

# 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 imposed on individuals. 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).*

## \$23,615,000 MARION COUNTY, TENNESSEE COUNTY DISTRICT SCHOOL BONDS, SERIES 2022

Dated: Date of Issuance

Due: June 1, as shown below

Marion County, Tennessee (the "County") will issue its \$23,615,000 County District School Bonds, Series 2022 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2022, 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 National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds shall be subject to redemption at the option of the County at any time on or after June 1, 2029, at a price of par plus accrued interest to the redemption date. The Bonds are payable on June 1 of each year as follows:

Maturity (June 1)	Principal	Interest Rate	Price or Yield	CUSIP Number	Maturity (June 1)	Principal	Interest Rate	Price or Yield	CUSIP Number
2022	\$10,000	5.000%	0.200%	569356TS7	2032	\$1,350,000	3.000%	1.350% <sup>C</sup>	569356UC0
2023	\$965,000	5.000%	0.260%	569356TT5	2033	\$1,395,000	2.000%	1.750% <sup>C</sup>	569356UD8
2024	\$1,015,000	5.000%	0.380%	569356TU2	2034	\$1,420,000	2.000%	1.870% <sup>C</sup>	569356UE6
2025	\$1,065,000	5.000%	0.480%	569356TV0	2035	\$1,450,000	2.000%	1.900% <sup>C</sup>	569356UF3
2026	\$1,120,000	5.000%	0.620%	569356TW8	2036	\$1,480,000	2.000%	1.920% <sup>C</sup>	569356UG1
2027	\$1,175,000	1.000%	0.770%	569356TX6	2037	\$1,505,000	2.000%	1.980% <sup>C</sup>	569356UH9
2028	\$1,185,000	1.250%	0.950%	569356TY4	2038	\$1,535,000	2.000%	2.020%	569356UJ5
2029	\$1,200,000	5.000%	1.050%	569356TZ1	2039	\$1,570,000	2.000%	2.080%	569356UK2
2030	\$1,260,000	4.000%	1.140% <sup>C</sup>	569356UA4	2040	\$1,600,000	2.125%	2.125%	569356UL0
2031	\$1,315,000	3.000%	1.300% <sup>C</sup>	569356UB2					

<sup>C</sup> Yield to June 1, 2029 Call Date

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

*The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by William L. Gouger, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about January 5, 2022.*

December 7, 2021

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 .....	i
Summary Statement .....	ii
Official Statement .....	1
Introduction .....	1
The Bonds .....	1
Description .....	1
Registration and Payment .....	1
Book-Entry-Only System .....	2
Optional Redemption .....	4
Notice of Redemption .....	4
Security and Sources of Payment .....	5
Remedies of Bondholders .....	5
Discharge and Satisfaction of Bonds .....	5
Plan of Financing .....	6
Sources and Uses of Funds .....	6
Rating .....	6
Continuing Disclosure .....	7
Future Issues .....	7
Litigation .....	7
Approval of Legal Proceedings .....	7
Tax Matters .....	8
Federal .....	8
Bond Premium .....	8
Original Issue Discount .....	9
Information Reporting and Backup Withholding .....	9
State Taxes .....	9
Changes In Federal And State Tax Law .....	9
Municipal Advisor .....	10
Underwriting .....	10
Forward Looking Statements .....	10
Miscellaneous .....	11
Certificate of County Mayor .....	11
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, 2020 .....	Appendix C
Form of Continuing Disclosure Agreement .....	Appendix D

[This page is intentionally left blank]

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

**Officials**

David Jackson  
County Mayor

---

**Board of Commissioners**

David Abbott  
Donald Blansett  
Gary Reames  
Matt Blansett  
Joey Blevins, Jr.

Gene Hargis  
Don Adkins  
Steven Franklin  
Allen Kirk  
Kenny Cookston

Mack Reeves  
Peggy Thompson  
Roger Grayson  
Jim Nunley  
Kenneth Skiles

**County Officials**

County Clerk  
Director of Schools  
Trustee  
Assessor of Property

Dwight Minter  
Mark Griffith  
Diane Massengale  
Darrell Pittman

**Board of Education**

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

**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 National Association  
Nashville, Tennessee

**Municipal Advisor**

Stephens Inc.  
Nashville, Tennessee

**Underwriter**

Morgan Stanley & Co, LLC  
New York, New York

[This page is intentionally left blank]

## Summary Statement

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

<b>ISSUER</b> .....	Marion County, Tennessee (the "County").
<b>ISSUES</b> .....	\$23,615,000 County District School Bonds, Series 2022 (the "Bonds").
<b>PURPOSE</b> .....	The Bonds are being issued to provide funds to finance capital improvements to County schools and pay Bond issuance costs.
<b>SECURITY</b> .....	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within that portion of the County lying outside the territorial limits of the Richard City and Deptford Independent School District. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.
<b>DATED DATE</b> .....	Settlement Date.
<b>INTEREST DUE</b> .....	Each June 1 and December 1, commencing June 1, 2022.
<b>PRINCIPAL DUE</b> .....	June 1, 2022 through June 1, 2040.
<b>SETTLEMENT DATE</b> .....	January 5, 2022.
<b>OPTIONAL REDEMPTION</b> .....	The Bonds, shall be subject to redemption at the option of the County at any time on or after June 1, 2029, at a price of par plus accrued interest to the redemption date.
<b>RATING</b> .....	"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.

<b>TAX MATTERS .....</b>	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. 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).
<b>REGISTRATION AND PAYING AGENT .....</b>	U.S. Bank National Association, Nashville, Tennessee.
<b>MUNICIPAL ADVISOR.....</b>	Stephens Inc., Nashville, Tennessee.
<b>UNDERWRITER.....</b>	Morgan Stanley & Co, LLC, New York, New York.



## **Official Statement**

### **Marion County, Tennessee**

### **\$23,615,000 County District School Bonds, Series 2022**

#### **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 \$23,615,000 County District School Bonds, Series 2022 (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 May 24, 2021 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

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

#### **The Bonds**

##### **Description**

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

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on June 1 and December 1 of each year (herein an "Interest Payment Date"), commencing June 1, 2022.

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 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

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

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

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

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

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

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

### **Optional Redemption**

The Bonds maturing on or before June 1, 2029 shall mature without option of prior redemption, and Bonds maturing June 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2029 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

### **Notice of Redemption**

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

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

### **Security and Sources of Payment**

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

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

### **Remedies of Bondholders**

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

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

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

### **Discharge and Satisfaction of Bonds**

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

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

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

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

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to

pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

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

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

## **Plan of Financing**

### **Sources and Uses of Funds**

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

#### **Sources of Funds**

Par Amount	\$23,615,000.00
Reoffering Premium (Discount)	<u>1,528,264.45</u>
Total Sources	<u>\$25,143,264.45</u>

#### **Uses of Funds**

Deposit to Project Fund	\$25,001,250.13
Costs of Issuance <sup>(1)</sup>	<u>142,014.32</u>
Total Uses	<u>\$25,143,264.45</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, 2021 (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](http://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.

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

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

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

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

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

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

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



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

**Information Reporting and Backup Withholding.** Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

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

## **State Taxes**

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

## **Changes in Federal and State Tax Law**

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

subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

### **Municipal Advisor**

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

Morgan Stanley & Co, LLC, New York, New York, 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 \$25,110,338.88, which is par, plus net original issue premium of \$1,528,264.45, less underwriter's discount of \$32,925.57.

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.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

### **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.

### **Certificate of County Mayor**

I, David Jackson, do hereby certify that I am the duly qualified and acting County Mayor of Marion County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated December 7, 2021 issued in connection with the sale of the County's \$23,615,000 County District School Bonds, Series 2022 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 5<sup>th</sup> day of January, 2022.

