40,372,877	40,928,489
Public Utilities (at 30%-55%)	71,559,901	69,562,070	56,063,728	56,052,350	52,559,120
Total Assessed Values	\$937,802,280	\$893,961,895	\$712,723,542	\$701,051,992	\$680,774,664
Annual Percentage Change	4.90%	25.43%	1.66%	2.98%	-2.56%
Estimated Per Capita Amount	\$33,318	\$31,760	\$25,558	\$25,099	\$24,620
Appraisal Ratio	100.00%	100.00%	89.73%	94.24%	94.24%
Assessed Values to Actual Values	27.90%	27.95%	25.46%	26.74%	26.71%
Property Tax Rate					
Rural Debt Fund	\$0.1655	\$0.1655	\$0.2036	\$0.2036	\$0.2036
Total Property Tax Rate	\$0.1655	\$0.1655	\$0.2036	\$0.2036	\$0.2036
Taxes Levied⁽¹⁾	\$1,552,063	\$1,479,507	\$1,451,105	\$1,427,342	\$1,386,057
Collections⁽²⁾					
Current Fiscal Year	In Process	\$1,389,676	\$1,387,872	\$1,332,762	\$1,299,957
Percent Collected Current FY	In Process	93.93%	95.64%	93.37%	93.79%

⁽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, 2018 - 2022 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2018 - 2022 as prepared by the Comptroller of the Treasury and County Officials.

COUNTY-DISTRICT DEBT SERVICE FUND BALANCES

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>
GOVERNMENTAL FUNDS					
Rural Debt Service Fund	\$8,628,341	\$8,080,014	\$7,331,908	\$6,661,327	\$6,780,910

Sources: Annual Financial Reports for the fiscal years ending June 30, 2018 - 2022 as presented and prepared
by the State Comptroller's Division of County Audit.

Bondholder Risks

The purchase of the Series 2023 Bonds involves various risks and investment considerations. Certain of these risks and investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible risk factors nor a substitute for an independent evaluation of the information presented in this Official Statement, including the appendices attached hereto.

Each potential purchaser of any of the Series 2023 Bonds should read this Official Statement, including the appendices attached hereto, in its entirety and consult such prospective purchaser's own investment, financial and legal advisor for a more complete explanation of the matters that should be evaluated and considered when purchasing the Series 2023 Bonds.

Epidemics, Pandemics and Public Health Emergencies

The outbreak of epidemics, pandemics and other public health emergencies have the potential to materially disrupt the operations and financial condition of the County and the local economy. The spread of Covid-19, a respiratory disease caused by a novel strain of coronavirus, is an example of a recent public health emergency. The Covid-19 outbreak led to quarantines and social-distancing efforts that impacted government agencies, schools, businesses and other entities throughout the County and the State. Multiple vaccines and additional boosters for the virus were approved for distribution in the United States. The vaccines have had varying efficacy rates and studies suggest the efficacy rates may decline over time. While some studies suggest that the existing vaccines are effective against known variants of the virus, there is no assurance that future variants will not be resistant to current vaccines.

Given the evolving nature of the spread of the disease, and future diseases, and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict the (1) extent or duration of the Covid-19 outbreak or other epidemics, pandemics or public health emergencies, (2) the extent or duration of any existing or future quarantines, business closures, travel restrictions or other measures relating to Covid-19 or other epidemics, pandemics or public health emergencies, and (3) whether and to what extent the Covid-19 outbreak or other epidemics, pandemics or public health emergencies will adversely affect the operations or financial condition of the Issuer.

Climate Change

Numerous scientific studies have suggested that changing global weather patterns and extreme weather events may potentially disrupt government operations and economic conditions in impacted areas. Changing weather patterns can potentially increase the risk of higher temperatures, changes in precipitation, increased flooding, droughts and fires. The County cannot accurately predict the timing, extent or severity of any climate change and its impact on the County's operations and finances.

Cyber-Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information, and as a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to

unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the County to legal action. The County has no knowledge of, nor historical record of any successful cyber-security breach or related attack. Attempted cyber-security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or agencies of similar characteristics. To mitigate against such risks, the County has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

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, where applicable, 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.

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APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2022



ANNUAL FINANCIAL REPORT

Marion County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF
LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT
MARION COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

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
TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Marion County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	25-28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	29
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	30-31
Highway/Public Works Fund	C-6	32
Proprietary Fund:		
Statement of Net Position	D-1	33
Statement of Revenues, Expenses, and Changes in Net Position	D-2	34
Statement of Cash Flows	D-3	35
Fiduciary Funds:		
Statement of Net Position	E-1	36
Statement of Changes in Net Position	E-2	37
Index and Notes to the Financial Statements		38-109
REQUIRED SUPPLEMENTARY INFORMATION:		110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	111
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	112
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Marion County School Department	F-3	113

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Marion County School Department	F-4	114
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Marion County School Department	F-5	115
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Marion County School Department	F-6	116
Schedule of Changes in Total OPEB Liability and Related Ratios - Local Government Plans - Primary Government	F-7	117
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Marion County School Department	F-8	118
Notes to the Required Supplementary Information		119
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		120
Nonmajor Governmental Funds:		121-122
Combining Balance Sheet	G-1	123-126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	127-130
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	G-3	131
Solid Waste/Sanitation Fund	G-4	132
Drug Control Fund	G-5	133
General Debt Service Fund	G-6	134
Major Governmental Funds:		135-136
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Rural Debt Service Fund	H-1	137
Education Debt Service Fund	H-2	138
Education Capital Projects Fund	H-3	139
Other Capital Projects Fund	H-4	140
Fiduciary Funds:		141
Combining Statement of Net Position – Custodial Funds	I-1	142
Combining Statement of Changes in Net Position – Custodial Funds	I-2	143
Component Unit:		
Discretely Presented Marion County School Department:		144
Statement of Activities	J-1	145
Balance Sheet – Governmental Funds	J-2	146-147
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	148
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	149-150
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	151

	Exhibit	Page(s)
Component Unit (Cont):		
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	152
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	153
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	J-8	154-155
School Federal Projects Fund	J-9	156
Central Cafeteria Fund	J-10	157
Statement of Fiduciary Net Position	J-11	158
Statement of Changes in Fiduciary Net Position	J-12	159
Miscellaneous Schedules:		160
Schedule of Changes in Long-term Bonds, Notes, and Other Loans	K-1	161-162
Schedule of Long-term Debt Requirements by Year	K-2	163
Schedule of Investments – Discretely Presented Marion County School Department	K-3	164
Schedule of Notes Receivable – Primary Government	K-4	165
Schedule of Transfers – Primary Government and Discretely Presented Marion County School Department	K-5	166
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Marion County School Department	K-6	167
Schedule of Detailed Revenues – All Governmental Fund Types	K-7	168-179
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Marion County School Department	K-8	180-183
Schedule of Detailed Expenditures – All Governmental Fund Types	K-9	184-199
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Marion County School Department	K-10	200-210
Schedule of Detailed Additions, Deductions, and Changes in Net Position – City Custodial Funds	K-11	211
<u>SINGLE AUDIT SECTION</u>		212
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		213-215
Auditor's 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 Uniform Guidance		216-219
Schedule of Expenditures of Federal Awards and State Grants		220-222
Summary Schedule of Prior-year Findings		223
Schedule of Findings and Questioned Costs		224-228
Management's Corrective Action Plan		229-233
Best Practice		234

Summary of Audit Findings

Annual Financial Report
Marion County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Marion County as of and for the year ended June 30, 2022.

Results

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

Our audit resulted in four findings and recommendations, which we have reviewed with Marion County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR AND HIGHWAY SUPERVISOR

- ◆ Material audit adjustments were required for proper financial statement presentation.

OFFICE OF HIGHWAY SUPERVISOR

- ◆ Cash with trustee was not accurately reconciled with the general ledger.
- ◆ Operations of the highway department are currently under investigation.

OFFICE OF SHERIFF

- ◆ Duties were not segregated adequately.



INTRODUCTORY SECTION

Marion County Officials

June 30, 2022

Officials

David Jackson, County Mayor
James Hawk, Highway Supervisor
Mark Griffith, Director of Schools
Diane Massengale, Trustee
Darrell Pittman, Assessor of Property
Joanie Spangler, 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	
Don Adkins, Jr.	Robert Eugene Hargis
Donald Blansett	Allen Kirk
Matt Blansett	Jim Nunley
Joey Blevins, Jr.	Gary Reames
Kenneth Cookston	Mack Reeves
Steven Franklin	Kenneth Skiles
Roger Grayson	Peggy Thompson

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2022, 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.

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 represent .96 percent, 1.21 percent, and 1.89 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 report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

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 the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on

the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, Education Capital Projects, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service, Education Debt Service, Education Capital Projects, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, 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

October 28, 2022

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Marion County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental	Business-type		Marion
	Activities	Activities	Total	County
				School
				Department
<u>ASSETS</u>				
Cash	\$ 123,152	\$ 178,656	\$ 301,808	\$ 958,751
Equity in Pooled Cash and Investments	45,149,980	0	45,149,980	37,488,292
Inventories	0	0	0	104,158
Accounts Receivable	55,378	0	55,378	3,455
Due from Other Governments	1,570,976	0	1,570,976	2,392,523
Due from Primary Government	0	0	0	500,000
Due from Component Units	55,544	0	55,544	0
Property Taxes Receivable	11,136,535	0	11,136,535	6,017,876
Allowance for Uncollectible Property Taxes	(435,199)	0	(435,199)	(235,145)
Notes Receivable - Long-term	118,750	0	118,750	0
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	263,379
Net Pension Asset - Agent Plan	3,086,397	0	3,086,397	1,991,584
Net Pension Asset - Teacher Retirement Plan	0	0	0	224,829
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	17,205,762
Assets Not Depreciated:				
Land	2,739,127	0	2,739,127	1,491,696
Construction in Progress	0	0	0	803,835
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	11,897,900	0	11,897,900	29,019,392
Infrastructure	5,871,550	0	5,871,550	0
Other Capital Assets	2,529,729	203,806	2,733,535	452,665
Total Assets	\$ 83,899,819	\$ 382,462	\$ 84,282,281	\$ 98,683,052
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 17,571	\$ 0	\$ 17,571	\$ 73,071
Pension Changes in Assumptions	1,490,888	0	1,490,888	5,640,223
Pension Changes in Proportion	0	0	0	41,901
Pension Contributions After Measurement Date	455,906	0	455,906	1,726,070
OPEB Changes in Experience	28,091	0	28,091	291,352
OPEB Changes in Assumptions	45,267	0	45,267	964,037
OPEB Changes in Proportion	0	0	0	99,378
OPEB Contributions After Measurement Date	10,053	0	10,053	95,494
Total Deferred Outflows of Resources	\$ 2,047,776	\$ 0	\$ 2,047,776	\$ 8,931,526
<u>LIABILITIES</u>				
Accounts Payable	\$ 829,689	\$ 36,345	\$ 866,034	\$ 579,568
Accrued Payroll	27,651	0	27,651	508,755
Payroll Deductions Payable	0	0	0	0
Due to Primary Government	0	0	0	55,544
Due to Component Unit	500,000	0	500,000	0
Due to Other Governments	2,807,423	0	2,807,423	0
Due to Litigants, Heirs, and Others	41,601	0	41,601	0
Accrued Interest Payable	142,254	0	142,254	0
Noncurrent Liabilities:				
Due Within One Year - Debt	3,864,441	0	3,864,441	0
Due Within One Year - Other	16,524	0	16,524	0
Due in More Than One Year - Debt	38,981,181	0	38,981,181	0
Due in More Than One Year - Other	334,375	0	334,375	3,890,127
Total Liabilities	\$ 47,545,139	\$ 36,345	\$ 47,581,484	\$ 5,033,994

(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	\$ 10,318,062	\$ 0	\$ 10,318,062	\$ 5,575,668
Pension Changes in Experience	344,716	0	344,716	1,698,593
Pension Changes in Investment Earnings	3,059,059	0	3,059,059	15,824,573
Pension Changes in Proportion	0	0	0	7,521
OPEB Changes in Experience	49,801	0	49,801	529,895
OPEB Changes in Assumptions	102,462	0	102,462	211,736
OPEB Changes in Proportion	0	0	0	116,752
Total Deferred Inflows of Resources	\$ 13,874,100	\$ 0	\$ 13,874,100	\$ 23,964,738
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 19,315,480	\$ 203,806	\$ 19,519,286	\$ 55,965,003
Restricted for:				
General Government	359,726	0	359,726	0
Finance	160,577	0	160,577	0
Administration of Justice	377,301	0	377,301	0
Public Safety	309,217	0	309,217	0
Public Health and Welfare	1,146,802	0	1,146,802	0
Highways/Public Works	1,332,244	0	1,332,244	0
Debt Service	10,923,753	0	10,923,753	0
Capital Projects	7,767,019	0	7,767,019	0
Education	0	0	0	5,142,674
Pensions	3,086,397	0	3,086,397	19,685,554
Unrestricted	(20,250,160)	142,311	(20,107,849)	(2,177,385)
Total Net Position	\$ 24,528,356	\$ 346,117	\$ 24,874,473	\$ 78,615,846

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, 2022

Functions/Programs		Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Unit								
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Marion County School Department								
						Governmental Activities	Business-type Activities	Total									
Primary Government:																	
Governmental Activities:																	
General Government	\$	5,361,454	\$	918,042	\$	12,873	\$	1,715,360	\$	(2,715,179)	\$	0	\$	(2,715,179)	\$	0	
Finance		1,040,877		973,636		0		0		(67,241)		0		(67,241)		0	
Administration of Justice		1,249,763		607,697		9,000		0		(633,066)		0		(633,066)		0	
Public Safety		5,584,075		177,662		509,701		2,081		(4,894,631)		0		(4,894,631)		0	
Public Health and Welfare		1,423,188		51,529		184,397		0		(1,187,262)		0		(1,187,262)		0	
Social, Cultural, and Recreational Services		1,020,848		259,710		426,617		0		(334,521)		0		(334,521)		0	
Agriculture and Natural Resources		109,919		0		0		0		(109,919)		0		(109,919)		0	
Highways/Public Works		3,992,757		441,905		2,675,432		222,281		(653,139)		0		(653,139)		0	
Interest on Long-term Debt		984,095		0		0		0		(984,095)		0		(984,095)		0	
Education		25,171,376		0		0		776,461		(24,394,915)		0		(24,394,915)		0	
Total Governmental Activities	\$	45,938,352	\$	3,430,181	\$	3,818,020	\$	2,716,183	\$	(35,973,968)	\$	0	\$	(35,973,968)	\$	0	
Business-type Activities:																	
Marion County Conservation Commission	\$	201,734	\$	198,741	\$	0	\$	0	\$	0	\$	(2,993)	\$	(2,993)	\$	0	
Total Primary Government	\$	46,140,086	\$	3,628,922	\$	3,818,020	\$	2,716,183	\$	(35,973,968)	\$	(2,993)	\$	(35,976,961)	\$	0	
Component Unit:																	
Marion County School Department	\$	40,100,930	\$	209,396	\$	11,832,166	\$	25,001,249	\$	0	\$	0	\$	0	\$	(3,058,119)	
Total Component Unit	\$	40,100,930	\$	209,396	\$	11,832,166	\$	25,001,249	\$	0	\$	0	\$	0	\$	(3,058,119)	

(Continued)

Exhibit B

Marion County, Tennessee
Statement of Activities (Cont.)

		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		Marion County School Department	
Functions/Programs	Expenses				Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 8,037,375	\$ 0	\$ 8,037,375	\$ 5,566,293
Property Taxes Levied for Debt Service					2,153,150	0	2,153,150	0
Local Option Sales Taxes					3,546,031	0	3,546,031	5,643,562
Hotel/Motel Tax					0	0	0	223,157
Litigation Taxes					110,753	0	110,753	0
Business Tax					415,617	0	415,617	0
Wholesale Beer Tax					0	0	0	81,279
Mixed Drink Tax					39,845	0	39,845	18,562
Other Local Taxes					15,519	0	15,519	0
Grants and Contributions Not Restricted to Specific Programs					957,043	0	957,043	23,179,184
Unrestricted Investment Income					189,546	0	189,546	32,320
Proceeds from Sale of Land/Equipment					39,978	0	39,978	0
Miscellaneous					59,850	0	59,850	50,560
Amortization Premium					238,425	0	238,425	0
Total General Revenues					\$ 15,803,132	\$ 0	\$ 15,803,132	\$ 34,794,917
Insurance Recovery								
					\$ 3,044	\$ 0	\$ 3,044	\$ 0
Change in Net Position								
Net Position, July 1, 2021					\$ (20,167,792)	\$ (2,993)	\$ (20,170,785)	\$ 31,736,798
					44,696,148	349,110	45,045,258	46,879,048
Net Position, June 30, 2022								
					\$ 24,528,356	\$ 346,117	\$ 24,874,473	\$ 78,615,846

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, 2022

	Major Funds				
	General	Other Special Revenue	Highway / Public Works	Rural Debt Service	Education Debt Service
<u>ASSETS</u>					
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	12,216,182	2,807,423	1,177,904	8,624,355	6,699,244
Accounts Receivable	51,961	0	1,250	0	0
Due from Other Governments	434,278	0	494,379	0	473,165
Due from Other Funds	5,256	0	0	0	0
Due from Component Units	2,260	0	3,220	0	0
Property Taxes Receivable	7,556,792	0	0	1,644,293	0
Allowance for Uncollectible Property Taxes	(295,297)	0	0	(64,254)	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	<u>\$ 19,971,632</u>	<u>\$ 2,807,423</u>	<u>\$ 1,676,753</u>	<u>\$ 10,204,394</u>	<u>\$ 7,172,409</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 200,673	\$ 0	\$ 344,509	\$ 0	\$ 0
Accrued Payroll	27,651	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to Component Units	0	0	0	0	0
Due to Other Governments	0	2,807,423	0	0	0
Due to Litigants, Heirs, and Others	295	0	0	0	0
Total Liabilities	<u>\$ 228,619</u>	<u>\$ 2,807,423</u>	<u>\$ 344,509</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,001,443	\$ 0	\$ 0	\$ 1,523,454	\$ 0
Deferred Delinquent Property Taxes	241,706	0	0	52,599	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other Special Revenue	Highway / Public Works	Rural Debt Service	Education Debt Service
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 5,256	\$ 0	\$ 196,698	\$ 0	\$ 237,000
Total Deferred Inflows of Resources	<u>\$ 7,248,405</u>	<u>\$ 0</u>	<u>\$ 196,698</u>	<u>\$ 1,576,053</u>	<u>\$ 237,000</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted:					
Restricted for General Government	74,419	0	0	0	0
Restricted for Finance	42,625	0	0	0	0
Restricted for Administration of Justice	377,301	0	0	0	0
Restricted for Public Safety	75,170	0	0	0	0
Restricted for Public Health and Welfare	5,948	0	0	0	0
Restricted for Other Operations	21,376	0	0	0	0
Restricted for Highways/Public Works	0	0	1,135,546	0	0
Restricted for Debt Service	0	0	0	8,628,341	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Debt Service	0	0	0	0	6,935,409
Committed for Capital Projects	0	0	0	0	0
Assigned:					
Assigned for Social, Cultural, and Recreational Services	11,352	0	0	0	0
Unassigned	11,886,417	0	0	0	0
Total Fund Balances	<u>\$ 12,494,608</u>	<u>\$ 0</u>	<u>\$ 1,135,546</u>	<u>\$ 8,628,341</u>	<u>\$ 6,935,409</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,971,632</u>	<u>\$ 2,807,423</u>	<u>\$ 1,676,753</u>	<u>\$ 10,204,394</u>	<u>\$ 7,172,409</u>

(Continued)

Exhibit C-1

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

	<u>Major Funds (Cont.)</u>		<u>Nonmajor Funds</u>	
	<u>Education Capital Projects</u>	<u>Other Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 122,952	\$ 123,152
Equity in Pooled Cash and Investments	1,630,298	7,972,372	4,022,202	45,149,980
Accounts Receivable	0	0	2,167	55,378
Due from Other Governments	0	0	169,154	1,570,976
Due from Other Funds	500,000	0	0	505,256
Due from Component Units	0	0	0	5,480
Property Taxes Receivable	0	1,208,186	727,264	11,136,535
Allowance for Uncollectible Property Taxes	0	(47,229)	(28,419)	(435,199)
Notes Receivable - Long-term	0	118,750	0	118,750
Total Assets	\$ 2,130,298	\$ 9,252,079	\$ 5,015,320	\$ 58,230,308
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 247,458	\$ 37,049	\$ 829,689
Accrued Payroll	0	0	0	27,651
Due to Other Funds	0	0	505,256	505,256
Due to Component Units	500,000	0	0	500,000
Due to Other Governments	0	0	0	2,807,423
Due to Litigants, Heirs, and Others	0	0	41,306	41,601
Total Liabilities	\$ 500,000	\$ 247,458	\$ 583,611	\$ 4,711,620
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,119,347	\$ 673,818	\$ 10,318,062
Deferred Delinquent Property Taxes	0	38,673	23,261	356,239

(Continued)

Exhibit C-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

<u>Major Funds (Cont.)</u>		<u>Nonmajor Funds</u>	
<u>Education Capital Projects</u>	<u>Other Capital Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 0	\$ 85,000	\$ 523,954
\$ 0	\$ 1,158,020	\$ 782,079	\$ 11,198,255

FUND BALANCES

Nonspendable:

Long-term Notes Receivable

\$ 0 \$ 118,255 \$ 0 \$ 118,255

Restricted:

Restricted for General Government

0 0 22,225 96,644

Restricted for Finance

0 0 117,952 160,577

Restricted for Administration of Justice

0 0 0 377,301

Restricted for Public Safety

0 0 234,047 309,217

Restricted for Public Health and Welfare

0 0 1,055,854 1,061,802

Restricted for Other Operations

0 0 0 21,376

Restricted for Highways/Public Works

0 0 0 1,135,546

Restricted for Debt Service

0 0 2,219,552 10,847,893

Restricted for Capital Projects

0 7,728,346 0 7,728,346

Committed:

Committed for Debt Service

0 0 0 6,935,409

Committed for Capital Projects

1,630,298 0 0 1,630,298

Assigned:

Assigned for Social, Cultural, and Recreational Services

0 0 0 11,352

Unassigned

0 0 0 11,886,417

Total Fund Balances

\$ 1,630,298 \$ 7,846,601 \$ 3,649,630 \$ 42,320,433

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 2,130,298 \$ 9,252,079 \$ 5,015,320 \$ 58,230,308

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, 2022

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)		\$	42,320,433
(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		11,897,900	
Add: infrastructure net of accumulated depreciation		5,871,550	
Add: other capital assets net of accumulated depreciation		<u>2,529,729</u>	23,038,306
(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	\$	(40,055,000)	
Less: notes payable		(443,536)	
Less: other loans payable		(104,676)	
Add: debt to be contributed by the school department		50,064	
Less: compensated absences payable		(17,393)	
Less: OPEB liability		(333,506)	
Less: accrued interest on outstanding debt		(142,254)	
Less: unamortized premium on debt		<u>(2,242,410)</u>	(43,288,711)
(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	\$	1,964,365	
Less: deferred inflows of resources related to pensions		(3,403,775)	
Add: deferred outflows of resources related to OPEB		83,411	
Less: deferred inflows of resources related to OPEB		<u>(152,263)</u>	(1,508,262)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			3,086,397
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>880,193</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>24,528,356</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, 2022

	Major Funds					
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 7,527,353	\$ 0	\$ 1,494,941	\$ 2,580,712	\$ 0	\$ 1,115,630
Licenses and Permits	462,654	0	0	0	0	0
Fines, Forfeitures, and Penalties	108,184	0	0	0	0	0
Charges for Current Services	126,507	409,090	0	0	0	0
Other Local Revenues	440,910	38,926	0	24,316	222,932	0
Fees Received From County Officials	1,183,737	0	0	0	0	0
State of Tennessee	1,443,730	2,625,398	0	0	0	0
Federal Government	1,035,863	50,034	0	0	0	751,700
Other Governments and Citizens Groups	447,843	0	775,000	50,811	0	168,208
Total Revenues	\$ 12,776,781	\$ 3,123,448	\$ 2,269,941	\$ 2,655,839	\$ 222,932	\$ 2,035,538
<u>Expenditures</u>						
Current:						
General Government	\$ 2,179,389	\$ 0	\$ 0	\$ 0	\$ 0	\$ 636,322
Finance	560,831	0	0	0	0	0
Administration of Justice	1,248,820	0	0	0	0	0
Public Safety	5,841,726	0	0	0	0	0
Public Health and Welfare	597,797	0	0	0	0	0
Social, Cultural, and Recreational Services	295,404	0	0	0	0	0
Agriculture and Natural Resources	109,703	0	0	0	0	0
Other Operations	1,864,795	0	0	25,883	2,229	1,655,457
Highways	0	3,961,014	0	0	0	0
Debt Service:						
Principal on Debt	18,204	137,412	1,230,000	984,350	0	0
Interest on Debt	0	14,178	460,759	372,542	0	0
Other Debt Service	0	0	30,855	0	142,015	0

(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	Education Capital Projects	Other Capital Projects
<u>Expenditures (Cont.)</u>						
Capital Projects - Donated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,001,249	\$ 0
Total Expenditures	\$ 12,716,669	\$ 4,112,604	\$ 1,721,614	\$ 1,382,775	\$ 25,145,493	\$ 2,291,779
Excess (Deficiency) of Revenues Over Expenditures	\$ 60,112	\$ (989,156)	\$ 548,327	\$ 1,273,064	\$ (24,922,561)	\$ (256,241)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,615,000	\$ 0
Premiums on Debt Sold	0	0	0	0	1,528,264	0
Proceeds from Sale of Capital Assets	8,300	14,000	0	0	0	0
Insurance Recovery	3,044	0	0	0	0	0
Transfers In	424,000	260,000	0	0	0	0
Transfers Out	(260,000)	0	0	0	0	(424,000)
Total Other Financing Sources (Uses)	\$ 175,344	\$ 274,000	\$ 0	\$ 0	\$ 25,143,264	\$ (424,000)
Net Change in Fund Balances	\$ 235,456	\$ (715,156)	\$ 548,327	\$ 1,273,064	\$ 220,703	\$ (680,241)
Fund Balance, July 1, 2021	12,259,152	1,850,702	8,080,014	5,662,345	1,409,595	8,526,842
Fund Balance, June 30, 2022	\$ 12,494,608	\$ 1,135,546	\$ 8,628,341	\$ 6,935,409	\$ 1,630,298	\$ 7,846,601

(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	\$ 1,616,390	\$	14,335,026
Licenses and Permits	0		462,654
Fines, Forfeitures, and Penalties	37,799		145,983
Charges for Current Services	550,797		1,086,394
Other Local Revenues	4,614		731,698
Fees Received From County Officials	0		1,183,737
State of Tennessee	166,674		4,235,802
Federal Government	0		1,837,597
Other Governments and Citizens Groups	22,800		1,464,662
Total Revenues	<u>\$ 2,399,074</u>	<u>\$</u>	<u>25,483,553</u>
 <u>Expenditures</u>			
Current:			
General Government	\$ 17,786	\$	2,833,497
Finance	511,651		1,072,482
Administration of Justice	524		1,249,344
Public Safety	44,480		5,886,206
Public Health and Welfare	762,963		1,360,760
Social, Cultural, and Recreational Services	0		295,404
Agriculture and Natural Resources	0		109,703
Other Operations	25,140		3,573,504
Highways	0		3,961,014
Debt Service:			
Principal on Debt	390,000		2,759,966
Interest on Debt	102,081		949,560
Other Debt Service	652		173,522

(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>Expenditures (Cont.)</u>			
Capital Projects - Donated	\$ 0	\$	25,001,249
Total Expenditures	\$ 1,855,277	\$	49,226,211
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 543,797	\$	(23,742,658)
<hr/>			
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	23,615,000
Premiums on Debt Sold	0		1,528,264
Proceeds from Sale of Capital Assets	10,500		32,800
Insurance Recovery	0		3,044
Transfers In	0		684,000
Transfers Out	0		(684,000)
Total Other Financing Sources (Uses)	\$ 10,500	\$	25,179,108
<hr/>			
Net Change in Fund Balances	\$ 554,297	\$	1,436,450
Fund Balance, July 1, 2021	3,095,333		40,883,983
<hr/>			
Fund Balance, June 30, 2022	\$ 3,649,630	\$	42,320,433
<hr/>			

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, 2022

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)		\$ 1,436,450
(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	\$ 1,366,934	
Less: current-year depreciation expense	<u>(1,601,320)</u>	(234,386)
(2) 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, 2022	\$ 880,193	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(786,305)</u>	93,888
(3) 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	\$ 2,555,000	
Add: principal payments on notes	177,412	
Add: principal payments on other loans	67,554	
Less: proceeds of debt issued	<u>(23,615,000)</u>	
Less: changes in premium on debt issuance	(1,289,839)	
Less: contributions from the school department for capital lease	<u>(49,350)</u>	(22,154,223)
(4) 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	\$ (34,535)	
Change in compensated absences payable	(924)	
Change in net pension liability/asset	2,706,727	
Change in deferred outflows related to pensions	1,249,205	
Change in deferred inflows related to pensions	<u>(3,202,100)</u>	
Change in OPEB liability	77,713	
Change in deferred outflows related to OPEB	(23,387)	
Change in deferred inflows related to OPEB	<u>(82,220)</u>	690,479
Change in net position of governmental activities (Exhibit B)		<u>\$ (20,167,792)</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,527,353	\$ 6,756,985	\$ 6,756,985	\$ 770,368
Licenses and Permits	462,654	297,000	297,000	165,654
Fines, Forfeitures, and Penalties	108,184	99,700	99,700	8,484
Charges for Current Services	126,507	72,465	72,465	54,042
Other Local Revenues	440,910	482,700	482,700	(41,790)
Fees Received From County Officials	1,183,737	933,000	933,000	250,737
State of Tennessee	1,443,730	2,237,300	1,987,700	(543,970)
Federal Government	1,035,863	544,000	849,340	186,523
Other Governments and Citizens Groups	447,843	325,500	405,500	42,343
Total Revenues	\$ 12,776,781	\$ 11,748,650	\$ 11,884,390	\$ 892,391
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 127,468	\$ 169,750	\$ 169,750	\$ 42,282
Board of Equalization	1,615	6,200	6,200	4,585
Beer Board	2,907	2,925	2,925	18
Budget and Finance Committee	4,037	6,500	6,500	2,463
County Mayor/Executive	308,713	353,974	357,796	49,083
Election Commission	258,879	338,055	340,742	81,863
Register of Deeds	262,173	264,657	269,134	6,961
Development	50,000	50,000	50,000	0
Building	183,057	162,523	198,929	15,872
County Buildings	864,690	1,106,618	1,156,199	291,509
Other General Administration	115,850	144,234	145,234	29,384
<u>Finance</u>				
Property Assessor's Office	258,816	281,840	284,827	26,011
Reappraisal Program	140,768	120,056	156,462	15,694
County Trustee's Office	62,219	80,835	80,835	18,616
County Clerk's Office	99,028	128,110	128,110	29,082
<u>Administration of Justice</u>				
Circuit Court	584,581	602,909	605,881	21,300
General Sessions Court	137,735	140,511	144,853	7,118
Chancery Court	258,778	278,985	281,957	23,179
Juvenile Court	267,726	277,589	277,589	9,863
<u>Public Safety</u>				
Sheriff's Department	3,696,763	3,562,839	3,759,090	62,327
Administration of the Sexual Offender Registry	492	2,560	2,560	2,068
Jail	1,666,569	1,799,232	1,799,232	132,663
Correctional Incentive Program Improvements	22,047	26,765	26,765	4,718
Fire Prevention and Control	346,297	286,415	356,415	10,118
Civil Defense	52,875	52,599	77,964	25,089
Rescue Squad	23,000	18,000	23,000	0
County Coroner/Medical Examiner	33,683	26,550	35,650	1,967
<u>Public Health and Welfare</u>				
Local Health Center	256,030	407,914	407,914	151,884
Ambulance/Emergency Medical Services	170,093	170,525	170,525	432
Alcohol and Drug Programs	3,124	7,190	7,190	4,066
Other Local Health Services	80,821	81,500	81,500	679

(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	\$ 87,729	\$ 85,860	\$ 87,735	\$ 6
<u>Social, Cultural, and Recreational Services</u>				
Libraries	204,835	187,335	212,335	7,500
Parks and Fair Boards	32,375	27,976	32,566	191
Other Social, Cultural, and Recreational	58,194	70,000	70,000	11,806
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	60,588	75,060	82,290	21,702
Soil Conservation	49,115	51,157	51,157	2,042
<u>Other Operations</u>				
Tourism	6,200	25,000	25,000	18,800
Industrial Development	22,198	40,385	40,385	18,187
Other Economic and Community Development	584,095	158,940	582,940	(1,155)
Airport	706,240	472,921	718,841	12,601
Veterans' Services	19,204	21,566	21,566	2,362
Other Charges	526,858	522,400	613,642	86,784
<u>Principal on Debt</u>				
General Government	18,204	0	18,204	0
Total Expenditures	\$ 12,716,669	\$ 12,696,960	\$ 13,968,389	\$ 1,251,720
Excess (Deficiency) of Revenues Over Expenditures	\$ 60,112	\$ (948,310)	\$ (2,083,999)	\$ 2,144,111
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 8,300	\$ 0	\$ 0	\$ 8,300
Insurance Recovery	3,044	1,000	1,000	2,044
Transfers In	424,000	0	424,000	0
Transfers Out	(260,000)	(10,000)	(260,000)	0
Total Other Financing Sources	\$ 175,344	\$ (9,000)	\$ 165,000	\$ 10,344
Net Change in Fund Balance	\$ 235,456	\$ (957,310)	\$ (1,918,999)	\$ 2,154,455
Fund Balance, July 1, 2021	12,259,152	9,134,202	9,134,202	3,124,950
Fund Balance, June 30, 2022	\$ 12,494,608	\$ 8,176,892	\$ 7,215,203	\$ 5,279,405

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 1,497	\$ 1,497	\$ (1,497)
Charges for Current Services	409,090	200,000	200,000	209,090
Other Local Revenues	38,926	19,130	19,130	19,796
State of Tennessee	2,625,398	3,250,830	3,250,830	(625,432)
Federal Government	50,034	455,506	455,506	(405,472)
Total Revenues	<u>\$ 3,123,448</u>	<u>\$ 3,926,963</u>	<u>\$ 3,926,963</u>	<u>\$ (803,515)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 351,799	\$ 389,860	\$ 389,860	\$ 38,061
Highway and Bridge Maintenance	2,035,971	2,190,657	2,190,657	154,686
Operation and Maintenance of Equipment	457,494	428,279	502,633	45,139
Other Charges	59,566	61,607	61,607	2,041
Employee Benefits	318,055	318,000	318,591	536
Capital Outlay	738,129	1,150,991	1,511,287	773,158
<u>Principal on Debt</u>				
Highways and Streets	137,412	80,985	137,414	2
<u>Interest on Debt</u>				
Highways and Streets	14,178	7,600	14,179	1
Total Expenditures	<u>\$ 4,112,604</u>	<u>\$ 4,627,979</u>	<u>\$ 5,126,228</u>	<u>\$ 1,013,624</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (989,156)</u>	<u>\$ (701,016)</u>	<u>\$ (1,199,265)</u>	<u>\$ 210,109</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 14,000	\$ 0	\$ 0	\$ 14,000
Transfers In	260,000	10,000	10,000	250,000
Total Other Financing Sources	<u>\$ 274,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 264,000</u>
Net Change in Fund Balance	<u>\$ (715,156)</u>	<u>\$ (691,016)</u>	<u>\$ (1,189,265)</u>	<u>\$ 474,109</u>
Fund Balance, July 1, 2021	<u>1,850,702</u>	<u>1,910,592</u>	<u>1,910,592</u>	<u>(59,890)</u>
Fund Balance, June 30, 2022	<u><u>\$ 1,135,546</u></u>	<u><u>\$ 1,219,576</u></u>	<u><u>\$ 721,327</u></u>	<u><u>\$ 414,219</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, 2022

	Major Enterprise Fund Marion County Conservation Commission
<u>ASSETS</u>	
Cash	\$ 178,656
Assets Net of Accumulated Depreciation:	
Other Capital Assets	<u>203,806</u>
Total Assets	<u>\$ 382,462</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 36,345</u>
Total Liabilities	<u>\$ 36,345</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 203,806
Restricted for Pavilion	
Unrestricted	<u>142,311</u>
Total Net Position	<u><u>\$ 346,117</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, 2022

	Major Enterprise Fund Marion County Conservation Commission
<u>Operating Revenues</u>	
User Fees/Vending	\$ 198,741
Total Operating Revenues	<u>\$ 198,741</u>
<u>Operating Expenses</u>	
Salaries and Benefits	\$ 36,345
Utilities	42,419
Contract Services	48,797
Equipment and Supplies	18,704
Depreciation	25,987
Professional Fees	6,585
Construction	16,510
Insurance	785
Fuel	2,710
Printing	781
Miscellaneous	2,111
Total Operating Expenses	<u>\$ 201,734</u>
Operating Income (Loss)	<u>\$ (2,993)</u>
Change in Net Position	\$ (2,993)
Net Position, July 1, 2021	<u>349,110</u>
Net Position, June 30, 2022	<u><u>\$ 346,117</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, 2022

	Major Enterprise Fund
	Marion County Conservation Commission
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 198,741
Payments to Suppliers	(104,857)
Payments to Employees	(36,345)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 57,539</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (13,967)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (13,967)</u>
Net Increase (Decrease) in Cash	\$ 43,572
Cash, July 1, 2021	<u>135,084</u>
Cash, June 30, 2022	<u><u>\$ 178,656</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (2,993)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	25,987
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>34,545</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 57,539</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, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 733,756
Equity in Pooled Cash and Investments	266,615
Accounts Receivable	8,753
Due from Other Governments	995,374
Property Taxes Receivable	377,529
Allowance for Uncollectible Property Taxes	<u>(14,350)</u>
Total Assets	<u>\$ 2,367,677</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,051,114</u>
Total Liabilities	<u>\$ 1,051,114</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	\$ 310,110
Deferred Delinquent Property Taxes	<u>10,704</u>
Total Deferred Inflows of Resources	<u>\$ 320,814</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 995,746</u>
Total Net Position	<u><u>\$ 995,746</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, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 4,997,748
ADA - Educational Funds Collected for Cities	662,293
Fines/Fees and Other Collections	7,291,141
Drug Task Force Collections	471,165
Total Additions	<u>\$ 13,422,347</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 4,997,748
Payments to City School Systems	662,293
Payments to State	5,281,101
Payments to County/City	923,946
Payments to Individuals and Others	1,192,675
Payment of Drug Task Force Expenses	383,829
Total Deductions	<u>\$ 13,441,592</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (19,245)
Net Position, July 1, 2021	<u>1,014,991</u>
Net Position June 30, 2022	<u><u>\$ 995,746</u></u>

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

MARION COUNTY, TENNESSEE

Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	40
B. Government-wide and Fund Financial Statements	41
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	42
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	45
2. Receivables and Payables	46
3. Inventories	47
4. Restricted Assets	47
5. Capital Assets	48
6. Deferred Outflows/Inflows of Resources	48
7. Compensated Absences	49
8. Long-term Debt and Long-term Obligations	50
9. Net Position and Fund Balance	50
E. Pension Plans	52
F. Other Postemployment Benefit (OPEB) Plans	53
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	53
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	53
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	54
B. Expenditures Exceeded Appropriations	55
C. The Discretely Presented Marion County School Department Had Deposits That Were Exposed to Custodial Credit Risk	55
D. Pending Investigation	55
IV. Detailed Notes on All Funds	
A. Deposits and Investments	55
B. Notes Receivable	61
C. Capital Assets	61
D. Construction Commitments	64
E. Interfund Receivables, Payables, and Transfers	64
F. Long-term Debt	66
G. Long-term Obligations	69
H. On-Behalf Payments	71

(Continued)

MARION COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

Note	Page(s)
V. Other Information	
A. Risk Management	71
B. Accounting Changes	72
C. Contingent Liabilities	74
D. Change in Administration	74
E. Landfill Closure/Postclosure Care Costs	74
F. Joint Venture	75
G. Jointly Governed Organization	75
H. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	76
2. Deferred Compensation	93
I. Other Postemployment Benefits (OPEB)	93
J. Termination Benefits	102
K. Purchasing Laws	103
L. Subsequent Event	103
VI. Other Notes - Marion County Conservation Commission (Enterprise Fund)	103

MARION COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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. Net debt issues totaling \$25,001,249 were contributed by the county to the school department during the year ended June 30, 2022.

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, including lease obligations, 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.

The proprietary fund 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.

Other Special Revenue Fund – This special revenue fund accounts for transactions of American Rescue Plan Act grants for the county.

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.

Education Capital Projects Fund – This fund accounts for debt issued by Marion County that is subsequently contributed to the discretely presented Marion County School Department. This fund also

accounts for revenues collected as lease payments on county-owned buildings to be used for future capital outlays.

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.

Other Capital Projects Fund – This capital projects fund is used to account for the receipt of debt issued by Marion County and contributed to the school department for building construction and renovations of the school department.

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 (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) 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 2.1 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

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.

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 assets 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 and OPEB changes in experience, pension and OPEB changes assumptions, pension and OPEB changes in proportionate share, 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 assets 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 and OPEB changes in experience, pension changes in investment earnings, OPEB changes in assumptions; pension and OPEB changes in proportionate share; 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 are 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, 2022, Marion County had \$36,875,064 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.

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, the Other Special Revenue Fund, and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the school department's Other 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 appropriations approved by the county commission in certain major appropriation categories (the legal level of control) of the General and Solid Waste/Sanitation funds. These over expenditures are reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Other Economic and Community Development	\$ 1,155
Solid Waste/Sanitation:	
Other Charges	172

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

At June 30, 2022, the government's brokerage firm was holding investments of \$522,189 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.

D. Pending Investigation

The Comptroller's Division of Investigations is currently reviewing certain operations in the Office of Marion County Highway Supervisor. Findings, if any, resulting from these reviews will be included in subsequent reports.