/s/ David Jackson  
County Mayor

I, Dwight Minter, 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/ Dwight Minter  
County Clerk

(SEAL)

[This page is intentionally left blank]

## **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

January 5, 2022

We have acted as bond counsel to Marion County, Tennessee (the "Issuer") in connection with the issuance of \$23,615,000 County District School Bonds, Series 2022, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

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

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

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

4. Interest on the Bonds (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. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

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

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

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

Yours truly,

Bass Berry & Sims PLC



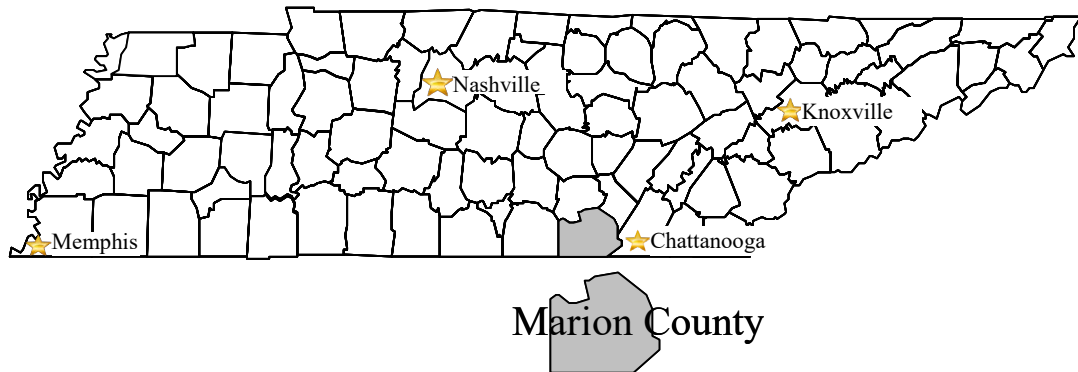
**APPENDIX B**

Demographic and General Financial Information  
Related to the County



## GENERAL INFORMATION

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



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

## DEMOGRAPHIC DATA

According to the U.S. Census population data for 2020, the County's population of 28,924 has grown 17% since 1990. Various socioeconomic factors are indicated below.

	<u>County</u>	<u>Tennessee</u>
1990 U.S. Census	24,712	4,890,626
2000 U.S. Census	27,733	5,703,719
2010 U.S. Census	28,227	6,355,518
2020 U.S. Census	28,924	6,886,834

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 \$40,365 in 2019. This reflects a 31% increase since 2010.

	<b>County</b>	<b>Tennessee</b>	<b>% of State</b>
2010 Per Capita Personal Income	\$30,863	\$35,652	86.6%
2011 Per Capita Personal Income	\$31,827	\$37,610	84.6%
2012 Per Capita Personal Income	\$32,775	\$39,285	83.4%
2013 Per Capita Personal Income	\$32,826	\$39,406	83.3%
2014 Per Capita Personal Income	\$33,603	\$40,778	82.4%
2015 Per Capita Personal Income	\$35,155	\$42,599	82.5%
2016 Per Capita Personal Income	\$36,759	\$43,591	84.3%
2017 Per Capita Personal Income	\$37,882	\$45,193	83.8%
2018 Per Capita Personal Income	\$38,998	\$47,165	82.7%
2019 Per Capita Personal Income	\$40,365	\$48,676	82.9%

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

### ***Median Housing Value***

	<b>Marion</b>		
	<b>County</b>	<b>Tennessee</b>	<b>% of State</b>
2010 Median Housing Value	125,000	149,900	83.4%
2011 Median Housing Value	110,000	150,925	72.9%
2012 Median Housing Value	114,050	160,000	71.3%
2013 Median Housing Value	119,500	165,000	72.4%
2014 Median Housing Value	130,000	166,000	78.3%
2015 Median Housing Value	142,000	175,000	81.1%
2016 Median Housing Value	123,500	185,000	66.8%
2017 Median Housing Value	127,900	196,800	65.0%
2018 Median Housing Value	143,000	210,000	68.1%
2019 Median Housing Value	150,000	226,000	66.4%

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

## *Covid-19*

The worldwide spread of COVID-19, a respiratory disease caused by a novel strain of coronavirus, has affected the State, including the County, and is considered a Public Health Emergency of International Concern by the World Health Organization. The spread of COVID-19 has led to quarantine and other “social-distancing” measures in affected regions, including the State and the County, undertaken, from time to time, by government agencies, businesses, schools and other entities. The State’s Governor declared a state of emergency in March 2020 and issued State-wide stay-at-home orders for much of the State, including the County, at various points for all but essential businesses. Although the stay-at-home orders for the County have been lifted, additional social-distancing measures may be instituted by the State and County, if necessary, to mitigate the spread of COVID-19. Further, individuals may choose on their own to modify their behavior in order to mitigate the spread of COVID-19. As such, the disease has affected travel and commercial markets within the State and may continue to do so in the future. As of November 10, 2021, there were approximately 40 confirmed active cases of COVID-19 in the County and 55 deaths.

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

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

From an operations perspective, the County is working proactively to preserve effective staffing for all essential County and System operations and is following guidance produced by the Centers for Disease Control and Prevention for businesses and employers.

Though no assurances can be made, the County expects its current liquidity position to be adequate to fund essential services and to make timely payments on its debt service when due. In connection with the COVID-19, the County has received \$66,637 in local support grant funds from the State and \$428,625 from the Cares Act Provider Relief Fund. Also, the County has received or expects to receive \$382,281 from the Local Government Coronavirus Relief Fund and approximately \$5,600,000 from the federal American Rescue Plan Act of 2021. The County expects to apply such aid to various operating and capital expenditures within the County.

### ***Major Employers***

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

<b>Employer</b>	<b>Estimated Employees</b>	<b>Product or Service</b>
Marion County School District	507	Education
Lodge Manufacturing Co.	434	Iron Castings
Shaw Industries, Inc.	250	Hardwood Flooring
Valmont Industries, Inc.	200	Communication Poles
Wal-Mart SuperCenter	195	Retail
Variform, Inc.	192	Vinyl Siding
Colonial Chemicals, Inc.	130	Chemical Manufacturing
Marion County Government	130	Government
Lowe's Home Centers	125	Retail
Signature Healthcare	120	Medical Facility

Source: Tennessee Department of Economic and Community Development

### ***Labor Force, Employment and Unemployment Data***

<b>Year</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Total Labor Force</b>	<b>Unemployment Percent</b>		
				<b>County</b>	<b>State</b>	<b>U.S.</b>
2011	11,163	1,324	12,487	10.6%	9.1%	8.9%
2012	11,126	1,141	12,267	9.3%	8.0%	8.1%
2013	10,943	1,096	12,039	9.1%	7.7%	7.4%
2014	10,740	921	11,661	7.9%	6.6%	6.2%
2015	10,952	786	11,738	6.7%	5.6%	5.3%
2016	11,177	752	11,929	6.3%	4.8%	4.9%
2017	11,427	589	12,016	4.9%	3.7%	4.4%
2018	11,740	566	12,306	4.6%	3.5%	3.9%
2019	12,067	529	12,596	4.2%	3.4%	3.7%
2020	11,406	938	12,344	7.6%	7.5%	8.1%
Sep-21	11,905	419	12,324	3.4%	4.4%	4.8%

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 3,857 during the 2019-2020 school year. The average daily membership of the Richard City School System was 211 during the 2019-2020 school year.

<b>Average Daily Membership</b>		
<b><u>School Year</u></b>	<b><u>Marion County Schools</u></b>	<b><u>Richard City Schools</u></b>
2010-2011	4,224	322
2011-2012	4,227	339
2012-2013	4,176	297
2013-2014	4,161	277
2014-2015	4,077	270
2015-2016	4,030	278
2016-2017	3,992	251
2017-2018	3,959	248
2018-2019	3,927	244
2019-2020	3,857	211

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.

[The remainder of this page is intentionally left blank.]



## **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, 2020 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 3,887 for the school year 2019-2020. Marion County operated a public school system with 3,684 or 95% of the total pupils in the County attending. The Richard City School District operated a public school system with 203 or 5% of the total pupils in the County attending. In Tax Year 2020, the Richard City School District had 1.7% of the County's assessed property values subject to property taxes. The County has previously issued County District School Bonds with the annual principal and interest payments secured by an unlimited property tax on all the property located outside the Richard City School District. In Tax Year 2020, the County levied a \$0.2036 per \$100 property tax rate on all property assessed values outside of the Richard City School District specifically dedicated to the County District Debt Service Fund for the payment of principal and interest on the Bonds.

## **LOCAL SALES TAX**

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

## **RETIREMENT COMMITMENTS**

See Appendix C, page 73, Note G of the Marion County Annual Financial Report for the fiscal year ending June 30, 2020 as presented and prepared by the State Comptroller's Division of County Audit.

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

See Appendix C, page 90, Note H of the Marion County Annual Financial Report for the fiscal year ending June 30, 2020 as presented and prepared by the State Comptroller's Division of County Audit.

[The remainder of this page is intentionally left blank.]