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 90 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, 2022, 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 - Caterpillar Financial	N/A	12-15-22	\$ 49,409
Corporate Bonds - General Electric	N/A	1-9-23	39,955
Corporate Bonds - Wells Fargo	N/A	2-13-23	40,040
Corporate Bonds - Nike	N/A	5-1-23	24,876
Corporate Bonds - Comcast	N/A	4-15-24	150,468
Corporate Bonds - Toyota Motor	N/A	3-25-26	45,582
Corporate Bonds - Loews	N/A	4-1-26	74,481
Corporate Bonds - Apple	N/A	8-4-26	47,888
Corporate Bonds - US Bancorp	N/A	4-26-28	49,490
Total			<u>\$ 522,189</u>

Investment by Fair Value Level		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)
	Fair Value 6-30-22			
Corporate Bonds - Caterpillar Financial	\$ 49,409	\$ 49,409	\$ 0	\$ 0
Corporate Bonds - General Electric	39,955	39,955	0	0
Corporate Bonds - Wells Fargo	40,040	40,040	0	0
Corporate Bonds - Nike	24,876	24,876	0	0
Corporate Bonds - Comcast	150,468	150,468	0	0
Corporate Bonds - Toyota Motor	45,582	45,582	0	0
Corporate Bonds - Loews	74,481	74,481	0	0
Corporate Bonds - Apple	47,888	47,888	0	0
Corporate Bonds - US Bancorp	49,490	49,490	0	0
Total	<u>\$ 522,189</u>	<u>\$ 522,189</u>	<u>\$ 0</u>	<u>\$ 0</u>

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 - Caterpillar Financial	A2	A
Corporate Bonds - General Electric	Baa1	BBB+
Corporate Bonds - Wells Fargo	A3	BBB
Corporate Bonds - Nike	A1	AA-
Corporate Bonds - Comcast	A3	A-
Corporate Bonds - Toyota Motor	A1	A+
Corporate Bonds - Loews	A3	A
Corporate Bonds - Apple	Aaa	AA+
Corporate Bonds - US Bancorp	A2	A+

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 (\$522,189) represent the entire investments of the school department's Private Purpose Trust Fund. These investments are as follows: Corporate Bonds – Caterpillar Financial (9 percent), Corporate Bonds – General Electric (8 percent), Corporate Bonds – Wells Fargo (8 percent), Corporate Bonds – Nike (5 percent), Corporate Bonds – Comcast (29 percent), Corporate Bonds – Toyota Motor (9 percent), Corporate Bonds – Loews (14 percent), Corporate Bonds – Apple (9 percent), and Corporate Bonds – US Bancorp (9 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 \$522,189 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, 2022, 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	\$ 81,648
Developed Market International Equity	N/A	N/A	36,873
Emerging Market International Equity	N/A	N/A	10,535
Private Equity and Strategic Lending	N/A	N/A	52,676
U.S. Fixed Income	N/A	N/A	52,675
Real Estate	N/A	N/A	26,338
Short-term Securities	N/A	N/A	<u>2,634</u>
Total			<u><u>\$ 263,379</u></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/2022/ag21066.pdf>.

B. Notes Receivable

Long-term notes receivable in the Other Capital Projects Fund of \$118,750 at June 30, 2022, resulted from financing projects for the town of Orme. This amount is offset by nonspendable fund balance in the governmental funds. The amount of the notes not expected to be collected within one year is \$112,318.

C. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
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	\$ 307,979	\$ 0	\$ 19,483,060
Infrastructure	30,562,906	0	0	30,562,906
Other Capital Assets	5,025,873	1,058,955	(181,521)	5,903,307
Total Capital Assets Depreciated	\$ 54,763,860	\$ 1,366,934	\$ (181,521)	\$ 55,949,273
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,080,356	\$ 504,804	\$ 0	\$ 7,585,160
Infrastructure	24,032,000	659,356	0	24,691,356
Other Capital Assets	3,117,939	437,160	(181,521)	3,373,578
Total Accumulated Depreciation	\$ 34,230,295	\$ 1,601,320	\$ (181,521)	\$ 35,650,094
Total Capital Assets Depreciated, Net	\$ 20,533,565	\$ (234,386)	\$ 0	\$ 20,299,179
Governmental Activities Capital Assets, Net	\$ 23,272,692	\$ (234,386)	\$ 0	\$ 23,038,306

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

Governmental Activities:

General Government	\$ 434,410
Finance	2,884
Public Safety	330,879
Public Health and Welfare	50,810
Highways/Public Works	<u>782,337</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,601,320</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 23,038,306
Add:	
Outstanding debt for school purposes	36,875,064
Less:	
Outstanding principal of capital debt	(40,553,148)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(44,742)</u>
Net Investment in Capital Assets	<u><u>\$ 19,315,480</u></u>

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

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,118,836	\$ 373,738	\$ (878)	\$ 1,491,696
Construction in Progress	0	803,835	0	803,835
Total Capital Assets Not Depreciated	\$ 1,118,836	\$ 1,177,573	\$ (878)	\$ 2,295,531
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,953,770	\$ 74,867	\$ 0	\$ 61,028,637
Other Capital Assets	953,113	77,307	(20,000)	1,010,420
Total Capital Assets Depreciated	\$ 61,906,883	\$ 152,174	\$ (20,000)	\$ 62,039,057
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,590,063	\$ 1,419,182	\$ 0	\$ 32,009,245
Other Capital Assets	520,058	57,697	(20,000)	557,755
Total Accumulated Depreciation	\$ 31,110,121	\$ 1,476,879	\$ (20,000)	\$ 32,567,000
Total Capital Assets Depreciated, Net	\$ 30,796,762	\$ (1,324,705)	\$ 0	\$ 29,472,057
Governmental Activities Capital Assets, Net	\$ 31,915,598	\$ (147,132)	\$ (878)	\$ 31,767,588

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

Governmental Activities:

Instruction	\$ 1,403,560
Support Services	27,395
Operation of Non-instructional Services	45,924
Total Depreciation Expense - Governmental Activities	\$ 1,476,879

Net Investment in Capital Assets

Capital Assets	\$ 31,767,588
Add:	
Unspent Proceeds of Capital Related Debt	<u>24,197,415</u>
Net Investment in Capital Assets	<u><u>\$ 55,965,003</u></u>

D. Construction Commitments

At June 30, 2022, the school department had uncompleted construction contracts of approximately \$2,488,079 for the construction of a pedestrian bridge and elevator lobby at South Pittsburg High School. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 5,256
Education Capital Projects	"	500,000
Discretely Presented School Department:		
General Purpose School	School Federal Projects	93,044
"	Other Capital Projects	12,842

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:	
Other Capital Projects	Education Capital Projects	\$ 500,000
Primary Government:	Component Unit:	
Governmental Activities	School Department	50,064
General	General Purpose School	2,260
Highway	"	3,220

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 (\$50,064) 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.

The amount reflected as Due to Component Unit from the primary government on the government-wide Statement of Net Position (\$500,000) represents debt issued by the primary government for the schools.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	Highway/ Public Works Fund	General Fund	
General Fund	\$ 260,000	\$ 0	General maintenance/ construction
Other Capital Projects	0	424,000	Capital projects

Discretely Presented Marion County School Department

Transfer Out	<u>Transfer In</u>	
	General Purpose School Fund	Purpose
School Federal Projects	\$ 285,637	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.

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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, 2022, 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 and other loans to fund capital facilities and other capital outlay purchases, such as equipment, for the primary government and discretely presented school department. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 11 years for notes and five years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2022, will be retired from the General, Highway/Public Works, and Education Debt Service funds.

On December 20, 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 the next year, \$40,776 for the debt service (principal and interest payments) for that year.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	1.76 to 4 %	6-1-40	\$ 27,290,000	\$ 25,055,000
General Obligation Bonds - Refunding	0.29 to 5	6-1-31	24,950,000	15,000,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.94 to 3.09	6-15-26	1,222,000	443,536
Other Loans	0 to 4.54	9-30-25	358,920	104,676

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2022, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,615,000	\$ 1,227,251	\$ 4,842,251
2024	3,785,000	1,058,051	4,843,051
2025	2,735,000	910,357	3,645,357
2026	2,625,000	811,769	3,436,769
2027	2,750,000	714,756	3,464,756
2028-2032	12,590,000	2,368,490	14,958,490
2033-2037	7,250,000	921,100	8,171,100
2038-2040	4,705,000	195,499	4,900,499
Total	\$ 40,055,000	\$ 8,207,273	\$ 48,262,273

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
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	\$ 443,536	\$ 21,855	\$ 465,391

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 68,268	\$ 747	\$ 69,015
2024	18,204	0	18,204
2025	18,204	0	18,204
Total	\$ 104,676	\$ 747	\$ 105,423

There is \$17,783,302 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,389, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums totaled \$1,486, 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 6-30-22
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computers	\$ 16,436
Promethean Boards	2,856
<u>Contributions from the School Federal Projects Fund</u>	
Promethean Boards	30,772
Total	\$ 50,064

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 18,995,000	\$ 620,948	\$ 172,230
Additions	23,615,000	0	0
Reductions	(2,555,000)	(177,412)	(67,554)
Balance, June 30, 2022	<u>\$ 40,055,000</u>	<u>\$ 443,536</u>	<u>\$ 104,676</u>
Balance Due Within One Year	<u>\$ 3,615,000</u>	<u>\$ 181,173</u>	<u>\$ 68,268</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 40,603,212
Less: Balance Due Within One Year - Debt	(3,864,441)
Add: Unamortized Premium on Debt	<u>2,242,410</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 38,981,181</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2021	\$ 16,469	\$ 411,219
Additions	30,289	54,391
Reductions	(29,365)	(132,104)
Balance, June 30, 2022	<u>\$ 17,393</u>	<u>\$ 333,506</u>
Balance Due Within One Year	<u>\$ 16,524</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 350,899
Less: Balance Due Within One Year - Other	<u>(16,524)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 334,375</u>
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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, 2022, was as follows:

Governmental Activities:

	Other Post- employment Benefits
Balance, July 1, 2021	\$ 3,175,551
Additions	966,611
Reductions	<u>(252,035)</u>
Balance, June 30, 2022	<u>\$ 3,890,127</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 3,890,127
Less: Balance Due Within One Year - Other	<u>0</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,890,127</u>
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Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

H. 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, 2022, were \$51,880 and \$53,663, 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 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. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and

annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

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 March 2, 2022, Dwight Minter left the Office of County Clerk and was succeeded by Joanie Spangler, effective April 25, 2022.

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 \$679,201 estimated closure and postclosure costs of

the landfill at June 30, 2022, 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 2022. 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, 2022, 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 60.78 percent, the non-certified employees of the discretely presented school department comprise 39.22 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 automatic cost of living adjustments (COLAs) 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	192
Inactive Employees Entitled to But Not Yet Receiving Benefits	272
Active Employees	325
Total	<u><u>789</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, 2022, the employer contributions for Marion County were \$754,009 based on a rate of 6.91 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, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 2.25 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	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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, 2020	\$ 36,113,981	\$ 36,751,439	\$ (637,458)
Changes for the Year:			
Service Cost	\$ 1,014,882	\$ 0	\$ 1,014,882
Interest	2,631,098	0	2,631,098
Differences Between Expected and Actual Experience	(407,689)	0	(407,689)
Changes in Assumptions	3,066,156	0	3,066,156
Contributions-Employer	0	773,837	(773,837)
Contributions-Employees	0	566,480	(566,480)
Net Investment Income	0	9,433,718	(9,433,718)
Benefit Payments, Including Refunds of Employee Contributions	(1,675,710)	(1,675,710)	0
Administrative Expense	0	(29,065)	29,065
Net Changes	\$ 4,628,737	\$ 9,069,260	\$ (4,440,523)
Balance, June 30, 2021	\$ 40,742,718	\$ 45,820,699	\$ (5,077,981)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.78%	\$ 24,763,424	\$ 27,849,821	\$ (3,086,397)
School Department	39.22%	15,979,294	17,970,878	(1,991,584)
Total		\$ 40,742,718	\$ 45,820,699	\$ (5,077,981)

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Marion County			

Net Pension Liability (Asset) \$ 387,129 \$ (5,077,981) \$ (9,608,323)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Marion County recognized negative pension expense of (\$421,134).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 28,910	\$ 567,154
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,033,003
Changes in Assumptions	2,452,925	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	754,009	N/A
Total	<u>\$ 3,235,844</u>	<u>\$ 5,600,157</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,964,365	\$ 3,403,775
School Department	1,271,479	2,196,382
Total	<u>\$ 3,235,844</u>	<u>\$ 5,600,157</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
2023	\$ (804,175)
2024	(745,371)
2025	(743,987)
2026	(824,797)
2027	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 60.78 percent and the non-certified employees of the discretely presented school department comprise 39.22 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 automatic cost of living adjustments (COLAs) 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 COLAs, 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, 2022, to the Teacher Retirement Plan were \$79,752, which is 2.01 percent of covered payroll. In addition, employer contributions of \$78,229, which is 1.99 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$224,829) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .207558 percent. The proportion as of June 30, 2020, was .217456 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$27,720.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 3,911	\$ 41,139
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	129,418
Changes in Assumptions	81,094	0
Changes in Proportion of Net Pension Liability (Asset)	8,666	5,569
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	79,752	N/A
Total	\$ 173,423	\$ 176,126

The school department's employer contributions of \$79,752 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a (reduction (increase) of net pension asset in the year ending June 30, 2023. 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
2023	\$ (28,009)
2024	(27,300)
2025	(27,098)
2026	(30,355)
2027	4,164
Thereafter	26,143

Actuarial Assumptions. The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	(5.75%)	(6.75%)	(7.75%)

Net Pension Liability (Asset) \$ 77,290 \$ (224,829) \$ (447,654)

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 automatic cost of living adjustments (COLAs) 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, 2022, to the Teacher Legacy Pension Plan were \$1,348,215 which is 10.3 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$17,205,762) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .398906 percent. The proportion measured at June 30, 2020, was .402852 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$2,679,628).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 57,821	\$ 1,435,016
Changes in Assumptions	4,597,092	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,721,211
Changes in Proportion of Net Pension Liability (Asset)	33,235	1,952
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	1,348,215	N/A
Total	<u>\$ 6,036,363</u>	<u>\$ 15,158,179</u>

The school department's employer contributions of \$1,348,215 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (2,480,447)
2024	(2,354,382)
2025	(1,932,243)
2026	(3,702,960)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	(5.75%)	(6.75%)	(7.75%)

Net Pension Liability (Asset) \$ (3,062,047) \$ (17,205,762) \$ (28,976,154)

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 \$198,391 and teachers contributed \$114,650 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, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, 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	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for for pre-65 retirees in the 2022 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 2.16 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-

teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. 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% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. 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 2022 plan year was revised from 9.02 to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 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, 2021, the following employees were covered by the benefit terms:

	Marion County	Hwy Dept	Total
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	2	0	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees Eligible for Benefits	140	27	167
Total	142	27	169

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, 2022, the county paid \$10,053 (Marion County - \$9,762, Highway Dept - \$291) 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, 2020	\$ 338,334	\$ 72,885	\$ 411,219
Changes for the Year:			
Service Cost	\$ 30,941	\$ 10,869	\$ 41,810
Interest	7,921	1,848	9,769
Difference between Expected and Actuarial Experience	2,794	18	2,812
Changes in Assumption and Other Inputs	(78,584)	(31,405)	(109,989)
Benefit Payments	(21,808)	(307)	(22,115)
Net Changes	\$ (58,736)	\$ (18,977)	\$ (77,713)
Balance June 30, 2021	\$ 279,598	\$ 53,908	\$ 333,506

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized OPEB expense of \$37,917 (Marion County - \$32,345, Highway Dept - \$5,572).

At June 30, 2022, 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 \$28,075, Hwy \$16 and DI - County \$32,461, Hwy \$17,340)	\$ 28,091	\$ 49,801
Changes of Assumptions/Inputs (DO - County \$35,335, Hwy \$9,932 and DI - County \$73,855, Hwy \$28,577)	45,267	102,462
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2021 (DO - County \$9,762, Hwy \$291)	10,053	0
Total	<u>\$ 83,411</u>	<u>\$ 152,263</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
2023	\$ (6,517)	\$ (7,145)	\$ (13,662)
2024	(6,517)	(7,145)	(13,662)
2025	(6,517)	(6,745)	(13,262)
2026	(6,517)	(3,723)	(10,240)
2027	(6,042)	(3,426)	(9,468)
Thereafter	(10,796)	(7,785)	(18,581)

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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
County	\$ 299,723	\$ 279,598	\$ 260,496
Hwy	59,682	53,908	48,568
Total OPEB Liability	<u>\$ 359,405</u>	<u>\$ 333,506</u>	<u>\$ 309,064</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 6.36 to 3.5%	Current Trend Rate 7.36 to 4.5%	1% Increase 8.36 to 5.5%
County	\$ 250,416	\$ 279,598	\$ 313,646
Hwy	45,891	53,908	63,635
Total OPEB Liability	<u>\$ 296,307</u>	<u>\$ 333,506</u>	<u>\$ 377,281</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, 2021, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	12
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	1
Active Employees Eligible for Benefits	323
	<hr/>
Total	<hr/> <u>336</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 \$95,494 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		
	Marion County School Department 65.29%	State of TN 34.71%	Total OPEB Liability
Balance July 1, 2020	\$ 3,175,551	\$ 1,575,940	\$ 4,751,491
Changes for the Year:			
Service Cost	\$ 181,605	\$ 96,561	\$ 278,166
Interest	71,297	37,909	109,206
Difference between Expected and Actuarial Experience	(62,782)	(33,382)	(96,164)
Changes in Assumption and Other Inputs	713,709	379,483	1,093,192
Change in Proportion	(73,459)	73,459	0
Benefit Payments	(115,794)	(61,570)	(177,364)
Net Changes	\$ 714,576	\$ 492,460	\$ 1,207,036
Balance June 30, 2021	\$ 3,890,127	\$ 2,068,400	\$ 5,958,527

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 \$166,535 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 65.29 percent and the State of Tennessee's share was 34.71 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$474,700, including the state's share of the expense. At June 30, 2022, 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	\$ 291,352	\$ 529,895
Changes of Assumptions/Inputs	964,037	211,736
Changes in Proportion	99,378	116,752
Benefits Paid After the Measurement Date of June 30, 2021	95,494	0
Total	<u>\$ 1,450,261</u>	<u>\$ 858,383</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
2023	\$ 55,263
2024	55,263
2025	55,263
2026	55,263
2027	56,629
Thereafter	218,703

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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
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Proportionate Share of the Collective Total OPEB Liability	\$ 4,177,121	\$ 3,890,127	\$ 3,612,011
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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 6.36 to 3.5%	Current Rate 7.36 to 4.5%	1% Increase 8.36 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,426,206	\$ 3,890,127	\$ 4,434,367
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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, 2022, eleven 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 \$5,500.

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 \$25,000.

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.

L. Subsequent Event

On August 29, 2022, Marion County approved a resolution authorizing the issuance of general obligation bonds not to exceed \$9,000,000 for financing school projects. No bonds have been issued as of the date of this report.

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, 2022. 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, 2022, 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 assets 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 assets 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, 2022, 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, 2022, the carrying amount of the commission's deposits was \$178,656, and the bank balance was \$189,902. 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, 2022, follows:

	Balance 7-1-21	Additions	Deletions	Balance 6-30-22
Business-type Activities:				
Capital Assets Depreciated:				
Mobile Home	\$ 52,148	\$ 0	\$ 0	\$ 52,148
Bathhouse	116,564	0	0	116,564
Land Improvements	98,147	0	0	98,147
Equipment	64,496	13,967	(10,401)	68,062
Picnic Pavilion	65,686	0	0	65,686
Total Assets	\$ 397,041	\$ 13,967	\$ (10,401)	\$ 400,607
Less Accumulated Depreciation for:				
Mobile Home	\$ 6,519	\$ 2,607	\$ 0	\$ 9,126
Bathhouse	35,680	9,635	0	45,315
Land Improvements	71,305	3,952	0	75,257
Equipment	53,353	5,943	(10,401)	48,895
Picnic Pavilion	14,358	3,850	0	18,208
Total Accumulated Depreciation	\$ 181,215	\$ 25,987	\$ (10,401)	\$ 196,801
Net Capital Assets	\$ 215,826	\$ (12,020)	\$ 0	\$ 203,806

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, 2022, the commission reimbursed the county \$36,345 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, 2022, 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	2021
Total Pension Liability								
Service Cost	\$ 766,971	\$ 752,309	\$ 787,075	\$ 818,011	\$ 905,238	\$ 955,882	\$ 996,845	\$ 1,014,882
Interest	1,832,858	1,941,251	2,054,385	2,160,673	2,258,565	2,385,378	2,523,622	2,631,098
Differences Between Actual and Expected Experience	(37,596)	(72,712)	(228,892)	(86,350)	29,000	57,772	(401,673)	(407,689)
Changes in Assumptions	0	0	0	786,720	0	0	0	3,066,156
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)	(1,675,710)
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	\$ 4,628,737
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	36,113,981
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	\$ 40,742,718
Plan Fiduciary Net Position								
Contributions - Employer	\$ 581,841	\$ 601,407	\$ 611,505	\$ 649,560	\$ 701,746	\$ 725,353	\$ 753,154	\$ 773,837
Contributions - Employee	465,460	451,664	459,052	487,916	511,863	529,962	549,358	566,480
Net Investment Income	3,782,091	819,239	725,465	3,161,152	2,552,131	2,457,938	1,745,246	9,433,718
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)	(1,675,710)
Administrative Expense	(12,205)	(15,587)	(22,153)	(26,408)	(28,907)	(27,790)	(28,621)	(29,065)
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	\$ 9,069,260
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	36,751,439
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	\$ 45,820,699
Net Pension Liability (Asset), Ending (a - b)	\$ (916,312)	\$ (152,187)	\$ 686,512	\$ 93,346	\$ (450,684)	\$ (737,115)	\$ (637,458)	\$ (5,077,981)
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%	112.46%
Covered Payroll	\$ 8,937,781	\$ 9,028,233	\$ 9,181,418	\$ 9,753,157	\$ 10,086,009	\$ 10,573,650	\$ 10,978,897	\$ 11,280,406
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.25%)	(1.69%)	7.48%	0.96%	(4.47%)	(6.97%)	(5.81%)	(45.02%)

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	2022
Actuarially Determined Contribution	\$ 581,841	\$ 601,407	\$ 611,505	\$ 649,560	\$ 701,746	\$ 725,353	\$ 651,050	\$ 668,929	\$ 754,009
Less: Contributions in Relation to the Actuarially Determined Contribution	(581,841)	(601,407)	(611,505)	(649,560)	(701,746)	(725,353)	(753,154)	(773,837)	(754,009)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (102,104)	\$ (104,908)	\$ 0
Covered Payroll	\$ 8,937,781	\$ 9,028,233	\$ 9,181,418	\$ 9,753,157	\$ 10,086,009	\$ 10,573,650	\$ 10,978,897	\$ 11,280,406	\$ 10,912,890
Contributions as a Percentage of Covered Payroll	6.51%	6.66%	6.66%	6.66%	6.96%	6.86%	6.86%	6.86%	6.91%