[This page is intentionally left blank]

**PART ONE**

**GENERAL FINANCIAL INFORMATION - COUNTY-WIDE**





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

<b>Amount Issued</b>	<b>Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Outstanding 06/30/20</b>
<b><u>Total Bonds</u></b>					
3,675,000	GO Bonds, Series 2010	03/31/10	04/01/30	2.50% - 4.00%	1,800,000
15,485,000	GO Refunding Bonds, Series 2014	10/15/14	06/01/31	2.00% - 5.00%	12,140,000
3,345,000	GO Refunding Bonds, Series 2015A	02/25/15	04/01/29	2.00% - 2.35%	2,255,000
<b>Total Bonds</b>					<b>\$16,195,000</b>
<b><u>Total Notes</u></b>					
\$377,000	Jasper Public Works Project	12/02/12	04/01/23	1.94%	\$120,000
\$550,000	Kenworth Dump Trucks	07/10/17	04/19/24	3.09%	\$324,505
<b>Total Notes</b>					<b>\$444,505</b>
<b><u>Total Capital Leases</u></b>					
\$78,764	Computers	12/05/18	12/05/23	4.54%	\$47,196
\$168,140	Promethean Boards	05/03/19	05/03/24	0.00%	\$100,884
<b>Total Capital Leases</b>					<b>\$148,080</b>
<b>Total Outstanding Debt</b>					<b>\$16,787,585</b>

**COUNTY-WIDE DEBT STATEMENT (as of June 30, 2020)**

<b>Outstanding Debt</b>		
Total Current Outstanding Debt		\$16,787,585
Less: General Debt Service Fund Balance as of June 30, 2020		(1,929,293)
<b>Net Direct Debt</b>		<b>\$14,858,292</b>
<b>Net Overlapping Debt (as of June 30, 2020)</b>		
Jasper		\$318,407
Kimball		0
Marion County - County-District		28,905,000 <sup>(1)</sup>
Monteagle		315,000
New Hope		0
Orme		0
Powells Crossroads		0
South Pittsburg		407,648
Whitwell		17,853
<b>Total Net Overlapping Debt</b>		<b>\$29,963,908</b>
<b>Overall Net Debt</b>		<b>\$44,822,200</b>

**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 6/30/2020 and adjusted for County District School Refunding Bonds, Series 2020 and County District School Bonds, Series 2022.

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, 2020 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	28,924	6,886,834

Source: U.S. Bureau of Census

## COUNTY-WIDE PER CAPITA DEBT RATIOS

Current Outstanding Debt	\$580.40
Net Direct Debt	\$513.70
Total Net Overlapping Debt	\$1,035.95
Overall Net Debt	\$1,549.65

## COUNTY-WIDE DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 724,859,296	\$ 2,844,101,150
Current Outstanding Debt to	2.32%	0.59%
Net Direct Debt to	2.05%	0.52%
Total Net Overlapping Debt to	4.13%	1.05%
Overall Net Debt to	6.18%	1.58%

## COUNTY-WIDE DEBT TREND

### Fiscal Years Ending

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
Bonds	\$16,195,000	\$17,395,000	\$18,570,000	\$19,720,000	\$20,840,000
Notes	444,505	560,674	674,593	237,000	272,000
Capitalized Leases	148,080	196,093	-	41,191	80,716
<b>Total Debt</b>	<u>\$16,787,585</u>	<u>\$18,151,767</u>	<u>\$19,244,593</u>	<u>\$19,998,191</u>	<u>\$21,192,716</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 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, 2020)

		<u>Principal</u>		<u>Interest</u>	
	Year Ended June 30	Existing Debt as of 6/30/2020	Percent Principal Retired	Existing Debt as of 6/30/2020	Total Debt Service Requirements
1	2021	1,407,223		531,062	1,938,285
2	2022	1,495,334		483,775	1,979,109
3	2023	1,548,551		432,708	1,981,259
4	2024	1,516,477		369,462	1,885,939
5	2025	1,460,000	44.24%	334,694	1,794,694
6	2026	1,505,000		297,756	1,802,756
7	2027	1,575,000		256,744	1,831,744
8	2028	1,670,000		210,525	1,880,525
9	2029	1,740,000		157,553	1,897,553
10	2030	1,530,000	92.02%	101,700	1,631,700
11	2031	1,340,000	100.00%	46,900	1,386,900
		<u>\$16,787,585</u>		<u>\$3,222,879</u>	<u>\$20,010,464</u>

Note- Excludes Rural School Bonds

Source: Annual Financial Report and Auditor's Report Prepared by State Comptroller of the Treasury for the fiscal year ending June 30, 2020 and County officials.

## COUNTY-WIDE PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2020-2021 2020	2019-2020 2019	2018-2019 2018	2017-2018 2017	2016-2017 2016
<b>ESTIMATED ACTUAL VALUES</b>					
Residential & Farm	\$2,183,201,722	\$2,019,198,548	\$1,964,765,613	\$1,829,450,600	\$1,784,091,000
Commercial & Industrial	384,840,641	372,728,678	360,282,371	336,747,400	337,304,800
Personal Tangible Property	146,930,805	142,982,126	145,108,413	138,499,161	133,942,679
Public Utilities	129,127,982	129,094,694	121,096,793	176,560,646	126,506,964
<b>Total Estimated Actual Values</b>	<b>\$2,844,101,150</b>	<b>\$2,664,004,046</b>	<b>\$2,591,253,190</b>	<b>\$2,481,257,807</b>	<b>\$2,381,845,443</b>
Annual Percentage Change	6.76%	2.81%	4.43%	4.17%	1.03%
Estimated Per Capita Amount	\$98,330	\$92,104	\$90,610	\$85,785	\$82,480
<b>ASSESSED VALUES</b>					
Residential & Farm (at 25%)	\$489,781,900	\$475,743,705	\$462,916,860	\$457,334,375	\$446,022,750
Commercial & Industrial (at 40%)	138,100,900	140,486,100	135,794,340	134,696,560	134,921,920
Personal Tangible Property (at 30%)	40,612,132	40,670,021	41,344,384	41,549,800	40,182,857
Public Utilities (at 30%-55%)	56,364,364	56,349,834	52,858,750	77,068,711	55,220,290
<b>Total Assessed Values</b>	<b>\$724,859,296</b>	<b>\$713,249,660</b>	<b>\$692,914,334</b>	<b>\$710,649,446</b>	<b>\$676,347,817</b>
Annual Percentage Change	1.63%	2.93%	-2.50%	5.07%	1.67%
Estimated Per Capita Amount	\$25,061	\$24,659	\$24,229	\$24,570	\$23,421
<b>Appraisal Ratio</b>	<b>89.73%</b>	<b>94.24%</b>	<b>94.24%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Assessed Values to Actual Values</b>	<b>25.49%</b>	<b>26.77%</b>	<b>26.74%</b>	<b>28.64%</b>	<b>28.40%</b>
<b>Property Tax Rate</b>					
<b>Total Property Tax Rate</b>	<b>\$2.1686</b>	<b>\$2.1686</b>	<b>\$2.1686</b>	<b>\$2.1686</b>	<b>\$2.1686</b>
<b>Taxes Levied</b>	<b>\$15,719,299</b>	<b>\$15,467,532</b>	<b>\$15,026,540</b>	<b>\$15,411,144</b>	<b>\$14,667,279</b>
<b>Collections</b>					
Current Fiscal Year	In Process	\$14,386,838	\$14,022,418	\$14,045,984	\$13,622,705
Percent Collected Current FY	In Process	93.01%	93.32%	91.14%	92.88%

Sources: State Board of Equalization, 2016 - 2020 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2017 - 2020 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 2020</u> <u>Assessed Value</u>	<u>Assessed Value</u> <u>as a % of 2020</u> <u>Total Assessment</u>
Sequatchie Valley Electric Co-op	Electric Utility	\$24,929,978	3.44%
East Tn Natural Gas	Gas Utility	7,013,271	0.97%
Regency Kimball LLC	Commercial Real Estate	4,919,960	0.68%
CSX Transportation	Railroad	4,057,586	0.56%
Variform Inc.	Vinyl Siding Manufacturer	3,748,349	0.52%
Lowes Home Centers	Retail	3,623,360	0.50%
Lodge Mfg.	Cookware	3,281,115	0.45%
RGGS Land & Minerals	Minerals	2,905,150	0.40%
Colonial Chemical	Specialty Chemicals	2,886,438	0.40%
BRE Retail	Retail	2,876,440	0.40%

Source: Office of the Trustee of Marion County.