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	2022
Contractually Required Contribution	\$ 23,373	\$ 37,708	\$ 57,654	\$ 70,939	\$ 44,421	\$ 55,706	\$ 60,510	\$ 79,752
Less: Contributions in Relation to the Contractually Required Contribution	(23,373)	(37,708)	(57,654)	(70,939)	(44,421)	(55,706)	(60,510)	(79,752)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 2,995,526	\$ 3,967,761
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

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%
2022: Pension - 2.01%, SRT - 1.99%

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	2022
Contractually Required Contribution	\$ 1,361,307	\$ 1,311,722	\$ 1,290,031	\$ 1,271,709	\$ 1,282,612	\$ 1,436,392	\$ 1,425,267	\$ 1,344,627	\$ 1,348,215
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)	(1,344,627)	(1,348,215)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 13,092,764	\$ 13,092,404
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.275422%	0.214248%	0.219605%	0.202942%	0.216379%	0.217456%	0.207558%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,314)	\$ (22,304)	\$ (57,940)	\$ (92,040)	\$ (122,143)	\$ (123,655)	\$ (224,829)
Covered Payroll	\$ 584,315	\$ 942,703	\$ 1,441,355	\$ 1,773,467	\$ 2,289,727	\$ 2,744,102	\$ 2,995,526
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%)	(7.51%)
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%	121.53%

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.390575%	0.387610%	0.395320%	0.397957%	0.403398%	0.409533%	0.402852%	0.398906%
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)	\$ (17,205,762)
Covered Payroll	\$ 15,330,037	\$ 14,510,210	\$ 14,270,258	\$ 14,067,577	\$ 14,125,683	\$ 13,732,244	\$ 13,407,982	\$ 13,092,764
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%)	(131.41%)
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%	116.13%

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	2021
Total OPEB Liability					
Service Cost	\$ 19,909	\$ 19,438	\$ 22,162	\$ 25,065	\$ 30,941
Interest	6,771	8,711	9,033	9,611	7,921
Differences Between Actual and Expected Experience	0	(37,646)	(17,621)	35,047	2,794
Changes in Assumptions or Other Inputs	(12,431)	13,278	14,339	25,801	(78,584)
Benefit Payments	0	(1,923)	(1,406)	(11,771)	(21,808)
Net Change in Total OPEB Liability	\$ 14,249	\$ 1,858	\$ 26,507	\$ 83,753	\$ (58,736)
Total OPEB Liability, Beginning	211,967	226,216	228,074	254,581	338,334
Total OPEB Liability, Ending	\$ 226,216	\$ 228,074	\$ 254,581	\$ 338,334	\$ 279,598
Covered Employee Payroll	\$ 4,590,400	\$ 4,893,419	\$ 4,886,658	\$ 5,128,636	\$ 5,398,350
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.93%	4.66%	5.21%	6.60%	5.18%

Highway Department Plan

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 5,721	\$ 5,411	\$ 6,727	\$ 8,199	\$ 10,869
Interest	1,945	2,479	2,719	2,362	1,848
Differences Between Actual and Expected Experience	0	(7,725)	(20,127)	(5,010)	18
Changes in Assumptions or Other Inputs	(3,608)	5,454	2,491	8,559	(31,405)
Benefit Payments	0	(1,412)	(1,527)	(654)	(307)
Net Change in Total OPEB Liability	\$ 4,058	\$ 4,207	\$ (9,717)	\$ 13,456	\$ (18,977)
Total OPEB Liability, Beginning	60,881	64,939	69,146	59,429	72,885
Total OPEB Liability, Ending	\$ 64,939	\$ 69,146	\$ 59,429	\$ 72,885	\$ 53,908
Covered Employee Payroll	\$ 988,686	\$ 1,059,611	\$ 1,180,878	\$ 1,228,907	\$ 1,169,021
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.57%	6.53%	5.03%	5.93%	4.61%

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%
2021	2.16%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%

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	2021
Total OPEB Liability					
Service Cost	\$ 263,146	\$ 243,395	\$ 219,129	\$ 213,591	\$ 278,166
Interest	138,598	164,224	135,456	147,871	109,206
Differences Between Actual and Expected Experience	0	(1,119,453)	663,958	(59,239)	(96,164)
Changes in Assumptions or Other Inputs	(207,554)	146,166	(329,677)	539,854	1,093,192
Benefit Payments	(297,066)	(318,772)	(245,890)	(178,153)	(177,364)
Net Change in Total OPEB Liability	\$ (102,876)	\$ (884,440)	\$ 442,976	\$ 663,924	\$ 1,207,036
Total OPEB Liability, Beginning	4,631,907	4,529,031	3,644,591	4,087,567	4,751,491
Total OPEB Liability, Ending	<u>\$ 4,529,031</u>	<u>\$ 3,644,591</u>	<u>\$ 4,087,567</u>	<u>\$ 4,751,491</u>	<u>\$ 5,958,527</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,572,792	\$ 1,222,093	\$ 1,436,207	\$ 1,575,940	\$ 2,068,400
Employer Proportionate Share of the Total OPEB Liability	2,956,239	2,422,498	2,651,360	3,175,551	3,890,127
Covered Employee Payroll	\$ 18,435,435	\$ 19,972,929	\$ 20,287,586	\$ 20,205,983	\$ 21,405,684
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.57%	18.25%	20.15%	23.52%	27.84%

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%
2021	2.16%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%

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, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the July 1, 2020, 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.

Exhibit G-1

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 122,952	\$ 122,952
Equity in Pooled Cash and Investments	22,225	999,542	282,299	0	1,304,066
Accounts Receivable	0	1,857	54	256	2,167
Due from Other Governments	0	169,154	0	0	169,154
Property Taxes Receivable	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0
Total Assets	\$ 22,225	\$ 1,170,553	\$ 282,353	\$ 123,208	\$ 1,598,339
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 29,699	\$ 7,000	\$ 0	\$ 36,699
Due to Other Funds	0	0	0	5,256	5,256
Due to Litigants, Heirs, and Others	0	0	41,306	0	41,306
Total Liabilities	\$ 0	\$ 29,699	\$ 48,306	\$ 5,256	\$ 83,261
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	0	0	0
Other Deferred/Unavailable Revenue	0	85,000	0	0	85,000
Total Deferred Inflows of Resources	\$ 0	\$ 85,000	\$ 0	\$ 0	\$ 85,000

(Continued)

Exhibit G-1

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 22,225	\$ 0	\$ 0	\$ 0	\$ 22,225
Restricted for Finance	0	0	0	117,952	117,952
Restricted for Public Safety	0	0	234,047	0	234,047
Restricted for Public Health and Welfare	0	1,055,854	0	0	1,055,854
Restricted for Debt Service	0	0	0	0	0
Total Fund Balances	<u>\$ 22,225</u>	<u>\$ 1,055,854</u>	<u>\$ 234,047</u>	<u>\$ 117,952</u>	<u>\$ 1,430,078</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,225</u>	<u>\$ 1,170,553</u>	<u>\$ 282,353</u>	<u>\$ 123,208</u>	<u>\$ 1,598,339</u>

(Continued)

Exhibit G-1

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

	Debt Service Fund	Total Nonmajor Governmental Funds
	General Debt Service	
<u>ASSETS</u>		
Cash	\$ 0	\$ 122,952
Equity in Pooled Cash and Investments	2,718,136	4,022,202
Accounts Receivable	0	2,167
Due from Other Governments	0	169,154
Property Taxes Receivable	727,264	727,264
Allowance for Uncollectible Property Taxes	(28,419)	(28,419)
Total Assets	<u>\$ 3,416,981</u>	<u>\$ 5,015,320</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 350	\$ 37,049
Due to Other Funds	500,000	505,256
Due to Litigants, Heirs, and Others	0	41,306
Total Liabilities	<u>\$ 500,350</u>	<u>\$ 583,611</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 673,818	\$ 673,818
Deferred Delinquent Property Taxes	23,261	23,261
Other Deferred/Unavailable Revenue	0	85,000
Total Deferred Inflows of Resources	<u>\$ 697,079</u>	<u>\$ 782,079</u>

(Continued)

Exhibit G-1

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

	<div> <div>Debt Service Fund</div> <div>General Debt Service</div> </div>		<div> <div>Total Nonmajor Governmental Funds</div> </div>	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$	0	\$	22,225
Restricted for Finance		0		117,952
Restricted for Public Safety		0		234,047
Restricted for Public Health and Welfare		0		1,055,854
Restricted for Debt Service		2,219,552		2,219,552
Total Fund Balances	\$	2,219,552	\$	3,649,630
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	3,416,981	\$	5,015,320

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, 2022

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	
<u>Revenues</u>						
Local Taxes	\$ 7,300	\$ 938,319	\$ 0	\$ 0	\$ 945,619	
Fines, Forfeitures, and Penalties	0	0	37,799	0	37,799	
Charges for Current Services	0	51,529	0	499,268	550,797	
Other Local Revenues	0	913	3,701	0	4,614	
State of Tennessee	0	166,674	0	0	166,674	
Other Governments and Citizens Groups	15,000	0	7,800	0	22,800	
Total Revenues	\$ 22,300	\$ 1,157,435	\$ 49,300	\$ 499,268	\$ 1,728,303	
<u>Expenditures</u>						
Current:						
General Government	\$ 17,786	\$ 0	\$ 0	\$ 0	\$ 17,786	
Finance	0	0	0	511,651	511,651	
Administration of Justice	0	0	0	524	524	
Public Safety	0	0	44,480	0	44,480	
Public Health and Welfare	0	762,963	0	0	762,963	
Other Operations	73	11,472	226	0	11,771	
Debt Service:						
Principal on Debt	0	0	0	0	0	
Interest on Debt	0	0	0	0	0	
Other Debt Service	0	0	0	0	0	
Total Expenditures	\$ 17,859	\$ 774,435	\$ 44,706	\$ 512,175	\$ 1,349,175	

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,441	\$ 383,000	\$ 4,594	\$ (12,907)	\$	379,128
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 10,500	\$ 0	\$	10,500
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 10,500	\$ 0	\$	10,500
Net Change in Fund Balances	\$ 4,441	\$ 383,000	\$ 15,094	\$ (12,907)	\$	389,628
Fund Balance, July 1, 2021	17,784	672,854	218,953	130,859		1,040,450
Fund Balance, June 30, 2022	\$ 22,225	\$ 1,055,854	\$ 234,047	\$ 117,952	\$	1,430,078

(Continued)

Exhibit G-2

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

	Debt Service Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 670,771	\$ 1,616,390
Fines, Forfeitures, and Penalties	0	37,799
Charges for Current Services	0	550,797
Other Local Revenues	0	4,614
State of Tennessee	0	166,674
Other Governments and Citizens Groups	0	22,800
Total Revenues	<u>\$ 670,771</u>	<u>\$ 2,399,074</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 17,786
Finance	0	511,651
Administration of Justice	0	524
Public Safety	0	44,480
Public Health and Welfare	0	762,963
Other Operations	13,369	25,140
Debt Service:		
Principal on Debt	390,000	390,000
Interest on Debt	102,081	102,081
Other Debt Service	652	652
Total Expenditures	<u>\$ 506,102</u>	<u>\$ 1,855,277</u>

(Continued)

Exhibit G-2

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

	Debt Service Fund	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 164,669	\$ 543,797
<u>Other Financing Sources (Uses)</u>		
Proceeds from Sale of Capital Assets	\$ 0	\$ 10,500
Total Other Financing Sources (Uses)	\$ 0	\$ 10,500
Net Change in Fund Balances	\$ 164,669	\$ 554,297
Fund Balance, July 1, 2021	2,054,883	3,095,333
Fund Balance, June 30, 2022	\$ 2,219,552	\$ 3,649,630

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,300	\$ 7,000	\$ 7,000	\$ 300
Other Governments and Citizens Groups	15,000	0	15,000	0
Total Revenues	<u>\$ 22,300</u>	<u>\$ 7,000</u>	<u>\$ 22,000</u>	<u>\$ 300</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 17,786	\$ 14,000	\$ 29,000	\$ 11,214
<u>Other Operations</u>				
Other Charges	73	100	100	27
Total Expenditures	<u>\$ 17,859</u>	<u>\$ 14,100</u>	<u>\$ 29,100</u>	<u>\$ 11,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,441</u>	<u>\$ (7,100)</u>	<u>\$ (7,100)</u>	<u>\$ 11,541</u>
Net Change in Fund Balance	\$ 4,441	\$ (7,100)	\$ (7,100)	\$ 11,541
Fund Balance, July 1, 2021	<u>17,784</u>	<u>15,387</u>	<u>15,387</u>	<u>2,397</u>
Fund Balance, June 30, 2022	<u><u>\$ 22,225</u></u>	<u><u>\$ 8,287</u></u>	<u><u>\$ 8,287</u></u>	<u><u>\$ 13,938</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 938,319	\$ 315,000	\$ 315,000	\$ 623,319
Charges for Current Services	51,529	50,000	50,000	1,529
Other Local Revenues	913	1,000	1,000	(87)
State of Tennessee	166,674	130,000	130,000	36,674
Total Revenues	<u>\$ 1,157,435</u>	<u>\$ 496,000</u>	<u>\$ 496,000</u>	<u>\$ 661,435</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 762,963	\$ 767,545	\$ 767,545	\$ 4,582
<u>Other Operations</u>				
Other Charges	11,472	6,000	11,300	(172)
Total Expenditures	<u>\$ 774,435</u>	<u>\$ 773,545</u>	<u>\$ 778,845</u>	<u>\$ 4,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 383,000</u>	<u>\$ (277,545)</u>	<u>\$ (282,845)</u>	<u>\$ 665,845</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Net Change in Fund Balance	\$ 383,000	\$ (267,545)	\$ (272,845)	\$ 655,845
Fund Balance, July 1, 2021	<u>672,854</u>	<u>294,938</u>	<u>294,938</u>	<u>377,916</u>
Fund Balance, June 30, 2022	<u><u>\$ 1,055,854</u></u>	<u><u>\$ 27,393</u></u>	<u><u>\$ 22,093</u></u>	<u><u>\$ 1,033,761</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 37,799	\$ 10,500	\$ 10,500	\$ 27,299
Other Local Revenues	3,701	0	0	3,701
Other Governments and Citizens Groups	7,800	0	0	7,800
Total Revenues	<u>\$ 49,300</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 38,800</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 44,480	\$ 120,050	\$ 121,050	\$ 76,570
<u>Other Operations</u>				
Other Charges	226	78	238	12
Total Expenditures	<u>\$ 44,706</u>	<u>\$ 120,128</u>	<u>\$ 121,288</u>	<u>\$ 76,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,594</u>	<u>\$ (109,628)</u>	<u>\$ (110,788)</u>	<u>\$ 115,382</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 10,500	0	0	10,500
Total Other Financing Sources	<u>\$ 10,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,500</u>
Net Change in Fund Balance	\$ 15,094	\$ (109,628)	\$ (110,788)	\$ 125,882
Fund Balance, July 1, 2021	218,953	172,937	172,937	46,016
Fund Balance, June 30, 2022	<u>\$ 234,047</u>	<u>\$ 63,309</u>	<u>\$ 62,149</u>	<u>\$ 171,898</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 670,771	\$ 615,019	\$ 615,019	\$ 55,752
Total Revenues	\$ 670,771	\$ 615,019	\$ 615,019	\$ 55,752
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 13,369	\$ 15,000	\$ 15,000	\$ 1,631
<u>Principal on Debt</u>				
General Government	390,000	390,000	390,000	0
<u>Interest on Debt</u>				
General Government	102,081	102,082	102,082	1
<u>Other Debt Service</u>				
General Government	652	1,000	1,000	348
Total Expenditures	\$ 506,102	\$ 508,082	\$ 508,082	\$ 1,980
Excess (Deficiency) of Revenues Over Expenditures	\$ 164,669	\$ 106,937	\$ 106,937	\$ 57,732
Net Change in Fund Balance	\$ 164,669	\$ 106,937	\$ 106,937	\$ 57,732
Fund Balance, July 1, 2021	2,054,883	2,022,509	2,022,509	32,374
Fund Balance, June 30, 2022	\$ 2,219,552	\$ 2,129,446	\$ 2,129,446	\$ 90,106

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 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.

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,494,941	\$ 1,365,348	\$ 1,365,348	\$ 129,593
Other Local Revenues	0	1	1	(1)
Other Governments and Citizens Groups	775,000	774,000	774,000	1,000
Total Revenues	<u>\$ 2,269,941</u>	<u>\$ 2,139,349</u>	<u>\$ 2,139,349</u>	<u>\$ 130,592</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,230,000	\$ 1,220,000	\$ 1,230,000	\$ 0
<u>Interest on Debt</u>				
Education	460,759	190,350	460,759	0
<u>Other Debt Service</u>				
Education	30,855	36,500	36,500	5,645
Total Expenditures	<u>\$ 1,721,614</u>	<u>\$ 1,446,850</u>	<u>\$ 1,727,259</u>	<u>\$ 5,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 548,327</u>	<u>\$ 692,499</u>	<u>\$ 412,090</u>	<u>\$ 136,237</u>
Net Change in Fund Balance	\$ 548,327	\$ 692,499	\$ 412,090	\$ 136,237
Fund Balance, July 1, 2021	<u>8,080,014</u>	<u>8,015,353</u>	<u>8,015,353</u>	<u>64,661</u>
Fund Balance, June 30, 2022	<u>\$ 8,628,341</u>	<u>\$ 8,707,852</u>	<u>\$ 8,427,443</u>	<u>\$ 200,898</u>

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,580,712	\$ 1,575,000	\$ 1,575,000	\$ 1,005,712
Other Local Revenues	24,316	12,000	12,000	12,316
Other Governments and Citizens Groups	50,811	0	50,811	0
Total Revenues	<u>\$ 2,655,839</u>	<u>\$ 1,587,000</u>	<u>\$ 1,637,811</u>	<u>\$ 1,018,028</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 25,883	\$ 24,500	\$ 25,900	\$ 17
<u>Principal on Debt</u>				
Education	984,350	935,000	984,350	0
<u>Interest on Debt</u>				
Education	372,542	371,082	372,543	1
Total Expenditures	<u>\$ 1,382,775</u>	<u>\$ 1,330,582</u>	<u>\$ 1,382,793</u>	<u>\$ 18</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,273,064</u>	<u>\$ 256,418</u>	<u>\$ 255,018</u>	<u>\$ 1,018,046</u>
Net Change in Fund Balance	\$ 1,273,064	\$ 256,418	\$ 255,018	\$ 1,018,046
Fund Balance, July 1, 2021	<u>5,662,345</u>	<u>5,059,156</u>	<u>5,059,156</u>	<u>603,189</u>
Fund Balance, June 30, 2022	<u>\$ 6,935,409</u>	<u>\$ 5,315,574</u>	<u>\$ 5,314,174</u>	<u>\$ 1,621,235</u>

Exhibit H-3

Marion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 222,932	\$ 222,250	\$ 222,250	\$ 682
Total Revenues	\$ 222,932	\$ 222,250	\$ 222,250	\$ 682
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 2,229	\$ 3,000	\$ 3,000	\$ 771
<u>Other Debt Service</u>				
General Government	142,015	0	142,015	0
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	25,001,249	0	25,001,249	0
Total Expenditures	\$ 25,145,493	\$ 3,000	\$ 25,146,264	\$ 771
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,922,561)	\$ 219,250	\$ (24,924,014)	\$ 1,453
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 23,615,000	0	\$ 23,615,000	0
Premiums on Debt Sold	1,528,264	0	1,528,264	0
Total Other Financing Sources	\$ 25,143,264	\$ 0	\$ 25,143,264	\$ 0
Net Change in Fund Balance	\$ 220,703	\$ 219,250	\$ 219,250	\$ 1,453
Fund Balance, July 1, 2021	1,409,595	220,351	220,351	1,189,244
Fund Balance, June 30, 2022	\$ 1,630,298	\$ 439,601	\$ 439,601	\$ 1,190,697

Exhibit H-4

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,115,630	\$ 1,022,511	\$ 1,022,511	\$ 93,119
State of Tennessee	0	15,000	15,000	(15,000)
Federal Government	751,700	0	0	751,700
Other Governments and Citizens Groups	168,208	0	0	168,208
Total Revenues	\$ 2,035,538	\$ 1,037,511	\$ 1,037,511	\$ 998,027
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 636,322	\$ 33,447	\$ 778,748	\$ 142,426
<u>Other Operations</u>				
Other Economic and Community Development	1,633,242	45,000	1,855,443	222,201
Other Charges	22,215	25,000	25,000	2,785
Total Expenditures	\$ 2,291,779	\$ 103,447	\$ 2,659,191	\$ 367,412
Excess (Deficiency) of Revenues Over Expenditures	\$ (256,241)	\$ 934,064	\$ (1,621,680)	\$ 1,365,439
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (424,000)	\$ 0	\$ (424,000)	\$ 0
Total Other Financing Sources	\$ (424,000)	\$ 0	\$ (424,000)	\$ 0
Net Change in Fund Balance	\$ (680,241)	\$ 934,064	\$ (2,045,680)	\$ 1,365,439
Fund Balance, July 1, 2021	8,526,842	8,714,483	8,714,483	(187,641)
Fund Balance, June 30, 2022	\$ 7,846,601	\$ 9,648,547	\$ 6,668,803	\$ 1,177,798

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 a custodial 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, 2022

	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	\$ 733,756	\$ 0	\$ 733,756
Equity in Pooled Cash and Investments	0	103	30,354	0	236,158	266,615
Accounts Receivable	0	0	1,493	4,896	2,364	8,753
Due from Other Governments	920,156	0	56,646	0	18,572	995,374
Property Taxes Receivable	0	42,824	334,705	0	0	377,529
Allowance for Uncollectible Property Taxes	0	(1,272)	(13,078)	0	0	(14,350)
Total Assets	<u>\$ 920,156</u>	<u>\$ 41,655</u>	<u>\$ 410,120</u>	<u>\$ 738,652</u>	<u>\$ 257,094</u>	<u>\$ 2,367,677</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 920,156	\$ 41,655	\$ 89,306	\$ 0	\$ 0	\$ 1,051,117
Total Liabilities	<u>\$ 920,156</u>	<u>\$ 41,655</u>	<u>\$ 89,306</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,051,117</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 310,110	\$ 0	\$ 0	\$ 310,110
Deferred Delinquent Property Taxes	0	0	10,704	0	0	10,704
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 320,814</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 320,814</u>
<u>NET POSITION</u>						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 738,652	\$ 257,094	\$ 995,746
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 738,652</u>	<u>\$ 257,094</u>	<u>\$ 995,746</u>

Exhibit I-2

Marion County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	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	\$ 4,997,748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,997,748
ADA - Educational Funds Collected for Cities	0	19,084	643,209	0	0	662,293
Fines/Fees and Other Collections	0	0	0	7,291,141	0	7,291,141
Drug Task Force Collections	0	0	0	0	471,165	471,165
Total Additions	\$ 4,997,748	\$ 19,084	\$ 643,209	\$ 7,291,141	\$ 471,165	\$ 13,422,347
<u>Deductions</u>						
Payment of Sales Tax Collections for Other Governments	\$ 4,997,748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,997,748
Payments to City School Systems	0	19,084	643,209	0	0	662,293
Payments to State	0	0	0	5,281,101	0	5,281,101
Payments to County/City	0	0	0	923,946	0	923,946
Payments to Individuals and Others	0	0	0	1,192,675	0	1,192,675
Payment of Drug Task Force Expenses	0	0	0	0	383,829	383,829
Total Deductions	\$ 4,997,748	\$ 19,084	\$ 643,209	\$ 7,397,722	\$ 383,829	\$ 13,441,592
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ (106,581)	\$ 87,336	\$ (19,245)
Net Position July 1, 2021	0	0	0	845,233	169,758	1,014,991
Net Position June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 738,652	\$ 257,094	\$ 995,746

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, one Capital Projects Fund, 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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building construction and renovations of the school department.

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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 22,296,582	\$ 13,803	\$ 4,601,778	\$ 25,001,249	\$ 7,320,248
Support Services	12,985,521	0	2,886,877	0	(10,098,644)
Operation of Non-instructional Services	4,817,366	195,593	4,343,511	0	(278,262)
Interest on Long-term Debt	1,461	0	0	0	(1,461)
Total Governmental Activities	<u>\$ 40,100,930</u>	<u>\$ 209,396</u>	<u>\$ 11,832,166</u>	<u>\$ 25,001,249</u>	<u>\$ (3,058,119)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,566,293
Local Option Sales Taxes					5,643,562
Hotel/Motel Tax					223,157
Wholesale Beer Tax					81,279
Mixed Drink Tax					18,562
Grants and Contributions Not Restricted to Specific Programs					23,179,184
Unrestricted Investment Earnings					32,320
Miscellaneous					50,560
Total General Revenues					<u>\$ 34,794,917</u>
Change in Net Position					\$ 31,736,798
Net Position, July 1, 2021					<u>46,879,048</u>
Net Position, June 30, 2022					<u>\$ 78,615,846</u>

Exhibit J-2

Marion County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Marion County School Department
June 30, 2022

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 958,751	\$ 958,751
Equity in Pooled Cash and Investments	9,892,258	48,064	23,743,061	3,804,909	37,488,292
Inventories	0	0	0	104,158	104,158
Accounts Receivable	3,455	0	0	0	3,455
Due from Other Governments	1,997,682	228,396	0	166,445	2,392,523
Due from Other Funds	105,886	0	0	0	105,886
Due from Primary Government	0	0	500,000	0	500,000
Property Taxes Receivable	6,017,876	0	0	0	6,017,876
Allowance for Uncollectible Property Taxes	(235,145)	0	0	0	(235,145)
Restricted Assets	263,379	0	0	0	263,379
Total Assets	\$ 18,045,391	\$ 276,460	\$ 24,243,061	\$ 5,034,263	\$ 47,599,175
<u>LIABILITIES</u>					
Accounts Payable	\$ 559,991	\$ 3,152	\$ 0	\$ 16,425	\$ 579,568
Accrued Payroll	378,491	130,264	0	0	508,755
Due to Other Funds	0	93,044	12,842	0	105,886
Due to Primary Government	5,480	0	0	0	5,480
Total Liabilities	\$ 943,962	\$ 226,460	\$ 12,842	\$ 16,425	\$ 1,199,689
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,575,668	\$ 0	\$ 0	\$ 0	\$ 5,575,668
Deferred Delinquent Property Taxes	192,454	0	0	0	192,454
Other Deferred/Unavailable Revenue	524,190	0	0	0	524,190
Total Deferred Inflows of Resources	\$ 6,292,312	\$ 0	\$ 0	\$ 0	\$ 6,292,312

(Continued)

Exhibit J-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Capital Projects -	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 104,158	\$ 104,158
Restricted:					
Restricted for Education	40,306	0	24,230,219	4,913,680	29,184,205
Restricted for Instruction	1,726	0	0	0	1,726
Restricted for Hybrid Retirement Stabilization Funds	263,379	0	0	0	263,379
Committed:					
Committed for Education	0	50,000	0	0	50,000
Assigned:					
Assigned for Capital Outlay	16,693	0	0	0	16,693
Unassigned	10,487,013	0	0	0	10,487,013
Total Fund Balances	<u>\$ 10,809,117</u>	<u>\$ 50,000</u>	<u>\$ 24,230,219</u>	<u>\$ 5,017,838</u>	<u>\$ 40,107,174</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,045,391</u>	<u>\$ 276,460</u>	<u>\$ 24,243,061</u>	<u>\$ 5,034,263</u>	<u>\$ 47,599,175</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, 2022

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)		\$ 40,107,174
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,491,696	
Add: construction in progress	803,835	
Add: buildings and improvements net of accumulated depreciation	29,019,392	
Add: other capital assets net of accumulated depreciation	<u>452,665</u>	31,767,588
(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	\$ (50,064)	
Less: OPEB liability	<u>(3,890,127)</u>	(3,940,191)
(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	\$ 7,481,265	
Less: deferred inflows of resources related to pensions	(17,530,687)	
Add: deferred outflows of resources related to OPEB	1,450,261	
Less: deferred inflows of resources related to OPEB	<u>(858,383)</u>	(9,457,544)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,991,584	
Add: net pension asset - teacher retirement plan	224,829	
Add: net pension asset - teacher legacy pension plan	<u>17,205,762</u>	19,422,175
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>716,644</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 78,615,846</u></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, 2022

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 11,462,561	\$ 0	\$ 0	\$ 0	\$ 11,462,561
Licenses and Permits	1,998	0	0	0	1,998
Charges for Current Services	61,519	0	0	147,877	209,396
Other Local Revenues	47,988	0	32,804	1,369,965	1,450,757
State of Tennessee	23,185,423	0	0	48,734	23,234,157
Federal Government	416,401	6,457,543	0	3,778,478	10,652,422
Other Governments and Citizens Groups	0	0	25,001,249	0	25,001,249
Total Revenues	\$ 35,175,890	\$ 6,457,543	\$ 25,034,053	\$ 5,345,054	\$ 72,012,540
<u>Expenditures</u>					
Current:					
Instruction	\$ 19,202,438	\$ 3,821,776	\$ 0	\$ 0	\$ 23,024,214
Support Services	12,149,548	1,450,079	0	0	13,599,627
Operation of Non-Instructional Services	567,819	0	0	4,268,605	4,836,424
Capital Outlay	660,184	900,051	0	0	1,560,235
Debt Service:					
Principal on Debt	15,722	0	0	0	15,722
Interest on Debt	1,461	0	0	0	1,461
Other Debt Service	775,000	0	0	0	775,000
Capital Projects	0	0	803,834	0	803,834
Total Expenditures	\$ 33,372,172	\$ 6,171,906	\$ 803,834	\$ 4,268,605	\$ 44,616,517
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,803,718	\$ 285,637	\$ 24,230,219	\$ 1,076,449	\$ 27,396,023

(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 Funds	
	General Purpose School	School Federal Projects	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 285,637	\$ 0	\$ 0	\$ 0	\$ 285,637
Transfers Out	0	(285,637)	0	0	(285,637)
Total Other Financing Sources (Uses)	<u>\$ 285,637</u>	<u>\$ (285,637)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 2,089,355	\$ 0	\$ 24,230,219	\$ 1,076,449	\$ 27,396,023
Fund Balance, July 1, 2021	<u>8,719,762</u>	<u>50,000</u>	<u>0</u>	<u>3,941,389</u>	<u>12,711,151</u>
Fund Balance, June 30, 2022	<u>\$ 10,809,117</u>	<u>\$ 50,000</u>	<u>\$ 24,230,219</u>	<u>\$ 5,017,838</u>	<u>\$ 40,107,174</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, 2022

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)		\$ 27,396,023
(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	\$ 1,329,747	
Less: current-year depreciation expense	<u>(1,476,879)</u>	(147,132)
(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		(878)
(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, 2022	\$ 716,644	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(619,377)</u>	97,267
(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 other loans to primary government		49,350
(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	\$ 1,733,796	
Change in net pension asset - teacher retirement plan	101,174	
Change in net pension asset - teacher legacy pension plan	14,133,715	
Change in deferred outflows related to pensions	4,462,878	
Change in deferred inflows related to pensions	<u>(15,876,724)</u>	
Change in OPEB liability	(714,576)	
Change in deferred outflows related to OPEB	485,464	
Change in deferred inflows related to OPEB	<u>16,441</u>	<u>4,342,168</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 31,736,798</u>

Exhibit J-6

Marion County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Marion County School Department
June 30, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 6,629	\$ 952,122	\$ 958,751
Equity in Pooled Cash and Investments	3,804,909	0	3,804,909
Inventories	104,158	0	104,158
Due from Other Governments	166,445	0	166,445
Total Assets	<u>\$ 4,082,141</u>	<u>\$ 952,122</u>	<u>\$ 5,034,263</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 16,425	\$ 0	\$ 16,425
Total Liabilities	<u>\$ 16,425</u>	<u>\$ 0</u>	<u>\$ 16,425</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 104,158	\$ 0	\$ 104,158
Restricted:			
Restricted for Education	3,961,558	952,122	4,913,680
Total Fund Balances	<u>\$ 4,065,716</u>	<u>\$ 952,122</u>	<u>\$ 5,017,838</u>
Total Liabilities and Fund Balances	<u>\$ 4,082,141</u>	<u>\$ 952,122</u>	<u>\$ 5,034,263</u>

Exhibit J-7

Marion County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Marion County School Department
For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 147,877	\$ 0	\$ 147,877
Other Local Revenues	11,587	1,358,378	1,369,965
State of Tennessee	48,734	0	48,734
Federal Government	3,778,478	0	3,778,478
Total Revenues	<u>\$ 3,986,676</u>	<u>\$ 1,358,378</u>	<u>\$ 5,345,054</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 2,968,563	\$ 1,300,042	\$ 4,268,605
Total Expenditures	<u>\$ 2,968,563</u>	<u>\$ 1,300,042</u>	<u>\$ 4,268,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,018,113</u>	<u>\$ 58,336</u>	<u>\$ 1,076,449</u>
Net Change in Fund Balances	\$ 1,018,113	\$ 58,336	\$ 1,076,449
Fund Balance, July 1, 2021	<u>3,047,603</u>	<u>893,786</u>	<u>3,941,389</u>
Fund Balance, June 30, 2022	<u><u>\$ 4,065,716</u></u>	<u><u>\$ 952,122</u></u>	<u><u>\$ 5,017,838</u></u>

Exhibit J-8

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,462,561	\$ 8,956,605	\$ 9,053,326	\$ 2,409,235
Licenses and Permits	1,998	2,289	2,289	(291)
Charges for Current Services	61,519	149,560	149,560	(88,041)
Other Local Revenues	47,988	85,000	85,000	(37,012)
State of Tennessee	23,185,423	22,845,832	23,403,020	(217,597)
Federal Government	416,401	358,721	489,707	(73,306)
Total Revenues	\$ 35,175,890	\$ 32,398,007	\$ 33,182,902	\$ 1,992,988
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 15,081,522	\$ 15,708,648	\$ 15,985,722	\$ 904,200
Special Education Program	2,513,506	2,866,622	2,828,891	315,385
Career and Technical Education Program	1,607,410	1,720,964	1,720,964	113,554
<u>Support Services</u>				
Attendance	159,082	162,100	162,100	3,018
Health Services	416,856	433,806	433,806	16,950
Other Student Support	802,897	822,266	883,480	80,583
Regular Instruction Program	1,277,174	1,208,614	1,330,637	53,463
Special Education Program	426,380	500,635	471,252	44,872
Career and Technical Education Program	50,225	64,032	64,032	13,807
Technology	470,911	596,239	596,239	125,328
Other Programs	105,543	115,058	105,543	0
Board of Education	531,082	579,368	694,426	163,344
Director of Schools	379,045	409,812	409,812	30,767
Office of the Principal	2,258,779	2,291,081	2,316,026	57,247
Fiscal Services	370,328	381,875	381,875	11,547
Human Services/Personnel	148,015	156,458	156,458	8,443
Operation of Plant	2,698,804	2,930,608	2,930,608	231,804
Maintenance of Plant	728,347	770,853	867,123	138,776
Transportation	1,326,080	1,381,643	1,453,261	127,181
<u>Operation of Non-Instructional Services</u>				
Community Services	188,377	279,700	330,018	141,641
Early Childhood Education	379,442	380,274	380,273	831
<u>Capital Outlay</u>				
Regular Capital Outlay	660,184	298,785	664,625	4,441
<u>Principal on Debt</u>				
Education	15,722	15,722	15,722	0
<u>Interest on Debt</u>				
Education	1,461	1,461	1,461	0
<u>Other Debt Service</u>				
Education	775,000	730,432	775,000	0
Total Expenditures	\$ 33,372,172	\$ 34,807,056	\$ 35,959,354	\$ 2,587,182
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,803,718	\$ (2,409,049)	\$ (2,776,452)	\$ 4,580,170

(Continued)

Exhibit J-8

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	\$ 285,637	\$ 150,000	\$ 150,000	\$ 135,637
Total Other Financing Sources	\$ 285,637	\$ 150,000	\$ 150,000	\$ 135,637
Net Change in Fund Balance	\$ 2,089,355	\$ (2,259,049)	\$ (2,626,452)	\$ 4,715,807
Fund Balance, July 1, 2021	8,719,762	8,105,851	8,105,851	613,911
Fund Balance, June 30, 2022	\$ 10,809,117	\$ 5,846,802	\$ 5,479,399	\$ 5,329,718

Exhibit J-9

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,457,543	\$ 10,879,253	\$ 14,550,098	\$ (8,092,555)
Total Revenues	\$ 6,457,543	\$ 10,879,253	\$ 14,550,098	\$ (8,092,555)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,245,277	\$ 4,779,975	\$ 5,562,428	\$ 2,317,151
Special Education Program	508,550	487,681	822,615	314,065
Career and Technical Education Program	67,949	58,009	67,949	0
<u>Support Services</u>				
Health Services	6,611	0	12,811	6,200
Other Student Support	245,425	633,227	509,710	264,285
Regular Instruction Program	631,731	346,296	1,122,636	490,905
Special Education Program	416,488	390,473	569,714	153,226
Technology	36,055	180,000	263,918	227,863
Fiscal Services	19,500	0	46,200	26,700
Operation of Plant	0	0	15,924	15,924
Transportation	94,269	54,155	141,771	47,502
<u>Operation of Non-Instructional Services</u>				
Food Service	0	0	9,849	9,849
<u>Capital Outlay</u>				
Regular Capital Outlay	900,051	3,200,000	4,949,560	4,049,509
Total Expenditures	\$ 6,171,906	\$ 10,129,816	\$ 14,095,085	\$ 7,923,179
Excess (Deficiency) of Revenues Over Expenditures	\$ 285,637	\$ 749,437	\$ 455,013	\$ (169,376)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (285,637)	\$ (749,437)	\$ (455,013)	\$ 169,376
Total Other Financing Sources	\$ (285,637)	\$ (749,437)	\$ (455,013)	\$ 169,376
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2021	50,000	0	0	50,000
Fund Balance, June 30, 2022	\$ 50,000	\$ 0	\$ 0	\$ 50,000

Exhibit J-10

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, 2022

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 147,877	\$ 75,000	\$ 75,000	\$ 72,877
Other Local Revenues	11,587	8,500	8,500	3,087
State of Tennessee	48,734	27,500	46,044	2,690
Federal Government	3,778,478	3,021,582	3,021,582	756,896
Total Revenues	<u>\$ 3,986,676</u>	<u>\$ 3,132,582</u>	<u>\$ 3,151,126</u>	<u>\$ 835,550</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,968,563	\$ 4,776,123	\$ 4,794,667	\$ 1,826,104
Total Expenditures	<u>\$ 2,968,563</u>	<u>\$ 4,776,123</u>	<u>\$ 4,794,667</u>	<u>\$ 1,826,104</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,018,113</u>	<u>\$ (1,643,541)</u>	<u>\$ (1,643,541)</u>	<u>\$ 2,661,654</u>
Net Change in Fund Balance	\$ 1,018,113	\$ (1,643,541)	\$ (1,643,541)	\$ 2,661,654
Fund Balance, July 1, 2021	<u>3,047,603</u>	<u>2,837,578</u>	<u>2,837,578</u>	<u>210,025</u>
Fund Balance, June 30, 2022	<u><u>\$ 4,065,716</u></u>	<u><u>\$ 1,194,037</u></u>	<u><u>\$ 1,194,037</u></u>	<u><u>\$ 2,871,679</u></u>

Exhibit J-11

Marion County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Marion County School Department
Fiduciary Fund
June 30, 2022

	Other Trust Fund
	Private Purpose Trust Fund
<u>ASSETS</u>	
Current Assets:	
Cash in Bank	\$ 106,132
Equity in Pooled Cash and Investments	21,331
Investments	<u>522,189</u>
Total Assets	<u>\$ 649,652</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 649,652</u>
Total Net Position	<u><u>\$ 649,652</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, 2022

159

MISCELLANEOUS SCHEDULES

Exhibit K-1

Marion County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<u>BONDS PAYABLE</u>								
<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	\$ 1,600,000	\$ 0	\$ 150,000	\$ 1,450,000
General Obligation Refunding Bonds, 2015A Series	3,345,000	2 to 2.35	2-25-15	4-1-29	2,020,000	0	240,000	1,780,000
Total Payable through General Debt Service Fund					<u>\$ 3,620,000</u>	<u>\$ 0</u>	<u>\$ 390,000</u>	<u>\$ 3,230,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural School General Obligation Refunding Bonds, 2015 Series	1,805,000	2 to 4	2-25-15	4-1-25	\$ 795,000	\$ 0	\$ 185,000	\$ 610,000
Rural School General Obligation Refunding Bonds, 2020 Series	4,315,000	0.29	8-12-20	4-1-24	3,245,000	0	1,035,000	2,210,000
General Obligation County District School Bonds, 2022 Series	23,615,000	1.7621	1-15-22	6-1-40	0	23,615,000	10,000	23,605,000
Total Payable through Rural Debt Service Fund					<u>\$ 4,040,000</u>	<u>\$ 23,615,000</u>	<u>\$ 1,230,000</u>	<u>\$ 26,425,000</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	\$ 11,335,000	\$ 0	\$ 935,000	\$ 10,400,000
Total Payable through Education Debt Service Fund					<u>\$ 11,335,000</u>	<u>\$ 0</u>	<u>\$ 935,000</u>	<u>\$ 10,400,000</u>
Total Bonds Payable					<u>\$ 18,995,000</u>	<u>\$ 23,615,000</u>	<u>\$ 2,555,000</u>	<u>\$ 40,055,000</u>
<u>NOTES PAYABLE</u>								
<u>Payable through General Fund</u>								
Jasper Public Works Project	(1) 377,000	1.94	12-20-12	4-1-23	\$ 80,000	\$ 0	\$ 40,000	\$ 40,000
Total Payable through General Fund					<u>\$ 80,000</u>	<u>\$ 0</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
<u>Payable through Highway/Public Works Fund</u>								
Kenworth Dump Trucks	550,000	3.09	7-10-17	4-19-24	\$ 245,948	\$ 0	\$ 80,984	\$ 164,964
Gradall Excavator	295,000	2.23	6-15-21	6-15-26	295,000	0	56,428	238,572
Total Payable through Highway/Public Works Fund					<u>\$ 540,948</u>	<u>\$ 0</u>	<u>\$ 137,412</u>	<u>\$ 403,536</u>
Total Notes Payable					<u>\$ 620,948</u>	<u>\$ 0</u>	<u>\$ 177,412</u>	<u>\$ 443,536</u>

(Continued)

Exhibit K-1

Marion County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Other Loans (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<u>OTHER LOANS 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	\$ 32,158	\$ 0	\$ 15,722	\$ 16,436
<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	67,256	0	33,628	33,628
<u>Payable through General Fund</u>								
Body-Worn Cameras	112,016	0.00	9-30-20	9-30-25	72,816	0	18,204	54,612
Total Other Loans Payable					\$ 172,230	\$ 0	\$ 67,554	\$ 104,676

- (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
2023	\$ 3,615,000	\$ 1,227,251	\$ 4,842,251
2024	3,785,000	1,058,051	4,843,051
2025	2,735,000	910,357	3,645,357
2026	2,625,000	811,769	3,436,769
2027	2,750,000	714,756	3,464,756
2028	2,855,000	656,787	3,511,787
2029	2,940,000	589,002	3,529,002
2030	2,790,000	473,150	3,263,150
2031	2,655,000	367,950	3,022,950
2032	1,350,000	281,600	1,631,600
2033	1,395,000	241,100	1,636,100
2034	1,420,000	213,200	1,633,200
2035	1,450,000	184,800	1,634,800
2036	1,480,000	155,800	1,635,800
2037	1,505,000	126,200	1,631,200
2038	1,535,000	96,100	1,631,100
2039	1,570,000	65,400	1,635,400
2040	1,600,000	34,000	1,634,000
Total	\$ 40,055,000	\$ 8,207,273	\$ 48,262,273

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 443,536	\$ 21,855	\$ 465,391

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 68,268	\$ 747	\$ 69,015
2024	18,204	0	18,204
2025	18,204	0	18,204
Total	\$ 104,676	\$ 747	\$ 105,423

Exhibit K-3

Marion County, Tennessee
Schedule of Investments
Discretely Presented Marion County School Department
June 30, 2022

Fund and Type	Amount
<u>Private Purpose Trust Fund</u>	
Corporate Bonds - Caterpillar Financial	\$ 49,409
Corporate Bonds - General Electric	39,955
Corporate Bonds - Wells Fargo	40,040
Corporate Bonds - Nike	24,876
Corporate Bonds - Comcast	150,468
Corporate Bonds - Toyota Motor	45,582
Corporate Bonds - Loews	74,481
Corporate Bonds - Apple	47,888
Corporate Bonds - US Bancorp	<u>49,490</u>
Total Investments	<u>\$ 522,189</u>

Marion County, Tennessee
Schedule of Notes Receivable
Primary Government
June 30, 2022

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-22
<u>PRIMARY GOVERNMENT</u>						
<u>Other Capital Projects Fund</u>						
Bank Stabilization Project	Town of Orme	\$ 118,750	2-1-22	7-1-42	0%	<u>\$ 118,750</u>
Total Notes Receivable Primary Government						<u><u>\$ 118,750</u></u>

Exhibit K-5

Marion County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Marion County School Department
For the Year Ended June 30, 2022

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	General maintenance/construction	\$ 260,000
Other Capital Projects	General	Capital projects	<u>424,000</u>
Total Transfers Primary Government			<u>\$ 684,000</u>
<u>DISCRETELY PRESENTED MARION COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 285,637</u>
Total Transfers Discretely Presented Marion County School Department			<u>\$ 285,637</u>

Exhibit K-6

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, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 104,646 (1) \$	(4)	
Highway Supervisor	Section 8-24-102, <i>TCA</i> , and County Commission	90,509 (2)	(4)	
Director of Schools	State Board of Education and County Board of Education	174,835 (3)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	82,281	1,228,223	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	82,281	(4)	
County Clerk:				
Dwight Minter (7-1-21 through 3-2-22)	Section 8-24-102, <i>TCA</i>	55,883	(4)	
Vacant (3-3-22 through 4-24-22)				
Joanie Spangler (4-25-22 through 6-30-22)	Section 8-24-102, <i>TCA</i>	13,713	(4)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	82,281	(4)	
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	82,281	(4)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	82,281	(4)	
Sheriff	Section 8-24-102, <i>TCA</i>	90,509	(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 \$800.
(4) Covered under the Public Employee Dishonesty Bond.