### COUNTY-WIDE FUND BALANCES

For Fiscal Years Ending June 30

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>GOVERNMENTAL FUNDS</b>					
General Government Fund	\$9,808,501	\$9,189,128	\$9,105,315	\$8,829,547	\$10,844,090
Highway/Public Works Fund	1,796,669	1,514,713	999,032	1,282,418	976,266
Special Revenue Funds	786,542	762,790	710,455	900,285	845,044
Education Funds	8,733,211	7,202,239	7,168,996	5,894,351	5,023,483
Debt Service Fund	1,929,293	1,844,155	1,780,511	1,700,891	1,665,896
Education Debt Service Fund	4,572,797	3,808,255	3,190,177	2,667,632	2,136,147
Rural Debt Service Fund	7,331,908	6,661,327	6,780,910	6,253,251	5,807,960
Capital Projects - Education	1,188,490	968,139	407,576	1,514,654	1,497,748
Capital Projects - General	7,697,833	6,858,363	5,809,476	5,231,770	1,575,225
<b>Total Governmental Funds</b>	<b>\$43,845,244</b>	<b>\$38,809,109</b>	<b>\$35,952,448</b>	<b>\$34,274,799</b>	<b>\$30,371,859</b>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 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>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>Rate (Percent of retail sales)</b>	2.75%	2.75%	2.75%	2.75%	2.75%
<b>Distribution to Following Funds</b>					
Solid Waste/Sanitation	\$555,308	\$482,118	\$382,905	\$315,565	\$277,524
Education Debt Service	1,976,213	1,828,536	1,739,310	1,746,530	1,690,307
General Purpose School	4,214,227	3,907,396	3,677,142	3,692,284	3,593,997
Special School District	228,985	207,568	238,295	235,625	232,917
Cities Portion	3,850,119	3,597,273	3,559,937	3,590,757	3,523,769
<b>Total Amount Collected</b>	<b>\$10,824,852</b>	<b>\$10,022,891</b>	<b>\$9,597,589</b>	<b>\$9,580,761</b>	<b>\$9,318,514</b>
<b>% of Increase</b>	8.00%	4.43%	0.18%	2.81%	7.82%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 as presented and prepared by the State Comptroller's Division of County Audit.

### BASIC EDUCATION PROGRAM FUNDING

For Fiscal Years Ending June 30

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
Total BEP Funding	\$20,836,193	\$20,332,319	\$20,090,319	\$19,925,319	\$19,449,319

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 as presented and prepared by the State Comptroller's Division of County Audit.

[This page is intentionally left blank]

## **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<sup>(1)</sup>**

<b>Amount Issued</b>	<b>Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Outstanding 6/30/2020<sup>(1)</sup></b>
1,805,000	Rural School GO Refunding Bonds, Series 2015	02/25/15	04/01/25	2.00%-4.00%	975,000
4,315,000	County District School Refunding Bonds, Series 2020	08/12/20	04/01/24	5.00%	4,315,000
23,615,000	County District School Bonds, Series 2022	01/05/22	06/01/40	1.00%-5.00%	23,615,000
Total Current Outstanding Rural Debt					<u>\$28,905,000</u>

**COUNTY-DISTRICT DEBT STATEMENT (as of June 30, 2020)**

**Outstanding Debt**

Total Current Outstanding Debt	\$28,905,000
Less: Debt Service Fund Balance as of June 30, 2020	<u>(7,331,908)</u>

**Net Direct Debt**

\$21,573,092

**Net Overlapping Debt (as of June 30, 2020)**

Jasper	\$318,407
Kimball	0
Marion County - General Debt (98.33% of Assessed Valuation)	16,506,524
Monteagle	355,000
New Hope	0
Orme	0
Powell's Crossroads	0
South Pittsburg	395,803
Whitwell	59,873

**Total Net Overlapping Debt**

\$17,635,607

**Overall Net Debt**

\$39,208,699

(1) As of 6/30/20 and adjusted for County District School Refunding Bonds, Series 2020 and County District School Bonds, Series 2022.

Sources: Annual Financial Reports for the fiscal year ending June 30, 2020 as presented and prepared by the State Comptroller's Division of County Audit and individual Cities and Towns.

**DEBT RECORD OF COUNTY-DISTRICT OF MARION COUNTY**

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

### POPULATION

	<u>District</u> (Estimated)	<u>County</u>	<u>Tennessee</u>
	(1)		
1990 U.S. Census	23,862	24,712	4,890,626
2000 U.S. Census	26,786	27,733	5,703,719
2010 U.S. Census	27,280	28,227	6,355,518
2020 U.S. Census	27,977	28,924	6,886,834

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	\$1,033.17
Net Direct Debt	\$771.10
Total Net Overlapping Debt	\$630.36
Overall Net Debt	\$1,401.46

### COUNTY-DISTRICT DEBT RATIOS

	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual Value</u>
Property Values	\$ 712,723,542	\$ 2,799,487,428
Current Outstanding Debt to	4.06%	1.03%
Net Direct Debt to	3.03%	0.77%
Total Net Overlapping Debt to	2.47%	0.63%
Overall Net Debt to	5.50%	1.40%

### COUNTY-DISTRICT DEBT TREND

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>Gross Debt</b>					
Rural Debt	\$5,640,000	\$6,875,000	\$8,825,000	\$10,125,000	\$11,380,000
<b>Total Net Debt</b>	<u>\$5,640,000</u>	<u>\$6,875,000</u>	<u>\$8,825,000</u>	<u>\$10,125,000</u>	<u>\$11,380,000</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 as presented and prepared by the State Comptroller's Division of County Audit.

## COUNTY-DISTRICT DEBT SERVICE REQUIREMENTS

(as of June 30, 2020)<sup>(1)</sup>

		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	2022	Principal	Principal	Debt as of	2022	Interest	Requirements
	6/30/2020			Retired	6/30/2020			
1	2021	1,250,000	1,250,000		168,941		168,941	1,418,941
2	2022	1,220,000	1,230,000		190,350	270,409	460,759	1,690,759
3	2023	1,275,000	2,240,000		134,900	666,263	801,163	3,041,163
4	2024	1,335,000	2,350,000		73,100	618,013	691,113	3,041,113
5	2025	210,000	1,275,000	28.87%	8,400	567,263	575,663	1,850,663
6	2026	1,120,000	1,120,000			514,013	514,013	1,634,013
7	2027	1,175,000	1,175,000			458,013	458,013	1,633,013
8	2028	1,185,000	1,185,000			446,263	446,263	1,631,263
9	2029	1,200,000	1,200,000			431,450	431,450	1,631,450
10	2030	1,260,000	1,260,000	49.42%		371,450	371,450	1,631,450
11	2031	1,315,000	1,315,000			321,050	321,050	1,636,050
12	2032	1,350,000	1,350,000			281,600	281,600	1,631,600
13	2033	1,395,000	1,395,000			241,100	241,100	1,636,100
14	2034	1,420,000	1,420,000			213,200	213,200	1,633,200
15	2035	1,450,000	1,450,000	73.40%		184,800	184,800	1,634,800
16	2036	1,480,000	1,480,000			155,800	155,800	1,635,800
17	2037	1,505,000	1,505,000			126,200	126,200	1,631,200
18	2038	1,535,000	1,535,000			96,100	96,100	1,631,100
19	2039	1,570,000	1,570,000			65,400	65,400	1,635,400
20	2040	1,600,000	1,600,000	100.00%		34,000	34,000	1,634,000
		<u>\$5,290,000</u>	<u>\$23,615,000</u>			<u>\$575,691</u>	<u>\$6,062,384</u>	<u>\$35,543,075</u>

(1) As of 6/30/20 and adjusted for County District School Refunding Bonds, Series 2020 and County District School Bonds, Series 2022.

Source: Annual Financial Reports for the fiscal year ending June 30, 2020 as presented and prepared by the State Comptroller's Division of County Audit.