Exhibit K-7

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	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	\$ 6,477,683	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	207,860	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	159,325	0	0	0	0	0
Interest and Penalty	36,263	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	26,555	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	21,495	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	39,257	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	938,319	0	0	0
Litigation Tax - General	87,568	0	0	0	0	0
Litigation Tax - Special Purpose	796	7,300	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	15,089	0	0	0	0	0
Business Tax	415,617	0	0	0	0	0
Mixed Drink Tax	39,845	0	0	0	0	0
Total Local Taxes	\$ 7,527,353	\$ 7,300	\$ 938,319	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 138,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	1,813	0	0	0	0	0
Building Permits	322,185	0	0	0	0	0
Total Licenses and Permits	\$ 462,654	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-7

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	\$ 2,830	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	9,319	0	0	0	0	0
Drug Control Fines	0	0	0	15,449	0	0
Jail Fees	255	0	0	0	0	0
DUI Treatment Fines	304	0	0	0	0	0
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	660	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	34,805	0	0	0	0	0
Officers Costs	22,398	0	0	0	0	0
Game and Fish Fines	414	0	0	0	0	0
Drug Court Fees	6,753	0	0	0	0	0
Jail Fees	3,112	0	0	0	0	0
DUI Treatment Fines	7,784	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,982	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	166	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	3,144	0	0	0	0	0
<u>Other Courts - In-county</u>						
Officers Costs	3,258	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	20,750	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	1,600	0	0
Total Fines, Forfeitures, and Penalties	\$ 108,184	\$ 0	\$ 0	\$ 37,799	\$ 0	0

(Continued)

Exhibit K-7

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	\$ 9,460	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	27,129	0	0	0
Other General Service Charges	0	0	0	0	0	409,090
<u>Fees</u>						
Airport Fees	62,520	0	0	0	0	0
Copy Fees	1,719	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	41,482	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	499,268	0
Data Processing Fee - Register	14,088	0	0	0	0	0
Data Processing Fee - Sheriff	1,727	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,210	0	0	0	0	0
Data Processing Fee - County Clerk	711	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	0	0	14,940	0	0	0
Total Charges for Current Services	\$ 126,507	\$ 0	\$ 51,529	\$ 0	\$ 499,268	\$ 409,090
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 163,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	15,257	0	0	0	0	0
Commissary Sales	24,168	0	0	0	0	0
Sale of Gasoline	194,680	0	0	0	0	32,108
Sale of Recycled Materials	0	0	0	0	0	707
Miscellaneous Refunds	1,879	0	913	1	0	2,711

(Continued)

Exhibit K-7

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	\$ 3,400
Sale of Property	31,878	0	0	3,700	0	0
Performance Bond Forfeitures	9,500	0	0	0	0	0
Total Other Local Revenues	<u>\$ 440,910</u>	<u>\$ 0</u>	<u>\$ 913</u>	<u>\$ 3,701</u>	<u>\$ 0</u>	<u>\$ 38,926</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 101,130	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	372,527	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	178,542	0	0	0	0	0
General Sessions Court Clerk	221,118	0	0	0	0	0
Clerk and Master	84,404	0	0	0	0	0
Register	212,821	0	0	0	0	0
Sheriff	13,195	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,183,737</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	15,000	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	26,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	159,530	0	0	0	0	0

(Continued)

Exhibit K-7

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>Public Works Grants</u>						
Litter Program	\$ 24,867	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other State Revenues</u>						
Income Tax	166,797	0	0	0	0	0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	3,843	0	0	0	0	0
Alcoholic Beverage Tax	91,344	0	0	0	0	0
State Revenue Sharing - T.V.A.	333,349	0	166,674	0	0	0
State Revenue Sharing - Telecommunications	42,941	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	15,519	0	0	0	0	0
Contracted Prisoner Boarding	65,730	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,606,080
Petroleum Special Tax	0	0	0	0	0	19,318
T.B.I. - Equipment Reimbursement	2,081	0	0	0	0	0
Registrar's Salary Supplement	11,373	0	0	0	0	0
Other State Grants	407,675	0	0	0	0	0
Other State Revenues	49,087	0	0	0	0	0
Total State of Tennessee	\$ 1,443,730	\$ 0	\$ 166,674	\$ 0	\$ 0	\$ 2,625,398
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	13,909	0	0	0	0	0
Law Enforcement Grants	66,178	0	0	0	0	0
Other Federal through State	538,388	0	0	0	0	50,034

(Continued)

Exhibit K-7

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>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 417,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 1,035,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,034
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 110,976	\$ 15,000	\$ 0	\$ 7,800	\$ 0	\$ 0
Contracted Services	335,514	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	1,353	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 447,843	\$ 15,000	\$ 0	\$ 7,800	\$ 0	\$ 0
Total	\$ 12,776,781	\$ 22,300	\$ 1,157,435	\$ 49,300	\$ 499,268	\$ 3,123,448

(Continued)

Exhibit K-7

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	\$ 623,524	\$ 1,389,676	\$ 0	\$ 0	\$ 1,036,966	\$ 9,527,849
Trustee's Collections - Prior Year	20,008	43,969	0	0	33,272	305,109
Circuit Clerk/Clerk and Master Collections - Prior Years	15,336	34,616	0	0	25,503	234,780
Interest and Penalty	3,500	7,697	0	0	5,922	53,382
Payments in-Lieu-of Taxes - T.V.A.	2,556	5,771	0	0	4,250	39,132
Payments in-Lieu-of Taxes - Local Utilities	2,069	4,670	0	0	3,441	31,675
Payments in-Lieu-of Taxes - Other	3,778	8,542	0	0	6,276	57,853
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	2,580,712	0	0	3,519,031
Litigation Tax - General	0	0	0	0	0	87,568
Litigation Tax - Special Purpose	0	0	0	0	0	8,096
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	15,089
Business Tax	0	0	0	0	0	415,617
Mixed Drink Tax	0	0	0	0	0	39,845
Total Local Taxes	\$ 670,771	\$ 1,494,941	\$ 2,580,712	\$ 0	\$ 1,115,630	\$ 14,335,026
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 138,656
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,813
Building Permits	0	0	0	0	0	322,185
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 462,654

(Continued)

Exhibit K-7

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	2,830
Officers Costs	0	0	0	0	0	9,319
Drug Control Fines	0	0	0	0	0	15,449
Jail Fees	0	0	0	0	0	255
DUI Treatment Fines	0	0	0	0	0	304
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	0	0	0	0	0	660
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	34,805
Officers Costs	0	0	0	0	0	22,398
Game and Fish Fines	0	0	0	0	0	414
Drug Court Fees	0	0	0	0	0	6,753
Jail Fees	0	0	0	0	0	3,112
DUI Treatment Fines	0	0	0	0	0	7,784
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,982
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	166
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	0	0	0	0	0	3,144
<u>Other Courts - In-county</u>						
Officers Costs	0	0	0	0	0	3,258
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	20,750
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	1,600
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	145,983

(Continued)

Exhibit K-7

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	9,460
Surcharge - Waste Tire Disposal	0	0	0	0	0	27,129
Other General Service Charges	0	0	0	0	0	409,090
<u>Fees</u>						
Airport Fees	0	0	0	0	0	62,520
Copy Fees	0	0	0	0	0	1,719
Greenbelt Late Application Fee	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	41,482
Constitutional Officers' Fees and Commissions	0	0	0	0	0	499,268
Data Processing Fee - Register	0	0	0	0	0	14,088
Data Processing Fee - Sheriff	0	0	0	0	0	1,727
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	4,210
Data Processing Fee - County Clerk	0	0	0	0	0	711
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	14,940
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,086,394
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	24,316	\$ 1,682	\$ 0	189,546
Lease/Rentals	0	0	0	221,250	0	236,507
Commissary Sales	0	0	0	0	0	24,168
Sale of Gasoline	0	0	0	0	0	226,788
Sale of Recycled Materials	0	0	0	0	0	707
Miscellaneous Refunds	0	0	0	0	0	5,504

(Continued)

Exhibit K-7

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	3,400
Sale of Property	0	0	0	0	0	35,578
Performance Bond Forfeitures	0	0	0	0	0	9,500
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,316</u>	<u>\$ 222,932</u>	<u>\$ 0</u>	<u>\$ 731,698</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	101,130
Trustee	0	0	0	0	0	372,527
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	178,542
General Sessions Court Clerk	0	0	0	0	0	221,118
Clerk and Master	0	0	0	0	0	84,404
Register	0	0	0	0	0	212,821
Sheriff	0	0	0	0	0	13,195
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,183,737</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	0	0	0	0	15,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	26,400
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	159,530

(Continued)

Exhibit K-7

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>Public Works Grants</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	24,867
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	166,797
Beer Tax	0	0	0	0	0	19,194
Vehicle Certificate of Title Fees	0	0	0	0	0	3,843
Alcoholic Beverage Tax	0	0	0	0	0	91,344
State Revenue Sharing - T.V.A.	0	0	0	0	0	500,023
State Revenue Sharing - Telecommunications	0	0	0	0	0	42,941
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	15,519
Contracted Prisoner Boarding	0	0	0	0	0	65,730
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,606,080
Petroleum Special Tax	0	0	0	0	0	19,318
T.B.I. - Equipment Reimbursement	0	0	0	0	0	2,081
Registrar's Salary Supplement	0	0	0	0	0	11,373
Other State Grants	0	0	0	0	0	407,675
Other State Revenues	0	0	0	0	0	49,087
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,235,802
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	472,053	\$ 472,053
Homeland Security Grants	0	0	0	0	0	13,909
Law Enforcement Grants	0	0	0	0	0	66,178
Other Federal through State	0	0	0	0	0	588,422

(Continued)

Exhibit K-7

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>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 279,647	\$ 697,035
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 751,700	\$ 1,837,597
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 775,000	\$ 50,811	\$ 0	\$ 49,458	\$ 1,009,045
Contracted Services	0	0	0	0	118,750	454,264
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	1,353
Total Other Governments and Citizens Groups	\$ 0	\$ 775,000	\$ 50,811	\$ 0	\$ 168,208	\$ 1,464,662
Total	\$ 670,771	\$ 2,269,941	\$ 2,655,839	\$ 222,932	\$ 2,035,538	\$ 25,483,553

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Other Capital Projects -	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,159,490	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,159,490
Trustee's Collections - Prior Year	165,478	0	0	0	0	165,478
Circuit Clerk/Clerk and Master Collections - Prior Years	126,936	0	0	0	0	126,936
Interest and Penalty	28,960	0	0	0	0	28,960
Payments in-Lieu-of Taxes - T.V.A.	23,074	0	0	0	0	23,074
Payments in-Lieu-of Taxes - Local Utilities	17,136	0	0	0	0	17,136
Payments in-Lieu-of Taxes - Other	31,262	0	0	0	0	31,262
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,583,326	0	0	0	0	5,583,326
Hotel/Motel Tax	223,157	0	0	0	0	223,157
Mixed Drink Tax	18,562	0	0	0	0	18,562
<u>Statutory Local Taxes</u>						
Bank Excise Tax	3,901	0	0	0	0	3,901
Wholesale Beer Tax	81,279	0	0	0	0	81,279
Total Local Taxes	\$ 11,462,561	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,462,561
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,998
Total Licenses and Permits	\$ 1,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,998
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
A la Carte Sales	\$ 0	\$ 0	\$ 147,877	\$ 0	\$ 0	\$ 147,877

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Other Capital Projects -	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 13,803	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,803
Community Service Fees - Children	47,716	0	0	0	0	47,716
Total Charges for Current Services	<u>\$ 61,519</u>	<u>\$ 0</u>	<u>\$ 147,877</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 209,396</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (12,071)	\$ 0	\$ 11,587	\$ 0	\$ 32,804	\$ 32,320
Miscellaneous Refunds	50,561	0	0	0	0	50,561
<u>Nonrecurring Items</u>						
Contributions and Gifts	9,222	0	0	0	0	9,222
<u>Other Local Revenues</u>						
Other Local Revenues	276	0	0	1,358,378	0	1,358,654
Total Other Local Revenues	<u>\$ 47,988</u>	<u>\$ 0</u>	<u>\$ 11,587</u>	<u>\$ 1,358,378</u>	<u>\$ 32,804</u>	<u>\$ 1,450,757</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 105,543	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,543
<u>State Education Funds</u>						
Basic Education Program	21,389,319	0	0	0	0	21,389,319
School Food Service	0	0	30,190	0	0	30,190
Driver Education	3,389	0	0	0	0	3,389
Other State Education Funds	697,482	0	0	0	0	697,482
Coordinated School Health	95,000	0	0	0	0	95,000
Career Ladder Program	54,166	0	0	0	0	54,166

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Other Capital Projects -	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	\$ 690,508	\$ 0	\$ 0	\$ 0	\$ 0	\$ 690,508
Other State Grants	0	0	18,544	0	0	18,544
Safe Schools	137,803	0	0	0	0	137,803
Other State Revenues	12,213	0	0	0	0	12,213
Total State of Tennessee	\$ 23,185,423	\$ 0	\$ 48,734	\$ 0	\$ 0	\$ 23,234,157
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,418,684	\$ 0	\$ 0	\$ 2,418,684
USDA - Commodities	0	0	221,582	0	0	221,582
Breakfast	0	0	914,199	0	0	914,199
USDA - Other	0	0	224,013	0	0	224,013
Vocational Education - Basic Grants to States	0	78,462	0	0	0	78,462
Title I Grants to Local Education Agencies	0	1,061,162	0	0	0	1,061,162
Special Education - Grants to States	32,886	879,118	0	0	0	912,004
Special Education Preschool Grants	0	42,070	0	0	0	42,070
Safe and Drug-free Schools - State Grants	136,026	0	0	0	0	136,026
Rural Education	0	73,898	0	0	0	73,898
Eisenhower Professional Development State Grants	0	217,316	0	0	0	217,316
COVID-19 Grant #1	0	42,199	0	0	0	42,199
COVID-19 Grant B	0	1,281,312	0	0	0	1,281,312
COVID-19 Grant D	0	125,860	0	0	0	125,860
American Rescue Plan Act Grant #1	0	2,486,396	0	0	0	2,486,396
American Rescue Plan Act Grant #2	0	48,213	0	0	0	48,213

(Continued)

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Other Capital Projects -	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
American Rescue Plan Act Grant #3	\$ 0	\$ 13,763	\$ 0	\$ 0	\$ 0	\$ 13,763
American Rescue Plan Act Grant #4	0	1,071	0	0	0	1,071
Other Federal through State	247,489	106,703	0	0	0	354,192
Total Federal Government	\$ 416,401	\$ 6,457,543	\$ 3,778,478	\$ 0	\$ 0	\$ 10,652,422
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,001,249	\$ 25,001,249
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,001,249	\$ 25,001,249
Total	\$ 35,175,890	\$ 6,457,543	\$ 3,986,676	\$ 1,358,378	\$ 25,034,053	\$ 72,012,540

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	44,550	
Social Security		3,408	
Dues and Memberships		2,466	
Legal Services		69,840	
Legal Notices, Recording, and Court Costs		6,497	
Travel		698	
Other Supplies and Materials		9	
Total County Commission			\$ 127,468

Board of Equalization

Board and Committee Members Fees	\$	1,389	
Social Security		226	
Total Board of Equalization			1,615

Beer Board

Board and Committee Members Fees	\$	2,700	
Social Security		207	
Total Beer Board			2,907

Budget and Finance Committee

Board and Committee Members Fees	\$	3,750	
Social Security		287	
Total Budget and Finance Committee			4,037

County Mayor/Executive

County Official/Administrative Officer	\$	104,646	
Accountants/Bookkeepers		41,997	
Secretary(ies)		35,839	
Clerical Personnel		35,753	
Other Salaries and Wages		3,558	
Social Security		16,638	
Pensions		15,113	
Employee and Dependent Insurance		25,515	
Unemployment Compensation		44	
Communication		1,759	
Data Processing Services		11,583	
Dues and Memberships		1,989	
Maintenance and Repair Services - Equipment		1,241	
Maintenance and Repair Services - Vehicles		126	
Postal Charges		2,104	
Travel		2,613	
Gasoline		1,821	
Instructional Supplies and Materials		3,000	
Office Supplies		3,374	
Total County Mayor/Executive			308,713

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission

County Official/Administrative Officer	\$	74,053	
Deputy(ies)		36,303	
Part-time Personnel		15,912	
Overtime Pay		1,199	
Election Commission		10,350	
Election Workers		28,035	
Social Security		11,782	
Pensions		7,662	
Employee and Dependent Insurance		13,905	
Unemployment Compensation		116	
Contracts with Private Agencies		27,490	
Legal Notices, Recording, and Court Costs		5,408	
Postal Charges		9,720	
Rentals		900	
Office Supplies		6,524	
Other Supplies and Materials		9,520	
Total Election Commission			\$ 258,879

Register of Deeds

County Official/Administrative Officer	\$	82,281	
Deputy(ies)		36,769	
Clerical Personnel		71,506	
Social Security		13,879	
Pensions		13,072	
Employee and Dependent Insurance		27,744	
Unemployment Compensation		63	
Data Processing Services		12,543	
Dues and Memberships		808	
Maintenance and Repair Services - Equipment		897	
Postal Charges		246	
Office Supplies		1,274	
Office Equipment		1,091	
Total Register of Deeds			262,173

Development

Contracts with Government Agencies	\$	50,000	
Total Development			50,000

Building

Supervisor/Director	\$	57,720	
Clerical Personnel		35,753	
Temporary Personnel		945	
Other Salaries and Wages		8,813	
In-service Training		25	
Social Security		7,030	
Pensions		7,017	
Employee and Dependent Insurance		13,872	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Building (Cont.)