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

<b>Fiscal Year Tax Year</b>	<b>2020-2021 2020</b>	<b>2019-2020 2019</b>	<b>2018-2019 2018</b>	<b>2017-2018 2017</b>	<b>2016-2017 2016</b>
<b>ESTIMATED ACTUAL VALUES</b>					
Residential & Farm	\$2,154,671,236	\$1,992,290,234	\$1,938,199,298	\$1,804,432,600	\$1,759,294,400
Commercial & Industrial	370,358,530	358,765,829	346,580,347	324,629,000	324,305,300
Personal Tangible Property	146,018,422	141,935,739	143,645,666	136,577,039	131,345,017
Public Utilities	128,439,240	128,413,173	120,410,355	175,866,609	125,747,885
<b>Total Estimated Actual Values</b>	<b>\$2,799,487,428</b>	<b>\$2,621,404,975</b>	<b>\$2,548,835,666</b>	<b>\$2,441,505,248</b>	<b>\$2,340,692,602</b>
Annual Percentage Change	6.79%	2.85%	4.40%	4.31%	2.10%
Estimated Per Capita Amount	\$100,064	\$93,853	\$92,179	\$88,853	\$85,508
<b>ASSESSED VALUES</b>					
Residential & Farm (at 25%)	\$483,381,800	\$469,404,105	\$456,657,835	\$451,079,875	\$439,823,600
Commercial & Industrial (at 40%)	132,913,780	135,222,660	130,629,220	129,849,200	129,722,120
Personal Tangible Property (at 30%)	40,364,234	40,372,877	40,928,489	40,973,162	39,403,556
Public Utilities (at 30%-55%)	56,063,728	56,052,350	52,559,120	76,765,764	54,888,952
<b>Total Assessed Values</b>	<b>\$712,723,542</b>	<b>\$701,051,992</b>	<b>\$680,774,664</b>	<b>\$698,668,001</b>	<b>\$663,838,228</b>
Annual Percentage Change	1.66%	2.98%	-2.56%	5.25%	1.78%
Estimated Per Capita Amount	\$25,475	\$25,099	\$24,620	\$25,426	\$24,251
<b>Appraisal Ratio</b>	<b>89.73%</b>	<b>94.24%</b>	<b>94.24%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Assessed Values to Actual Values</b>	<b>25.46%</b>	<b>26.74%</b>	<b>26.71%</b>	<b>28.62%</b>	<b>28.36%</b>
<b>Property Tax Rate</b>					
Rural Debt Fund	\$0.2036	\$0.2036	\$0.2036	\$0.2036	\$0.2036
<b>Total Property Tax Rate</b>	<b>\$0.2036</b>	<b>\$0.2036</b>	<b>\$0.2036</b>	<b>\$0.2036</b>	<b>\$0.2036</b>
<b>Taxes Levied<sup>(1)</sup></b>					
	\$1,451,105	\$1,427,342	\$1,386,057	\$1,422,488	\$1,351,575
<b>Collections<sup>(2)</sup></b>					
Current Fiscal Year	In Process	\$1,332,762	\$1,299,957	\$1,294,551	\$1,258,779
Percent Collected Current FY	In Process	93.37%	93.79%	91.01%	93.13%

<sup>(1)</sup> The Rural Debt Service Fund was established July 1, 2000.

<sup>(2)</sup> 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, 2016 - 2020 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2017 - 2020 as prepared by the Comptroller of the Treasury and County Officials.

# COUNTY-DISTRICT DEBT SERVICE FUND BALANCES

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>GOVERNMENTAL FUNDS</b>					
Rural Debt Service Fund	\$7,331,908	\$6,661,327	\$6,780,910	\$6,253,251	\$5,807,960

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020 as presented and prepared  
by the State Comptroller's Division of County Audit.

[This page is intentionally left blank]

**APPENDIX C**

Comprehensive Annual Financial Report of the County for the  
Fiscal Year Ended June 30, 2020







## ANNUAL FINANCIAL REPORT

### Marion County, Tennessee

*For the Year Ended June 30, 2020*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF**  
**LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**MARION COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

***COMPTROLLER OF THE TREASURY***  
***JASON E. MUMPOWER***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

***STEVE REEDER, CPA, CGFM, CFE***  
***Audit Manager***

***AMY HEWITT, CPA, CFE***  
***Senior Auditor***

***KAITLYN SILVERS***  
***KAYLEE FULWOOD***  
***JENI PALADENI, CISA***  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://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		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	29-30
Highway/Public Works Fund	C-6	31
Proprietary Fund:		
Statement of Net Position	D-1	32
Statement of Revenues, Expenses, and Changes in Net Position	D-2	33
Statement of Cash Flows	D-3	34
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	35
Index and Notes to the Financial Statements		36-106
REQUIRED SUPPLEMENTARY INFORMATION:		107
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	108
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	109
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Marion County School Department	F-3	110

	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	111
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Marion County School Department	F-5	112
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	113
Schedule of Changes in Total OPEB Liability and Related Ratios - Local Government Plans - Primary Government	F-7	114
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Marion County School Department	F-8	115
Notes to the Required Supplementary Information		116
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		117
Nonmajor Governmental Funds:		118-119
Combining Balance Sheet	G-1	120-123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	124-125
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	G-3	126
Solid Waste/Sanitation Fund	G-4	127
Drug Control Fund	G-5	128
General Debt Service Fund	G-6	129
Major Governmental Funds:		130
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Rural Debt Service Fund	H-1	131
Education Debt Service Fund	H-2	132
Other Capital Projects Fund	H-3	133
Fiduciary Funds:		134
Combining Statement of Fiduciary Assets and Liabilities	I-1	135
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	136-137

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Marion County School Department:		138
Statement of Activities	J-1	139
Balance Sheet – Governmental Funds	J-2	140-141
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	142
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	143-144
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	145
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	J-6	146-147
School Federal Projects Fund	J-7	148
Central Cafeteria Fund	J-8	149
Statement of Fiduciary Net Position	J-9	150
Statement of Changes in Fiduciary Net Position	J-10	151
Miscellaneous Schedules:		152
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases	K-1	153-154
Schedule of Long-term Debt Requirements by Year	K-2	155
Schedule of Investments – Discretely Presented Marion County School Department	K-3	156
Schedule of Transfers – Primary Government and Discretely Presented Marion County School Department	K-4	157
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Marion County School Department	K-5	158
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	159-170
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Marion County School Department	K-7	171-173
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	174-188
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Marion County School Department	K-9	189-198
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-10	199
<u>SINGLE AUDIT SECTION</u>		200
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>		201-202
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		203-205
Schedule of Expenditures of Federal Awards and State Grants		206-207
Summary Schedule of Prior-year Findings		208
Schedule of Findings and Questioned Costs		209-211
Management's Corrective Action Plan		212-213
Best Practice		214

# ***Summary of Audit Findings***

Annual Financial Report  
Marion County, Tennessee  
For the Year Ended June 30, 2020

## ***Scope***

We have audited the basic financial statements of Marion County as of and for the year ended June 30, 2020.

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Marion County management. The detailed finding, recommendation and management's response are included in the Single Audit section of this report.

## ***Finding***

The following is a summary of the audit finding:

### **OFFICE OF COUNTY MAYOR**

- ◆ Expenditures exceeded appropriations.

---

---

# INTRODUCTORY SECTION

---

---

## Marion County Officials

### June 30, 2020

---

#### **Officials**

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

#### **Board of County Commissioners**

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

#### **Board of Education**

Julie Bennett, Chairman  
Lance Brown  
Linda Hooper  
Brian Nunley  
Ryan Phillips

#### **Audit Committee**

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



---

---

## FINANCIAL SECTION

---

---



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marion County Conservation Commission (a major enterprise fund), which represent 100 percent of the assets, net position, and revenues of the business-type activities. 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 is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service, Education Debt Service, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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, and Other Capital Projects funds, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021, on our consideration of Marion County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Marion County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 18, 2021

JEM/sl

---

---

## BASIC FINANCIAL STATEMENTS

---

---

## Exhibit A

Marion County, Tennessee  
Statement of Net Position  
June 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type		Marion
	Activities	Activities	Total	County
				School
				Department
<u>ASSETS</u>				
Cash	\$ 114,918	\$ 85,307	\$ 200,225	\$ 59,394
Equity in Pooled Cash and Investments	34,016,914	0	34,016,914	8,042,019
Inventories	0	0	0	105,134
Accounts Receivable	86,693	0	86,693	1,530
Due from Other Governments	1,512,045	0	1,512,045	1,012,034
Due from Component Units	148,956	0	148,956	0
Prepaid Items	4,688	823	5,511	0
Property Taxes Receivable	10,670,005	0	10,670,005	5,769,092
Allowance for Uncollectible Property Taxes	(449,353)	0	(449,353)	(242,957)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	106,004
Net Pension Asset - Agent Plan	443,080	0	443,080	294,036
Net Pension Asset - Teacher Retirement Plan	0	0	0	122,143
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	4,210,740
Assets Not Depreciated:				
Land	2,739,127	0	2,739,127	1,118,836
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	12,593,465	0	12,593,465	31,802,731
Infrastructure	7,190,262	0	7,190,262	0
Other Capital Assets	1,663,920	242,675	1,906,595	376,450
Total Assets	\$ 70,734,720	\$ 328,805	\$ 71,063,525	\$ 52,777,186
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 38,241	\$ 0	\$ 38,241	\$ 235,452
Pension Changes in Assumptions	189,159	0	189,159	697,192
Pension Changes in Proportion	0	0	0	46,441
Pension Contributions After Measurement Date	417,778	0	417,778	1,764,669
OPEB Changes in Experience	0	0	0	383,602
OPEB Changes in Assumptions	29,029	0	29,029	76,219
OPEB Changes in Proportion	0	0	0	42,083
OPEB Contributions After Measurement Date	12,425	0	12,425	113,287
Total Deferred Outflows of Resources	\$ 686,632	\$ 0	\$ 686,632	\$ 3,358,945
<u>LIABILITIES</u>				
Accounts Payable	\$ 158,312	\$ 750	\$ 159,062	\$ 186,338
Accrued Payroll	26,035	0	26,035	14,622
Payroll Deductions Payable	0	0	0	5,181
Due to Primary Government	0	0	0	148,956
Due to Litigants, Heirs, and Others	22,561	0	22,561	0
Accrued Interest Payable	125,292	0	125,292	0
Noncurrent Liabilities:				
Due Within One Year - Debt	2,692,223	0	2,692,223	0
Due Within One Year - Other	19,023	0	19,023	0
Due in More Than One Year - Debt	20,501,415	0	20,501,415	0
Due in More Than One Year - Other	315,012	0	315,012	2,651,360
Total Liabilities	\$ 23,859,873	\$ 750	\$ 23,860,623	\$ 3,006,457

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type		Marion
	Activities	Activities	Total	County
				School
				Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,820,250	\$ 0	\$ 9,820,250	\$ 5,309,643
Pension Changes in Experience	48,280	0	48,280	2,625,367
Pension Changes in Investment Earnings	246,512	0	246,512	1,371,843
Pension Changes in Proportion	0	0	0	19,454
OPEB Changes in Experience	67,461	0	67,461	583,746
OPEB Changes in Assumptions	10,690	0	10,690	284,303
OPEB Changes in Proportion	0	0	0	64,648
Total Deferred Inflows of Resources	<u>\$ 10,193,193</u>	<u>\$ 0</u>	<u>\$ 10,193,193</u>	<u>\$ 10,259,004</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 19,777,675	\$ 242,675	\$ 20,020,350	\$ 33,298,017
Restricted for:				
General Government	337,306	0	337,306	0
Finance	138,095	0	138,095	0
Administration of Justice	314,009	0	314,009	0
Public Safety	394,132	0	394,132	0
Public Health and Welfare	396,189	0	396,189	0
Highways/Public Works	1,993,367	0	1,993,367	0
Debt Service	9,339,182	0	9,339,182	0
Capital Projects	7,737,647	0	7,737,647	0
Education	0	0	0	2,610,171
Pensions	443,080	0	443,080	4,732,923
Unrestricted	<u>(3,502,396)</u>	<u>85,380</u>	<u>(3,417,016)</u>	<u>2,229,559</u>
Total Net Position	<u>\$ 37,368,286</u>	<u>\$ 328,055</u>	<u>\$ 37,696,341</u>	<u>\$ 42,870,670</u>

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



Exhibit B

Marion County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2020

					Net (Expense) Revenue and Changes in Net Position				
Program Revenues								Component Unit	
					Primary Government			Marion	
					Governmental	Business-type		County	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	Activities	Total	School Department	
Primary Government:									
Governmental Activities:									
General Government	\$ 3,091,535	\$ 660,870	\$ 153,022	\$ 5,682	\$ (2,271,961)	\$ 0	\$ (2,271,961)	\$ 0	
Finance	997,424	869,295	0	0	(128,129)	0	(128,129)	0	
Administration of Justice	1,191,753	544,950	9,000	0	(637,803)	0	(637,803)	0	
Public Safety	5,025,186	392,408	296,795	1,789	(4,334,194)	0	(4,334,194)	0	
Public Health and Welfare	1,305,051	54,969	400,416	0	(849,666)	0	(849,666)	0	
Social, Cultural, and Recreational Services	635,255	210,072	183,001	0	(242,182)	0	(242,182)	0	
Agriculture and Natural Resources	176,775	0	0	0	(176,775)	0	(176,775)	0	
Highways/Public Works	3,398,683	85,296	2,493,530	1,101,868	282,011	0	282,011	0	
Interest on Long-term Debt	834,997	0	0	0	(834,997)	0	(834,997)	0	
Education	21,917	0	0	774,868	752,951	0	752,951	0	
Total Governmental Activities	\$ 16,678,576	\$ 2,817,860	\$ 3,535,764	\$ 1,884,207	\$ (8,440,745)	\$ 0	\$ (8,440,745)	\$ 0	
Business-type Activities:									
Marion County Conservation Commission	\$ 110,965	\$ 185,842	\$ 0	\$ 0	\$ 0	\$ 74,877	\$ 74,877	\$ 0	
Total Primary Government	\$ 16,789,541	\$ 3,003,702	\$ 3,535,764	\$ 1,884,207	\$ (8,440,745)	\$ 74,877	\$ (8,365,868)	\$ 0	
Component Unit:									
Marion County School Department	\$ 36,696,803	\$ 256,902	\$ 4,770,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ (31,669,079)	
Total Component Unit	\$ 36,696,803	\$ 256,902	\$ 4,770,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ (31,669,079)	

(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					\$ 7,714,592	\$ 0	\$ 7,714,592	\$ 5,320,539
Property Taxes Levied for Debt Service					2,065,748	0	2,065,748	0
Local Option Sales Taxes					2,779,013	0	2,779,013	4,618,433
Hotel/Motel Tax					0	0	0	26,595
Litigation Tax - General					84,051	0	84,051	0
Litigation Tax - Special Purpose					8,338	0	8,338	0
Litigation Tax - Jail, Workhouse, or Courthouse					15,203	0	15,203	0
Business Tax					268,863	0	268,863	0
Wholesale Beer Tax					0	0	0	117,589
Mixed Drink Tax					6,879	0	6,879	18,306
Grants and Contributions Not Restricted to Specific Programs					983,433	0	983,433	22,791,762
Interest Income					375,778	0	375,778	11,358
Proceeds from Sale of Land/Equipment					21,115	0	21,115	575
Miscellaneous					84,414	0	84,414	48,139
Amortization Premium					93,274	0	93,274	0
Total General Revenues					\$ 14,500,701	\$ 0	\$ 14,500,701	\$ 32,953,296
Insurance Recovery								
					\$ 0	\$ 0	0	\$ 32,193
Total Revenues and Other Sources (Uses)					\$ 14,500,701	\$ 0	\$ 14,500,701	\$ 32,985,489
Change in Net Position								
Net Position, July 1, 2019					\$ 6,059,956	\$ 74,877	\$ 6,134,833	\$ 1,316,410
Net Position, June 30, 2020								
					\$ 37,368,286	\$ 328,055	\$ 37,696,341	\$ 42,870,670

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, 2020

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>ASSETS</u>					
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	9,537,512	1,318,213	7,326,913	4,388,708	7,654,234
Accounts Receivable	86,220	0	0	0	0
Due from Other Governments	312,381	674,961	0	373,618	39,920
Due from Other Funds	6,938	0	0	0	0
Due from Component Units	0	876	0	0	0
Property Taxes Receivable	7,240,830	0	1,573,186	0	1,159,027
Allowance for Uncollectible Property Taxes	(304,937)	0	(66,253)	0	(48,811)
Prepaid Items	4,688	0	0	0	0
Total Assets	<u>\$ 16,883,832</u>	<u>\$ 1,994,050</u>	<u>\$ 8,833,846</u>	<u>\$ 4,762,326</u>	<u>\$ 8,804,370</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 129,322	\$ 683	\$ 0	\$ 0	\$ 0
Accrued Payroll	26,035	0	0	0	0
Due to Other Funds	191	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	<u>\$ 155,548</u>	<u>\$ 683</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,664,173	\$ 0	\$ 1,447,898	\$ 0	\$ 1,066,723
Deferred Delinquent Property Taxes	248,728	0	54,040	0	39,814
Other Deferred/Unavailable Revenue	6,882	196,698	0	189,529	0
Total Deferred Inflows of Resources	<u>\$ 6,919,783</u>	<u>\$ 196,698</u>	<u>\$ 1,501,938</u>	<u>\$ 189,529</u>	<u>\$ 1,106,537</u>

(Continued)