Unemployment Compensation	\$	47	
Communication		824	
Dues and Memberships		125	
Postal Charges		88	
Travel		8,038	
Gasoline		1,276	
Office Supplies		1,617	
Motor Vehicles		34,958	
Office Equipment		4,909	
Total Building			\$ 183,057

County Buildings

Custodial Personnel	\$	34,928	
Other Salaries and Wages		688	
Social Security		2,676	
Pensions		2,443	
Employee and Dependent Insurance		6,936	
Unemployment Compensation		21	
Janitorial Services		27,600	
Maintenance and Repair Services - Equipment		109,286	
Other Contracted Services		147,723	
Utilities		273,270	
Other Supplies and Materials		159,340	
Other Charges		2,882	
Building Improvements		85,729	
Heating and Air Conditioning Equipment		7,248	
Other Construction		3,920	
Total County Buildings			864,690

Other General Administration

Maintenance Personnel	\$	83,287	
Overtime Pay		81	
Social Security		6,064	
Pensions		5,719	
Employee and Dependent Insurance		12,400	
Unemployment Compensation		42	
Communication		1,663	
Travel		4	
Gasoline		3,705	
Vehicle Parts		2,885	
Total Other General Administration			115,850

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	82,281	
Secretary(ies)		35,753	
Clerical Personnel		66,006	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Other Salaries and Wages	\$	9,266	
Social Security		14,683	
Pensions		13,260	
Employee and Dependent Insurance		13,872	
Unemployment Compensation		63	
Audit Services		10,800	
Legal Services		605	
Maintenance and Repair Services - Equipment		4,780	
Postal Charges		1,447	
Travel		2,159	
Office Supplies		3,178	
Office Equipment		663	
Total Property Assessor's Office			\$ 258,816

Reappraisal Program

Clerical Personnel	\$	64,212	
Other Salaries and Wages		3,942	
Social Security		5,179	
Pensions		4,528	
Employee and Dependent Insurance		5,802	
Unemployment Compensation		44	
Travel		4,037	
Other Contracted Services		17,222	
Gasoline		1,093	
Motor Vehicles		34,709	
Total Reappraisal Program			140,768

County Trustee's Office

Pensions	\$	13,913	
Employee and Dependent Insurance		27,656	
Data Processing Services		9,009	
Dues and Memberships		658	
Legal Notices, Recording, and Court Costs		122	
Postal Charges		6,522	
Office Supplies		2,701	
Office Equipment		1,638	
Total County Trustee's Office			62,219

County Clerk's Office

Pensions	\$	18,026	
Employee and Dependent Insurance		38,539	
Dues and Memberships		658	
Maintenance and Repair Services - Equipment		20,784	
Postal Charges		11,935	
Office Supplies		9,086	
Total County Clerk's Office			99,028

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	82,281	
Deputy(ies)		293,288	
Nightwatchmen		26,110	
Jury and Witness Expense		20,671	
Social Security		30,160	
Pensions		26,659	
Employee and Dependent Insurance		48,557	
Unemployment Compensation		193	
Data Processing Services		26,788	
Dues and Memberships		658	
Maintenance and Repair Services - Equipment		2,710	
Postal Charges		3,076	
Office Supplies		9,243	
Other Charges		13,044	
Office Equipment		1,143	
Total Circuit Court			\$ 584,581

General Sessions Court

Judge(s)	\$	116,311	
Social Security		8,898	
Pensions		7,979	
Travel		100	
Library Books/Media		4,013	
Office Supplies		434	
Total General Sessions Court			137,735

Chancery Court

County Official/Administrative Officer	\$	82,281	
Accountants/Bookkeepers		28,358	
Clerical Personnel		66,006	
Other Salaries and Wages		5,500	
Social Security		13,666	
Pensions		12,495	
Employee and Dependent Insurance		26,894	
Unemployment Compensation		81	
Data Processing Services		12,285	
Dues and Memberships		843	
Maintenance and Repair Services - Equipment		632	
Postal Charges		4,702	
Office Supplies		5,035	
Total Chancery Court			258,778

Juvenile Court

Judge(s)	\$	69,787	
Assistant(s)		37,896	
Probation Officer(s)		67,805	
Overtime Pay		13,899	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Other Salaries and Wages	\$	5,500	
Social Security		14,330	
Pensions		13,246	
Employee and Dependent Insurance		27,744	
Unemployment Compensation		67	
Maintenance and Repair Services - Equipment		378	
Postal Charges		28	
Travel		878	
Other Contracted Services		13,225	
Office Supplies		1,497	
Office Equipment		1,446	
Total Juvenile Court			\$ 267,726

Public SafetySheriff's Department

County Official/Administrative Officer	\$	90,509	
Deputy(ies)		943,261	
Investigator(s)		5,237	
Accountants/Bookkeepers		7,009	
Salary Supplements		25,600	
Dispatchers/Radio Operators		395,760	
Clerical Personnel		58,889	
Attendants		83,867	
Part-time Personnel		3,984	
School Resource Officer		409,073	
Overtime Pay		240,254	
Other Salaries and Wages		115,733	
In-service Training		6,107	
Social Security		173,895	
Pensions		154,404	
Employee and Dependent Insurance		294,787	
Unemployment Compensation		1,125	
Communication		6	
Data Processing Services		5,000	
Dues and Memberships		2,050	
Maintenance and Repair Services - Equipment		4,532	
Postal Charges		1,764	
Travel		12,217	
Gasoline		211,971	
Office Supplies		9,507	
Tires and Tubes		13,033	
Uniforms		5,862	
Vehicle Parts		96,931	
Other Charges		6,347	
Communication Equipment		38,872	
Law Enforcement Equipment		54,812	
Motor Vehicles		224,365	
Total Sheriff's Department			3,696,763

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Administration of the Sexual Offender Registry

Other Charges	\$	492	
Total Administration of the Sexual Offender Registry			\$ 492

Jail

Guards	\$	609,044	
Cafeteria Personnel		62,185	
Part-time Personnel		6,926	
Overtime Pay		52,235	
Other Salaries and Wages		39,016	
In-service Training		300	
Social Security		57,369	
Pensions		52,300	
Employee and Dependent Insurance		112,081	
Unemployment Compensation		562	
Medical and Dental Services		363,674	
Food Supplies		246,283	
Office Supplies		1,889	
Prisoners Clothing		1,102	
Uniforms		1,890	
Other Charges		59,713	
Total Jail			1,666,569

Correctional Incentive Program Improvements

Other Salaries and Wages	\$	18,537	
Social Security		1,414	
Pensions		837	
Employee and Dependent Insurance		1,237	
Unemployment Compensation		22	
Total Correctional Incentive Program Improvements			22,047

Fire Prevention and Control

Communication	\$	6,372	
Contributions		2,000	
Other Contracted Services		337,925	
Total Fire Prevention and Control			346,297

Civil Defense

Supervisor/Director	\$	20,400	
Social Security		1,561	
Unemployment Compensation		21	
Dues and Memberships		110	
Maintenance and Repair Services - Vehicles		221	
Travel		1,181	
Other Contracted Services		5,365	
Diesel Fuel		796	
Equipment and Machinery Parts		20,548	
Office Supplies		61	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Civil Defense (Cont.)

Uniforms	\$	651	
Other Supplies and Materials		1,960	
Total Civil Defense			\$ 52,875

Rescue Squad

Contributions	\$	23,000	
Total Rescue Squad			23,000

County Coroner/Medical Examiner

Medical Personnel	\$	32,410	
Social Security		1,231	
Unemployment Compensation		42	
Total County Coroner/Medical Examiner			33,683

Public Health and WelfareLocal Health Center

Contributions	\$	96,675	
Other Contracted Services		159,355	
Total Local Health Center			256,030

Ambulance/Emergency Medical Services

Ambulance Services	\$	170,093	
Total Ambulance/Emergency Medical Services			170,093

Alcohol and Drug Programs

Other Salaries and Wages	\$	2,400	
Social Security		183	
Pensions		165	
Employee and Dependent Insurance		375	
Unemployment Compensation		1	
Total Alcohol and Drug Programs			3,124

Other Local Health Services

Pauper Burials	\$	300	
Other Contracted Services		80,521	
Total Other Local Health Services			80,821

Sanitation Education/Information

Guards	\$	26,607	
Clerical Personnel		29,799	
Other Salaries and Wages		1,306	
Social Security		4,357	
Pensions		3,959	
Employee and Dependent Insurance		8,343	
Unemployment Compensation		32	
Gasoline		2,253	
Instructional Supplies and Materials		11,073	
Total Sanitation Education/Information			87,729

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational ServicesLibraries

Contributions	\$ 204,835	
Total Libraries		\$ 204,835

Parks and Fair Boards

Clerical Personnel	\$ 3,700	
Custodial Personnel	25,685	
Social Security	2,245	
Pensions	254	
Employee and Dependent Insurance	447	
Unemployment Compensation	44	
Total Parks and Fair Boards		32,375

Other Social, Cultural, and Recreational

Contributions	\$ 30,000	
Other Charges	28,194	
Total Other Social, Cultural, and Recreational		58,194

Agriculture and Natural ResourcesAgricultural Extension Service

Contributions	\$ 59,608	
Office Equipment	980	
Total Agricultural Extension Service		60,588

Soil Conservation

Clerical Personnel	\$ 35,753	
Other Salaries and Wages	688	
Social Security	2,736	
Pensions	2,500	
Employee and Dependent Insurance	6,936	
Unemployment Compensation	21	
Travel	206	
Other Charges	275	
Total Soil Conservation		49,115

Other OperationsTourism

Other Charges	\$ 6,200	
Total Tourism		6,200

Industrial Development

Dues and Memberships	\$ 8,448	
Other Charges	13,750	
Total Industrial Development		22,198

Other Economic and Community Development

Other Contracted Services	\$ 512,245	
Other Charges	30,298	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Other Economic and Community Development (Cont.)

Principal on Notes	\$	40,000	
Interest on Notes		1,552	
Total Other Economic and Community Development			\$ 584,095

Airport

Supervisor/Director	\$	40,713	
Temporary Personnel		8,087	
Other Salaries and Wages		4,613	
Social Security		3,813	
Pensions		2,490	
Employee and Dependent Insurance		7,220	
Unemployment Compensation		48	
Dues and Memberships		250	
Travel		101	
Fuel Oil		150,808	
Office Supplies		1,145	
Utilities		18,847	
Other Supplies and Materials		104	
Liability Insurance		4,928	
Other Charges		7,473	
Airport Improvement		63,088	
Other Construction		392,512	
Total Airport			706,240

Veterans' Services

Supervisor/Director	\$	16,626	
Social Security		1,272	
Unemployment Compensation		21	
Communication		480	
Postal Charges		12	
Travel		32	
Office Supplies		312	
Other Charges		449	
Total Veterans' Services			19,204

Other Charges

Audit Services	\$	11,823	
Lease Payments		3,296	
Postal Charges		4,993	
Office Supplies		5,961	
Building and Contents Insurance		35,766	
Liability Insurance		62,327	
Refunds		7,401	
Trustee's Commission		171,990	
Vehicle and Equipment Insurance		25,806	
Workers' Compensation Insurance		61,683	
Other Charges		135,812	
Total Other Charges			526,858

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Principal on DebtGeneral Government

Principal on Other Loans

\$ 18,204

Total General Government

\$ 18,204

Total General Fund

\$ 12,716,669

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Maintenance and Repair Services - Buildings

\$ 17,786

Total County Buildings

\$ 17,786

Other OperationsOther Charges

Trustee's Commission

\$ 73

Total Other Charges

73

Total Courthouse and Jail Maintenance Fund

17,859

Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Truck Drivers

\$ 35,389

Part-time Personnel

191,137

Overtime Pay

14,763

Other Salaries and Wages

6,966

Social Security

18,708

Pensions

3,918

Employee and Dependent Insurance

6,936

Unemployment Compensation

410

Maintenance and Repair Services - Equipment

12,724

Disposal Fees

307,611

Diesel Fuel

24,152

Tires and Tubes

3,737

Utilities

22,259

Gravel and Chert

11,408

Other Supplies and Materials

7,145

Other Charges

4,170

Other Equipment

91,530

Total Convenience Centers

\$ 762,963

Other OperationsOther Charges

Trustee's Commission

\$ 11,472

Total Other Charges

11,472

Total Solid Waste/Sanitation Fund

774,435

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control FundPublic SafetyDrug Enforcement

Accountants/Bookkeepers	\$	4,000	
Secretary(ies)		4,000	
Overtime Pay		6,927	
Social Security		1,142	
Pensions		1,024	
Unemployment Compensation		6	
Confidential Drug Enforcement Payments		4,000	
Other Charges		8,741	
Law Enforcement Equipment		14,640	
Total Drug Enforcement			\$ 44,480

Other OperationsOther Charges

Trustee's Commission	\$	226	
Total Other Charges			226

Total Drug Control Fund \$ 44,706

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	218,587	
Total County Trustee's Office			\$ 218,587

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	293,064	
Total County Clerk's Office			293,064

Administration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$	524	
Total Chancery Court			524

Total Constitutional Officers - Fees Fund 512,175

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	90,509	
Assistant(s)		57,870	
Accountants/Bookkeepers		86,045	
Assessment Personnel		38,761	
Salary Supplements		1,800	
Custodial Personnel		3,654	
Overtime Pay		728	
Bonus Payments		7,132	
Social Security		17,889	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Pensions	\$	19,165	
Employer Medicare		4,184	
Communication		4,534	
Data Processing Services		10,292	
Dues and Memberships		4,496	
Evaluation and Testing		330	
Legal Notices, Recording, and Court Costs		169	
Maintenance and Repair Services - Office Equipment		628	
Postal Charges		452	
Other Contracted Services		482	
Office Supplies		1,995	
Other Charges		684	
Total Administration			\$ 351,799

Highway and Bridge Maintenance

Foremen	\$	94,220	
Equipment Operators		108,537	
Equipment Operators - Light		220,400	
Truck Drivers		145,829	
Laborers		205,851	
Overtime Pay		17,039	
Bonus Payments		30,313	
Social Security		50,778	
Pensions		53,953	
Employer Medicare		11,934	
Other Contracted Services		51,904	
Asphalt - Cold Mix		14,441	
Asphalt - Hot Mix		851,723	
Asphalt - Liquid		55,725	
Crushed Stone		64,655	
Pipe		29,525	
Road Signs		7,774	
Sand		1,098	
Wood Products		1,042	
Other Supplies and Materials		19,230	
Total Highway and Bridge Maintenance			2,035,971

Operation and Maintenance of Equipment

Foremen	\$	43,212	
Mechanic(s)		111,639	
Overtime Pay		321	
Bonus Payments		6,462	
Social Security		9,971	
Pensions		10,645	
Employer Medicare		2,332	
Maintenance and Repair Services - Buildings		1,599	
Other Contracted Services		4,562	

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	102,526	
Equipment and Machinery Parts		67,314	
Garage Supplies		9,280	
Gasoline		68,513	
Lubricants		5,623	
Propane Gas		2,787	
Tires and Tubes		10,708	
Total Operation and Maintenance of Equipment			\$ 457,494

Other Charges

Electricity	\$	5,928	
Water and Sewer		336	
Building and Contents Insurance		1,714	
Liability Insurance		6,299	
Trustee's Commission		26,245	
Vehicle and Equipment Insurance		19,044	
Total Other Charges			59,566

Employee Benefits

Employee and Dependent Insurance	\$	273,385	
Workers' Compensation Insurance		44,670	
Total Employee Benefits			318,055

Capital Outlay

Building Improvements	\$	489	
Motor Vehicles		47,298	
Office Equipment		416	
Other Equipment		689,926	
Total Capital Outlay			738,129

Principal on DebtHighways and Streets

Principal on Notes	\$	137,412	
Total Highways and Streets			137,412

Interest on DebtHighways and Streets

Interest on Notes	\$	14,178	
Total Highways and Streets			14,178

Total Highway/Public Works Fund \$ 4,112,604

General Debt Service FundOther OperationsOther Charges

Trustee's Commission	\$	13,369	
Total Other Charges			\$ 13,369

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)Principal on DebtGeneral Government

Principal on Bonds	\$ 390,000	
Total General Government		\$ 390,000

Interest on DebtGeneral Government

Interest on Bonds	\$ 102,081	
Total General Government		102,081

Other Debt ServiceGeneral Government

Other Charges	\$ 652	
Total General Government		<u>652</u>

Total General Debt Service Fund		\$ 506,102
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Rural Debt Service FundPrincipal on DebtEducation

Principal on Bonds	\$ 1,230,000	
Total Education		\$ 1,230,000

Interest on DebtEducation

Interest on Bonds	\$ 460,759	
Total Education		460,759

Other Debt ServiceEducation

Trustee's Commission	\$ 29,806	
Other Charges	<u>1,049</u>	
Total Education		<u>30,855</u>

Total Rural Debt Service Fund		1,721,614
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Education Debt Service FundOther OperationsOther Charges

Trustee's Commission	\$ 25,883	
Total Other Charges		\$ 25,883

Principal on DebtEducation

Principal on Bonds	\$ 935,000	
Principal on Other Loans	<u>49,350</u>	
Total Education		984,350

(Continued)

Exhibit K-9

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 371,081	
Interest on Other Loans	1,461	
Total Education	<u>372,542</u>	\$ 372,542

Total Education Debt Service Fund \$ 1,382,775

Education Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 2,229	
Total Other Charges		\$ 2,229

Other Debt Service

General Government

Underwriter's Discount	\$ 32,926	
Other Debt Issuance Charges	109,089	
Total General Government		142,015

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 25,001,249	
Total Capital Projects Donated to School Department		<u>25,001,249</u>

Total Education Capital Projects Fund 25,145,493

Other Capital Projects Fund

General Government

County Buildings

Other Charges	\$ 371,553	
Other Capital Outlay	264,769	
Total County Buildings		\$ 636,322

Other Operations

Other Economic and Community Development

Water and Sewer	\$ 983,326	
Other Construction	649,916	
Total Other Economic and Community Development		1,633,242

Other Charges

Trustee's Commission	\$ 22,215	
Total Other Charges		<u>22,215</u>

Total Other Capital Projects Fund 2,291,779

Total Governmental Funds - Primary Government \$ 49,226,211

Exhibit K-10

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,190,792	
Career Ladder Program	28,635	
Homebound Teachers	22,576	
Educational Assistants	422,484	
Certified Substitute Teachers	74,542	
Non-certified Substitute Teachers	205,865	
Social Security	646,553	
Pensions	974,827	
Medical Insurance	1,879,745	
Employer Medicare	152,606	
Other Contracted Services	219,899	
Instructional Supplies and Materials	49,532	
Textbooks - Bound	125,910	
Other Supplies and Materials	87,556	
Total Regular Instruction Program		\$ 15,081,522

Special Education Program

Teachers	\$ 1,237,101	
Career Ladder Program	3,990	
Homebound Teachers	19,224	
Educational Assistants	281,303	
Speech Pathologist	225,846	
Other Salaries and Wages	8,181	
Certified Substitute Teachers	4,404	
Non-certified Substitute Teachers	24,246	
Social Security	105,629	
Pensions	162,413	
Medical Insurance	379,149	
Employer Medicare	24,841	
Contracts with Private Agencies	13,437	
Tuition	1,692	
Other Contracted Services	590	
Instructional Supplies and Materials	15,544	
Other Supplies and Materials	4,651	
Special Education Equipment	1,265	
Total Special Education Program		2,513,506

Career and Technical Education Program

Teachers	\$ 1,087,362	
Career Ladder Program	2,000	
Non-certified Substitute Teachers	24,459	
Social Security	66,261	
Pensions	96,670	
Medical Insurance	182,844	
Employer Medicare	15,497	
Maintenance and Repair Services - Equipment	420	

(Continued)

Exhibit K-10

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.)

Other Contracted Services	\$	4,002	
Instructional Supplies and Materials		35,516	
Textbooks - Electronic		11,075	
Textbooks - Bound		2,959	
Other Supplies and Materials		44,712	
Other Charges		360	
Vocational Instruction Equipment		33,273	
Total Career and Technical Education Program			\$ 1,607,410

Support ServicesAttendance

Supervisor/Director	\$	70,520	
Career Ladder Program		1,350	
Other Salaries and Wages		30,649	
Social Security		6,217	
Pensions		10,559	
Medical Insurance		10,504	
Employer Medicare		1,454	
Maintenance and Repair Services - Equipment		84	
Travel		1,260	
Other Contracted Services		44	
Software		21,214	
Other Supplies and Materials		1,632	
In Service/Staff Development		3,595	
Total Attendance			159,082

Health Services

Supervisor/Director	\$	64,850	
Medical Personnel		148,975	
Other Salaries and Wages		93,747	
Social Security		18,058	
Pensions		16,865	
Medical Insurance		48,894	
Employer Medicare		4,223	
Maintenance and Repair Services - Equipment		138	
Travel		3,293	
Other Contracted Services		2,291	
Drugs and Medical Supplies		1,858	
Other Supplies and Materials		1,925	
In Service/Staff Development		4,819	
Other Charges		1,099	
Health Equipment		5,821	
Total Health Services			416,856

Other Student Support

Career Ladder Program	\$	1,000	
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(Continued)

Exhibit K-10

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.)

Guidance Personnel	\$	503,606	
Social Security		30,251	
Pensions		50,397	
Medical Insurance		78,118	
Employer Medicare		7,075	
Contracts with Government Agencies		67,146	
Evaluation and Testing		21,383	
Other Contracted Services		43,270	
In Service/Staff Development		651	
Total Other Student Support			\$ 802,897

Regular Instruction Program

Supervisor/Director	\$	383,843	
Career Ladder Program		2,000	
Librarians		491,907	
Secretary(ies)		16,203	
Social Security		52,024	
Pensions		85,933	
Medical Insurance		133,730	
Employer Medicare		12,488	
Travel		2,808	
Other Contracted Services		1,282	
Library Books/Media		67,662	
Other Supplies and Materials		1,651	
In Service/Staff Development		12,101	
Other Charges		13,542	
Total Regular Instruction Program			1,277,174

Special Education Program

Supervisor/Director	\$	86,250	
Career Ladder Program		2,000	
Secretary(ies)		32,405	
Social Security		7,431	
Pensions		11,313	
Medical Insurance		15,562	
Employer Medicare		1,738	
Maintenance and Repair Services - Equipment		470	
Travel		11,441	
Other Contracted Services		242,876	
Other Supplies and Materials		9,660	
In Service/Staff Development		4,958	
Other Charges		101	
Special Education Equipment		175	
Total Special Education Program			426,380

(Continued)

Exhibit K-10

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

Secretary(ies)	\$	32,405	
Social Security		1,610	
Pensions		2,223	
Medical Insurance		11,193	
Employer Medicare		376	
In Service/Staff Development		1,921	
Other Charges		497	
Total Career and Technical Education Program			\$ 50,225

Technology

Supervisor/Director	\$	69,215	
Other Salaries and Wages		195,255	
Social Security		16,006	
Pensions		17,890	
Medical Insurance		38,414	
Employer Medicare		3,743	
Internet Connectivity		45,896	
Travel		2,306	
Other Contracted Services		6,586	
Office Supplies		41	
Software		32,535	
Other Supplies and Materials		16,999	
In Service/Staff Development		324	
Other Equipment		25,701	
Total Technology			470,911

Other Programs

On-behalf Payments to OPEB	\$	105,543	
Total Other Programs			105,543

Board of Education

Board and Committee Members Fees	\$	15,300	
Social Security		949	
Unemployment Compensation		60	
Employer Medicare		222	
Audit Services		16,000	
Dues and Memberships		10,125	
Legal Services		105,685	
Travel		12,885	
Trustee's Commission		228,832	
Workers' Compensation Insurance		129,574	
Criminal Investigation of Applicants - TBI		5,535	
Other Charges		5,915	
Total Board of Education			531,082

(Continued)

Exhibit K-10

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

County Official/Administrative Officer	\$	174,835	
Career Ladder Program		800	
Secretary(ies)		40,730	
Clerical Personnel		16,203	
Social Security		11,988	
Pensions		21,999	
Medical Insurance		27,526	
Employer Medicare		3,281	
Communication		47,692	
Dues and Memberships		3,941	
Maintenance and Repair Services - Equipment		796	
Postal Charges		1,985	
Travel		5,677	
Other Contracted Services		15,262	
Office Supplies		3,293	
In Service/Staff Development		750	
Other Charges		537	
Administration Equipment		1,750	
Total Director of Schools			\$ 379,045

Office of the Principal

Principals	\$	703,739	
Career Ladder Program		4,000	
Assistant Principals		462,622	
Secretary(ies)		437,997	
Other Salaries and Wages		8,605	
Social Security		94,149	
Pensions		146,029	
Medical Insurance		330,320	
Employer Medicare		22,323	
Other Contracted Services		44,498	
Other Charges		4,497	
Total Office of the Principal			2,258,779

Fiscal Services

Supervisor/Director	\$	90,430	
Accountants/Bookkeepers		126,777	
Other Salaries and Wages		28,183	
Social Security		14,253	
Pensions		16,837	
Medical Insurance		44,525	
Employer Medicare		3,333	
Data Processing Services		22,013	
Dues and Memberships		153	
Other Contracted Services		775	
Data Processing Supplies		679	

(Continued)

Exhibit K-10

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.)