## Exhibit C-1

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

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 4,688	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	70,121	0	0	0	0
Restricted for Finance	29,786	0	0	0	0
Restricted for Administration of Justice	314,009	0	0	0	0
Restricted for Public Safety	63,395	0	0	0	0
Restricted for Public Health and Welfare	4,499	0	0	0	0
Restricted for Highways/Public Works	0	1,796,669	0	0	0
Restricted for Debt Service	0	0	7,331,908	0	0
Restricted for Capital Projects	0	0	0	0	7,697,833
Committed:					
Committed for Debt Service	0	0	0	4,572,797	0
Committed for Capital Projects	0	0	0	0	0
Assigned:					
Assigned for Social, Cultural, and Recreational Services	9,483	0	0	0	0
Unassigned	9,312,520	0	0	0	0
Total Fund Balances	<u>\$ 9,808,501</u>	<u>\$ 1,796,669</u>	<u>\$ 7,331,908</u>	<u>\$ 4,572,797</u>	<u>\$ 7,697,833</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,883,832</u>	<u>\$ 1,994,050</u>	<u>\$ 8,833,846</u>	<u>\$ 4,762,326</u>	<u>\$ 8,804,370</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$	114,718	\$	114,918
Equity in Pooled Cash and Investments		3,791,391		34,016,971
Accounts Receivable		473		86,693
Due from Other Governments		111,165		1,512,045
Due from Other Funds		78		7,016
Due from Component Units		0		876
Property Taxes Receivable		696,962		10,670,005
Allowance for Uncollectible Property Taxes		(29,352)		(449,353)
Prepaid Items		0		4,688
Total Assets	\$	4,685,435	\$	45,963,859
<u>LIABILITIES</u>				
Accounts Payable	\$	28,307	\$	158,312
Accrued Payroll		0		26,035
Due to Other Funds		6,882		7,073
Due to Litigants, Heirs, and Others		22,561		22,561
Total Liabilities	\$	57,750	\$	213,981
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$	641,456	\$	9,820,250
Deferred Delinquent Property Taxes		23,941		366,523
Other Deferred/Unavailable Revenue		57,963		451,072
Total Deferred Inflows of Resources	\$	723,360	\$	10,637,845

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$	0	\$ 4,688
Restricted:			
Restricted for General Government		13,769	83,890
Restricted for Finance		108,309	138,095
Restricted for Administration of Justice		0	314,009
Restricted for Public Safety		330,737	394,132
Restricted for Public Health and Welfare		333,727	338,226
Restricted for Highways/Public Works		0	1,796,669
Restricted for Debt Service		1,929,293	9,261,201
Restricted for Capital Projects		0	7,697,833
Committed:			
Committed for Debt Service		0	4,572,797
Committed for Capital Projects		1,188,490	1,188,490
Assigned:			
Assigned for Social, Cultural, and Recreational Services		0	9,483
Unassigned		0	9,312,520
Total Fund Balances	\$	3,904,325	\$ 35,112,033
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	4,685,435	\$ 45,963,859

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, 2020

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)		\$	35,112,033
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,739,127	
Add: buildings and improvements net of accumulated depreciation		12,593,465	
Add: infrastructure net of accumulated depreciation		7,190,262	
Add: other capital assets net of accumulated depreciation		<u>1,663,920</u>	24,186,774
(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	\$	(21,835,000)	
Less: notes payable		(444,505)	
Less: capital leases payable		(148,080)	
Add: debt to be contributed by the school department		148,080	
Less: compensated absences payable		(20,025)	
Less: OPEB liability		(314,010)	
Less: accrued interest on bonds		(120,952)	
Less: accrued interest on notes		(3,089)	
Less: accrued interest on capital leases		(1,251)	
Less: unamortized premium on debt		<u>(766,053)</u>	(23,504,885)
(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	\$	645,178	
Less: deferred inflows of resources related to pensions		(294,792)	
Add: deferred outflows of resources related to OPEB		41,454	
Less: deferred inflows of resources related to OPEB		<u>(78,151)</u>	313,689
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			443,080
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>817,595</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>37,368,286</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, 2020

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 7,103,819	\$ 0	\$ 1,442,556	\$ 1,976,213	\$ 1,077,096
Licenses and Permits	271,727	0	0	0	0
Fines, Forfeitures, and Penalties	105,575	0	0	0	0
Charges for Current Services	79,861	63,378	0	0	0
Other Local Revenues	611,922	74,258	0	17,301	212
Fees Received From County Officials	949,960	0	0	0	0
State of Tennessee	1,286,125	3,143,390	0	0	0
Federal Government	291,152	452,008	0	0	39,920
Other Governments and Citizens Groups	348,494	0	774,868	48,013	0
Total Revenues	\$ 11,048,635	\$ 3,733,034	\$ 2,217,424	\$ 2,041,527	\$ 1,117,228
<u>Expenditures</u>					
Current:					
General Government	\$ 2,032,976	\$ 0	\$ 0	\$ 0	\$ 208,898
Finance	477,573	0	0	0	0
Administration of Justice	1,186,060	0	0	0	0
Public Safety	4,769,651	0	0	0	0
Public Health and Welfare	542,808	0	0	0	0
Social, Cultural, and Recreational Services	251,259	0	0	0	0
Agriculture and Natural Resources	129,798	0	0	0	0
Other Operations	1,029,137	0	0	19,691	68,860
Highways	0	3,372,494	0	0	0
Debt Service:					
Principal on Debt	0	76,169	1,235,000	823,013	0
Interest on Debt	0	12,415	282,000	434,281	0
Other Debt Service	0	0	29,843	0	0
Total Expenditures	\$ 10,419,262	\$ 3,461,078	\$ 1,546,843	\$ 1,276,985	\$ 277,758

(Continued)



Exhibit C-3

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

	Major Funds				
	General	Highway / Public Works	Rural Debt Service	Education Debt Service	Other Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ 629,373	\$ 271,956	\$ 670,581	\$ 764,542	\$ 839,470
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0
Transfers Out	(10,000)	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (10,000)</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 619,373	\$ 281,956	\$ 670,581	\$ 764,542	\$ 839,470
Fund Balance, July 1, 2019	<u>9,189,128</u>	<u>1,514,713</u>	<u>6,661,327</u>	<u>3,808,255</u>	<u>6,858,363</u>
Fund Balance, June 30, 2020	<u>\$ 9,808,501</u>	<u>\$ 1,796,669</u>	<u>\$ 7,331,908</u>	<u>\$ 4,572,797</u>	<u>\$ 7,697,833</u>

(Continued)

## Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Revenues</u>			
Local Taxes	\$ 1,210,245	\$	12,809,929
Licenses and Permits	0		271,727
Fines, Forfeitures, and Penalties	167,815		273,390
Charges for Current Services	563,965		707,204
Other Local Revenues	222,832		926,525
Fees Received From County Officials	0		949,960
State of Tennessee	182,285		4,611,800
Federal Government	308		783,388
Other Governments and Citizens Groups	0		1,171,375
Total Revenues	<u>\$ 2,347,450</u>	<u>\$</u>	<u>22,505,298</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 18,541	\$	2,260,415
Finance	512,988		990,561
Administration of Justice	1,748		1,187,808
Public Safety	161,815		4,931,466
Public Health and Welfare	746,865		1,289,673
Social, Cultural, and Recreational Services	0		251,259
Agriculture and Natural Resources	0		129,798
Other Operations	26,619		1,144,307
Highways	0		3,372,494
Debt Service:			
Principal on Debt	425,000		2,559,182
Interest on Debt	124,281		852,977
Other Debt Service	352		30,195
Total Expenditures	<u>\$ 2,018,209</u>	<u>\$</u>	<u>19,000,135</u>

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 329,241	\$ 3,505,163	
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 10,000	
Transfers Out	0	(10,000)	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	
Net Change in Fund Balances	\$ 329,241	\$ 3,505,163	
Fund Balance, July 1, 2019	3,575,084	31,606,870	
Fund Balance, June 30, 2020	\$ 3,904,325	\$ 35,112,033	