Office Supplies	\$	2,967	
In Service/Staff Development		5,226	
Other Charges		6	
Administration Equipment		14,171	
Total Fiscal Services			\$ 370,328

Human Services/Personnel

Supervisor/Director	\$	62,490	
Other Salaries and Wages		51,939	
Social Security		6,650	
Pensions		7,655	
Medical Insurance		11,193	
Employer Medicare		1,546	
Travel		466	
Other Contracted Services		1,345	
Office Supplies		812	
In Service/Staff Development		3,625	
Other Charges		294	
Total Human Services/Personnel			148,015

Operation of Plant

Custodial Personnel	\$	605,106	
Social Security		36,422	
Pensions		39,530	
Medical Insurance		193,484	
Employer Medicare		8,518	
Disposal Fees		29,905	
Other Contracted Services		25,004	
Custodial Supplies		198,265	
Electricity		1,029,095	
Natural Gas		144,777	
Water and Sewer		105,342	
Other Supplies and Materials		28,498	
Building and Contents Insurance		253,086	
Other Charges		1,772	
Total Operation of Plant			2,698,804

Maintenance of Plant

Supervisor/Director	\$	62,770	
Maintenance Personnel		250,154	
Social Security		18,915	
Pensions		21,432	
Medical Insurance		74,305	
Employer Medicare		4,424	
Maintenance and Repair Services - Buildings		12,004	
Maintenance and Repair Services - Equipment		24,830	

(Continued)

Exhibit K-10

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.)Maintenance of Plant (Cont.)

Maintenance and Repair Services - Vehicles	\$	3,109	
Other Contracted Services		32,006	
Other Supplies and Materials		125,249	
In Service/Staff Development		644	
Other Charges		390	
Administration Equipment		95,933	
Maintenance Equipment		2,182	
Total Maintenance of Plant			\$ 728,347

Transportation

Supervisor/Director	\$	12,445	
Other Salaries and Wages		39,213	
Social Security		3,089	
Pensions		4,941	
Medical Insurance		5,058	
Employer Medicare		723	
Contracts with Vehicle Owners		1,255,785	
Maintenance and Repair Services - Vehicles		1,835	
Other Contracted Services		247	
Other Supplies and Materials		1,169	
In Service/Staff Development		1,575	
Total Transportation			1,326,080

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	922	
Teachers		70,712	
Other Salaries and Wages		75,154	
Social Security		8,175	
Pensions		12,549	
Employer Medicare		2,040	
Travel		190	
Instructional Supplies and Materials		9,762	
Other Supplies and Materials		3,984	
Other Charges		4,889	
Total Community Services			188,377

Early Childhood Education

Teachers	\$	200,925	
Educational Assistants		73,115	
Social Security		16,681	
Pensions		24,338	
Medical Insurance		53,317	
Employer Medicare		3,901	
Other Fringe Benefits		685	
Other Contracted Services		702	

(Continued)

Exhibit K-10

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Instructional Supplies and Materials	\$	2,922	
Debt Service Contribution to Primary Government		<u>2,856</u>	
Total Early Childhood Education	\$		379,442

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	8,775	
Building Improvements		622,644	
Other Capital Outlay		<u>28,765</u>	
Total Regular Capital Outlay			660,184

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	<u>15,722</u>	
Total Education			15,722

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	<u>1,461</u>	
Total Education			1,461

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	<u>775,000</u>	
Total Education			<u>775,000</u>

Total General Purpose School Fund \$ 33,372,172

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	578,897	
Educational Assistants		117,127	
Other Salaries and Wages		22,863	
Social Security		41,679	
Pensions		62,888	
Medical Insurance		100,902	
Employer Medicare		9,748	
Other Fringe Benefits		1,247	
Other Contracted Services		271,772	
Instructional Supplies and Materials		552,991	
Textbooks - Electronic		36,300	
Debt Service Contribution to Primary Government		30,772	
Regular Instruction Equipment		<u>1,418,091</u>	
Total Regular Instruction Program	\$		3,245,277

(Continued)

Exhibit K-10

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

Educational Assistants	\$	291,687	
Speech Pathologist		779	
Social Security		17,252	
Pensions		20,020	
Medical Insurance		127,691	
Employer Medicare		4,035	
Other Fringe Benefits		746	
Instructional Supplies and Materials		12,418	
Other Supplies and Materials		6,989	
Special Education Equipment		26,933	
Total Special Education Program			\$ 508,550

Career and Technical Education Program

Instructional Supplies and Materials	\$	10,784	
Other Supplies and Materials		6,500	
Vocational Instruction Equipment		50,665	
Total Career and Technical Education Program			67,949

Support Services

Health Services

Other Salaries and Wages	\$	5,857	
Social Security		363	
Pensions		6	
Employer Medicare		85	
Other Supplies and Materials		300	
Total Health Services			6,611

Other Student Support

Other Salaries and Wages	\$	115,503	
Social Security		6,908	
Pensions		11,595	
Medical Insurance		9,286	
Employer Medicare		1,616	
Other Fringe Benefits		289	
Evaluation and Testing		70,736	
Other Contracted Services		3,821	
Other Supplies and Materials		3,485	
In Service/Staff Development		13,742	
Other Charges		8,444	
Total Other Student Support			245,425

Regular Instruction Program

Supervisor/Director	\$	87,799	
Secretary(ies)		29,595	
Other Salaries and Wages		110,764	
Social Security		12,470	

(Continued)

Exhibit K-10

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.)

Regular Instruction Program (Cont.)

Pensions	\$	20,887	
Medical Insurance		39,025	
Employer Medicare		3,141	
Other Fringe Benefits		294	
Other Contracted Services		270,280	
Other Supplies and Materials		1,367	
In Service/Staff Development		56,109	
Total Regular Instruction Program			\$ 631,731

Special Education Program

Psychological Personnel	\$	208,692	
Other Salaries and Wages		81,840	
Social Security		17,490	
Pensions		28,507	
Medical Insurance		31,124	
Employer Medicare		4,090	
Other Fringe Benefits		739	
Contracts with Private Agencies		17,923	
Lease Payments		3,516	
Other Supplies and Materials		6,351	
In Service/Staff Development		2,257	
Other Equipment		13,959	
Total Special Education Program			416,488

Technology

Software	\$	36,055	
Total Technology			36,055

Fiscal Services

Other Contracted Services	\$	19,500	
Total Fiscal Services			19,500

Transportation

Other Salaries and Wages	\$	18,172	
Social Security		1,110	
Pensions		939	
Medical Insurance		8,521	
Employer Medicare		260	
Contracts with Vehicle Owners		64,216	
Maintenance and Repair Services - Vehicles		1,051	
Total Transportation			94,269

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	31,523	
Building Improvements		495,570	
Plant Operation Equipment		372,958	
Total Regular Capital Outlay			900,051

Total School Federal Projects Fund \$ 6,171,906
(Continued)

Exhibit K-10

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Marion County School Department (Cont.)

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	80,856	
Cafeteria Personnel		873,885	
Other Salaries and Wages		41,435	
Social Security		59,484	
Pensions		49,680	
Medical Insurance		216,186	
Employer Medicare		13,912	
Communication		6,472	
Maintenance and Repair Services - Equipment		76,219	
Travel		3,177	
Other Contracted Services		51,113	
Food Preparation Supplies		50,359	
Food Supplies		1,118,723	
USDA - Commodities		221,582	
Other Supplies and Materials		2,399	
Trustee's Commission		116	
In Service/Staff Development		3,318	
Other Charges		10,851	
Food Service Equipment		88,796	
Total Food Service			\$ 2,968,563

Total Central Cafeteria Fund \$ 2,968,563

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	1,300,042	
Total Community Services			\$ 1,300,042

Total Internal School Fund 1,300,042

Other Capital Projects #1 FundCapital ProjectsEducation Capital Projects

Supervisor/Director	\$	84,375	
Social Security		5,190	
Pensions		5,788	
Medical Insurance		10,340	
Employer Medicare		1,214	
Architects		418,650	
Engineering Services		119,031	
Other Contracted Services		97,515	
Site Development		59,065	
Other Capital Outlay		2,666	
Total Education Capital Projects			\$ 803,834

Total Other Capital Projects #1 Fund 803,834

Total Governmental Funds - Marion County School Department \$ 44,616,517

Exhibit K-11

Marion County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2022

	Cities Sales Tax Fund	Special School District Fund	City School ADA - Richard City Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 17,757	\$ 286,453	\$ 304,210
Trustee's Collections - Prior Years	0	1,136	10,159	11,295
Circuit/Clerk and Master Collections - Prior Years	0	0	6,988	6,988
Interest and Penalty	0	191	1,610	1,801
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,177	1,177
Payments in-Lieu-of Taxes - Local Utilities	0	0	942	942
Payments in-Lieu-of Taxes - Other	0	0	1,739	1,739
Local Option Sales Tax	4,997,748	0	314,617	5,312,365
Hotel/Motel Tax	0	0	13,664	13,664
Mixed Drink Tax	0	0	1,032	1,032
Bank Excise Tax	0	0	217	217
Wholesale Beer Tax	0	0	4,500	4,500
Marriage Licenses	0	0	111	111
Total Additions	\$ 4,997,748	\$ 19,084	\$ 643,209	\$ 5,660,041
<u>Deductions</u>				
Remittance of Revenues Collected	\$ 4,948,594	\$ 18,704	\$ 634,225	\$ 5,601,523
Trustee's Commission	49,154	380	8,984	58,518
Total Deductions	\$ 4,997,748	\$ 19,084	\$ 643,209	\$ 5,660,041
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	0	0	0	0
Net Position, June 30, 2022	\$ 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, 2022, 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 October 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Marion County Conservation Commission (business-type activity – proprietary fund of the primary government) 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 includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion County's internal control. Accordingly, we do not express an opinion on the effectiveness of Marion County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2022-001 and 2022-002.

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. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2022-004.

Report on 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2022-003.

Marion County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Marion County's responses to the findings identified in our audit, which are described in the accompanying Schedule of Findings and Questioned Costs. Marion County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

October 28, 2022

JEM/gc



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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Marion County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does

not provide a legal determination of Marion County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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, 2022, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements. We issued our report thereon dated October 28, 2022, 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

October 28, 2022

JEM/gc

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing 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)	\$ 914,199
National School Lunch Program	10.555	(4)	2,555,783 (6)
Fresh Fruit and Vegetable Program	10.582	(4)	76,919
Child Nutrition Discretionary Grants Limited Availability	10.579	(4)	18,544
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	3,063
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	228,514 (6) (7)
Direct Program:			
Natural Resources Conservation Service Grant	10.923	N/A	279,647
Total U.S. Department of Agriculture			<u>\$ 4,076,669</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)	\$ 472,053
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(4)	117,370
Total U.S. Department of Housing and Urban Development			<u>\$ 589,423</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	(4)	\$ 66,178
Total U.S. Department of Justice			<u>\$ 66,178</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Grant	20.106	(4)	\$ 379,318
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirement	20.607	Z-21-THS-178	41,700
Total U.S. Department of Transportation			<u>\$ 421,018</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(4)	\$ 414,188
Total Appalachian Regional Commission			<u>\$ 414,188</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 1,061,162
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	912,004 (6)
COVID 19 - American Rescue Plan - Special Education - Grants to States	84.027	(4)	48,213 (6)
Special Education - Preschool Grants	84.173	(4)	42,070 (6)
COVID 19 - American Rescue Plan - Special Education - Preschool Grants	84.173	(4)	13,763 (6)
Career and Technical Education - Basic Grants to States	84.048	(4)	78,462
Twenty-First Century Community Learning Centers	84.287	(4)	136,026
Rural Education	84.358	(4)	73,898

(Continued)

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing 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)	\$ 217,316
Comprehensive Literacy Development	84.371	(4)	83,000
Student Support and Academic Enrichment Program	84.424	(4)	106,703
COVID 19- Education Stabilization Fund Program - Elementary and Secondary Relief Fund Literacy Grant (ESSER II)	84.425B	(4)	19,997 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and and Secondary School Emergency Relief Fund (ESSER I)	84.425D	(4)	42,199 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(4)	1,284,675 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	2,505,896 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(4)	1,071 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(4)	26,719
Total U.S. Department of Education			<u>\$ 6,653,174</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(4)	\$ 220,770
Total U.S. Department of Health and Human Services			<u>\$ 220,770</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 50,034
Total U.S. Department of Health and Human Services			<u>\$ 50,034</u>
Total Expenditures of Federal Awards			<u>\$ 12,491,454</u>
<u>State Grants</u>		Contract Number	
Juvenile Services Program - State Department of Children's Services	N/A	(4)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(4)	24,867
Airport Maintenance Grant - State Department of Transportation	N/A	(4)	15,000
Local Health Services Grant - State Department of Health	N/A	(4)	159,530
Farmer's Market Grant - State Department of Agriculture	N/A	(4)	1,500
Site Development Grant Program - State Department of Economic and Community Development	N/A	(4)	23,894
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	382,281
Bridge Camp - State Department of Education	N/A	(4)	82,066
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Safe Schools - State Department of Education	N/A	(4)	137,803
STREAM Mini Camps - State Department of Education	N/A	(4)	34,514
Summer Learning Camps - State Department of Education	N/A	(4)	194,667
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	380,273
Total State Grants			<u>\$ 1,540,395</u>

(Continued)

Marion County, Tennessee, and the Marion County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

FAL = Federal Assistance Listing

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 \$3,775,415; Special Education Cluster total \$1,016,050.
- (6) Total for FAL No. 10.555 is \$2,784,297; Total for FAL No. 84.027 is \$960,217;
Total for FAL No. 84.173 is \$55,833; Total for FAL No. 84.425 is \$3,853,838.
- (7) Commodities \$221,582; Commodity Rebate \$6,932.
- (8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Provided to Consolidated Administration</u>
Title I Grants to Local Education Agencies	84.010	\$ 166,507
Rural Education	84.358	96
Supporting Effective Instruction State Grants	84.367	961
Student Support and Academic Enrichment Program	84.424	192
		<u>\$ 167,756</u>

Marion County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

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, 2022.

Prior-year Financial Statement Findings

There were no prior-year findings to report.

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, 2022

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? **YES**
 - * Significant deficiency identified? **YES**
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 Listing Number: 84.425 COVID 19 - Education Stabilization Fund
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

Findings and recommendations, as a result of our audit are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plan whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICES OF COUNTY MAYOR AND HIGHWAY SUPERVISOR

FINDING 2022-001

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the General, General Debt Service, Other Capital Projects, and Highway/Public Works funds were not materially correct, and audit adjustments totaling \$462,786, \$500,000, \$738,934, and \$414,873 respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Marion County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is a result of a lack of management oversight. We presented audit adjustments to management, which they approved and recorded on their accounting records to properly present the financial statements in this report.

RECOMMENDATION

Marion County should design and implement a system of internal control to ensure that its general ledgers are materially correct in accordance with generally accepted accounting principles.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERVISOR

I concur with this finding.

OFFICE OF HIGHWAY SUPERVISOR

FINDING 2022-002

CASH WITH TRUSTEE WAS NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The office did not properly reconcile the general ledger cash account with county trustee's reports. The office attempted to reconcile the cash account with the trustee's reports monthly; however, the account did not reconcile by \$235,301 at June 30, 2022. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. Failure to reconcile the general ledger cash account with the county trustee's reports increases the risks that errors may occur and not be detected. The cash balance was determined by substantive tests and alternative audit procedures.

RECOMMENDATION

Cash with trustee should be reconciled with the general ledger monthly, and any differences discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERVISOR

I concur with this finding.

FINDING 2022-003

OPERATIONS OF THE HIGHWAY DEPARTMENT ARE CURRENTLY UNDER INVESTIGATION

(Noncompliance Under *Government Auditing Standards*)

An investigation of certain operations in the Marion County Highway Department by the Comptroller's Division of Investigations is ongoing. Findings, if any, resulting from the investigation will be included in a subsequent report.

OFFICE OF SHERIFF

FINDING 2022-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Office of Sheriff. The employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that

management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding.

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, 2022.

Marion County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as 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). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2022-001	Material audit adjustments were required for proper financial statement presentation.	230
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OFFICE OF COUNTY HIGHWAY SUPERVISOR

2022-001	Material audit adjustments were required for proper financial statement presentation.	231
2022-002	Cash with Trustee was not accurately reconciled with the general ledger.	231

OFFICE OF SHERIFF

2022-004	Duties were not segregated adequately.	233
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DAVID JACKSON

COUNTY MAYOR, MARION COUNTY
P.O. BOX 789
JASPER, TENNESSEE 37347
(423) 942-2552
FAX (423) 942-1327
djackson@marioncountyttn.net



Corrective Action Plan

FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED
FOR PROPER FINANCIAL STATEMENT
PRESENTATION

Response and Corrective Action Plan Prepared by:
Diane Beavers, Finance Director

Person Responsible for Implementing the Corrective Action:
Diane Beavers, Finance Director

Anticipated Completion Date of Corrective Action:
October 27, 2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Will take proper measures to insure that all receivables and journal entries will be posted correctly from this day forward.

Signature: _____

County Mayor

Jim Hawk
Superintendent of Highways



Telephone (423) 942-2581
Fax: (423) 942-2592

MARION COUNTY HIGHWAY DEPARTMENT
513 East Valley Road • P.O. Box 46
Jasper, Tennessee 37347

Corrective Action Plan

FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED
FOR PROPER FINANCIAL STATEMENT
PRESENTATION

Response and Corrective Action Plan Prepared by:
Jim Hawk, Marion County Highway Superintendent

Person Responsible for Implementing the Corrective Action:
Lynn Williams, Bookkeeper

Anticipated Completion Date of Corrective Action:
10/31/2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

This was my first fiscal year closing and mistakes were made in July that I wasn't aware of until the fiscal year and current month was closed. Although I attempted to generate reports verifying balancing, I was unsuccessful and struggled with the correction throughout the year, seemingly compounding the error. To insure this doesn't happen again I have reached out to my CTAS representative and she has scheduled to meet with me for in depth training. I am currently attending CCFO classes in an effort of increasing my knowledge and increase my value to the Highway Department.

FINDING: CASH WITH TRUSTEE WAS NOT ACCURATELY
RECONCILED WITH THE GENERAL LEDGER

Response and Corrective Action Plan Prepared by:
Jim Hawk, Marion County Highway

Person Responsible for Implementing the Corrective Action:
Lynn Williams, Bookkeeper

Anticipated Completion Date of Corrective Action:
10/31/2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

Due to the above finding I had difficulty identifying the source of my error in the Local Government software. I have reached out to my CTAS representative who is scheduled to meet with me for in depth training and I am currently attending classes in Chattanooga for CCFO certification.

Signature: _____
Highway Supervisor



MARION COUNTY SHERIFF



Sheriff Ronnie Burnett

5. North Oak Ave. Jasper Tennessee

Phone (423)942-2525

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:
Ronnie "Bo" Burnett, Sheriff

Person Responsible for Implementing the Corrective Action:
Ronnie "Bo" Burnett

Anticipated Completion Date of Corrective Action:
10/27/2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
The office has updated the Internal Control procedures and will follow those procedures.

Signature: _____

Sheriff

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.

APPENDIX D

Form of Continuing Disclosure Agreement

MARION COUNTY, TENNESSEE

\$1,630,000 GENERAL OBLIGATION BONDS, SERIES 2023

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this 27th day of November, 2023 by Marion County, Tennessee (the “Issuer”) in connection with the issuance of its \$1,630,000 General Obligation Bonds, Series 2023 (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 November 14, 2023, 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 September 25, 2023.

“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, 2023, 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. "Summary of Outstanding Debt";
2. "Debt Statement";
3. "Debt Record";
4. "Per Capita Debt Ratios";
5. "Debt Ratios";
6. "Debt Trend";
7. "Debt Service Requirements";
8. "Property Valuation and Property Tax";
9. "Top Property Taxpayers";
10. "Fund Balances"; and
11. "Local Sales Tax"

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2023, 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