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, 2020

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)		\$	3,505,163
(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	\$	1,015,546	
Less: current-year depreciation expense		(1,449,545)	(433,999)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(19,992)
(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, 2020	\$	817,595	
Less: deferred delinquent property taxes and other deferred June 30, 2019		(594,335)	223,260
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	2,435,000	
Add: principal payments on notes		116,169	
Add: principal payments on capital leases		48,013	
Add: changes in premium on debt issuance		93,274	
Less: contributions from the school department for capital lease		(48,013)	2,644,443
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	17,980	
Change in compensated absences payable		137,525	
Change in net pension liability/asset		177,312	
Change in deferred outflows related to pensions		(55,241)	
Change in deferred inflows related to pensions		(116,292)	
Change in OPEB liability		(16,790)	
Change in deferred outflows related to OPEB		21,929	
Change in deferred inflows related to OPEB		(25,342)	141,081
Change in net position of governmental activities (Exhibit B)		\$	<u>6,059,956</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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,103,819	\$ 7,196,539	\$ 7,196,539	\$ (92,720)
Licenses and Permits	271,727	252,000	252,000	19,727
Fines, Forfeitures, and Penalties	105,575	116,800	116,800	(11,225)
Charges for Current Services	79,861	72,700	72,700	7,161
Other Local Revenues	611,922	452,300	452,300	159,622
Fees Received From County Officials	949,960	1,095,000	1,095,000	(145,040)
State of Tennessee	1,286,125	3,425,679	3,495,453	(2,209,328)
Federal Government	291,152	89,313	234,685	56,467
Other Governments and Citizens Groups	348,494	316,000	317,010	31,484
Total Revenues	\$ 11,048,635	\$ 13,016,331	\$ 13,232,487	\$ (2,183,852)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 132,352	\$ 172,300	\$ 172,300	\$ 39,948
Board of Equalization	1,399	6,200	6,200	4,801
Beer Board	2,907	2,925	2,925	18
Budget and Finance Committee	4,198	6,500	6,500	2,302
County Mayor/Executive	311,861	360,967	360,967	49,106
Election Commission	262,686	305,703	306,239	43,553
Register of Deeds	241,033	247,543	249,445	8,412
Development	50,000	50,000	50,000	0
Building	131,366	149,288	149,288	17,922
County Buildings	779,442	1,256,186	1,308,830	529,388
Other General Administration	115,732	134,412	134,412	18,680
<u>Finance</u>				
Property Assessor's Office	244,706	261,393	263,295	18,589
Reappraisal Program	80,554	88,156	88,356	7,802
County Trustee's Office	59,520	77,239	77,239	17,719
County Clerk's Office	92,793	108,158	108,158	15,365
<u>Administration of Justice</u>				
Circuit Court	544,576	571,890	572,090	27,514
General Sessions Court	132,432	136,250	136,250	3,818
Chancery Court	259,146	261,982	272,482	13,336
Juvenile Court	249,906	252,464	262,464	12,558
<u>Public Safety</u>				
Sheriff's Department	2,942,997	3,227,012	3,272,491	329,494
Administration of the Sexual Offender Registry	2,592	955	3,955	1,363
Jail	1,526,003	1,559,440	1,639,440	113,437
Correctional Incentive Program Improvements	16,604	26,610	26,610	10,006
Fire Prevention and Control	221,925	230,915	230,915	8,990
Civil Defense	22,145	40,674	40,674	18,529
Rescue Squad	15,000	15,000	15,000	0
County Coroner/Medical Examiner	22,385	16,050	22,600	215
<u>Public Health and Welfare</u>				
Local Health Center	233,012	393,300	393,300	160,288
Ambulance/Emergency Medical Services	160,726	154,500	160,750	24
Alcohol and Drug Programs	6,913	6,400	6,400	(513)
Other Local Health Services	35,925	56,500	56,500	20,575

(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	\$ 106,232	\$ 93,933	\$ 103,238	\$ (2,994)
<u>Social, Cultural, and Recreational Services</u>				
Libraries	169,122	166,096	169,122	0
Parks and Fair Boards	46,919	47,400	67,600	20,681
Other Social, Cultural, and Recreational	35,218	70,000	70,000	34,782
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	86,394	72,225	87,100	706
Soil Conservation	43,404	46,270	46,270	2,866
<u>Other Operations</u>				
Industrial Development	9,378	34,100	34,100	24,722
Other Economic and Community Development	129,229	2,159,197	2,159,197	2,029,968
Airport	359,023	466,701	467,101	108,078
Veterans' Services	18,792	21,190	21,390	2,598
Other Charges	367,343	512,000	522,124	154,781
COVID-19 Grant A	145,372	0	145,372	0
Total Expenditures	\$ 10,419,262	\$ 13,866,024	\$ 14,288,689	\$ 3,869,427
Excess (Deficiency) of Revenues Over Expenditures	\$ 629,373	\$ (849,693)	\$ (1,056,202)	\$ 1,685,575
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 5,000	\$ 33,500	\$ (33,500)
Transfers Out	(10,000)	(235,000)	(235,000)	225,000
Total Other Financing Sources	\$ (10,000)	\$ (230,000)	\$ (201,500)	\$ 191,500
Net Change in Fund Balance	\$ 619,373	\$ (1,079,693)	\$ (1,257,702)	\$ 1,877,075
Fund Balance, July 1, 2019	9,189,128	7,159,228	7,159,228	2,029,900
Fund Balance, June 30, 2020	\$ 9,808,501	\$ 6,079,535	\$ 5,901,526	\$ 3,906,975

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 2,129	\$ 0	\$ 0
Charges for Current Services	63,378	140,000	60,000	3,378
Other Local Revenues	74,258	26,800	23,146	51,112
State of Tennessee	3,143,390	2,763,304	3,114,568	28,822
Federal Government	452,008	223,650	456,150	(4,142)
Total Revenues	\$ 3,733,034	\$ 3,155,883	\$ 3,653,864	\$ 79,170
<u>Expenditures</u>				
<u>Highways</u>				
Administration	342,406	359,088	359,869	17,463
Highway and Bridge Maintenance	1,789,750	1,858,075	2,145,240	355,490
Operation and Maintenance of Equipment	316,625	375,390	347,670	31,045
Other Charges	56,000	58,256	60,481	4,481
Employee Benefits	302,199	326,928	315,228	13,029
Capital Outlay	565,514	403,578	610,182	44,668
<u>Principal on Debt</u>				
Highways and Streets	76,169	76,170	76,170	1
<u>Interest on Debt</u>				
Highways and Streets	12,415	12,415	12,415	0
Total Expenditures	\$ 3,461,078	\$ 3,469,900	\$ 3,927,255	\$ 466,177
Excess (Deficiency) of Revenues Over Expenditures	\$ 271,956	\$ (314,017)	\$ (273,391)	\$ 545,347
<u>Other Financing Sources (Uses)</u>				
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Net Change in Fund Balance	\$ 281,956	\$ (304,017)	\$ (263,391)	\$ 545,347
Fund Balance, July 1, 2019	1,514,713	1,590,764	1,590,764	(76,051)
Fund Balance, June 30, 2020	\$ 1,796,669	\$ 1,286,747	\$ 1,327,373	\$ 469,296

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, 2020

	Major Enterprise Fund Marion County Conservation Commission
<u>ASSETS</u>	
Cash	\$ 85,307
Prepaid Items	823
Assets Net of Accumulated Depreciation:	
Other Capital Assets	<u>242,675</u>
Total Assets	<u>\$ 328,805</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 750</u>
Total Liabilities	<u>\$ 750</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 242,675
Unrestricted	<u>85,380</u>
Total Net Position	<u><u>\$ 328,055</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, 2020

	Major Enterprise Fund Marion County Conservation Commission
<u>Operating Revenues</u>	
User Fees/Vending	\$ 185,842
Total Operating Revenues	<u>\$ 185,842</u>
<u>Operating Expenses</u>	
Salaries and Benefits	\$ 26,334
Utilities	30,080
Contract Services	6,820
Telephone	2,964
Equipment	3,664
Depreciation	24,677
Professional Fees	5,775
Insurance	1,181
Fuel	1,116
Supplies	7,578
Printing	696
Miscellaneous	80
Total Operating Expenses	<u>\$ 110,965</u>
Operating Income	<u>\$ 74,877</u>
Change in Net Position	\$ 74,877
Net Position, July 1, 2019	<u>253,178</u>
Net Position, June 30, 2020	<u><u>\$ 328,055</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, 2020

	Major Enterprise Fund
	Marion County Conservation Commission
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 185,842
Payments to Suppliers	(73,650)
Payments to Employees	(26,334)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 85,858</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (66,479)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (66,479)</u>
Net Increase (Decrease) in Cash	\$ 19,379
Cash, July 1, 2019	<u>65,928</u>
Cash, June 30, 2020	<u><u>\$ 85,307</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 74,877
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	24,677
Changes in Assets and Liabilities:	
(Increase) Decrease in Prepaid Items	(823)
Increase (Decrease) in Accounts Payable	<u>(12,873)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 85,858</u></u>

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

Exhibit E

Marion County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 912,430
Equity in Pooled Cash and Investments	206,866
Accounts Receivable	3,660
Due from Other Governments	790,465
Due from Other Funds	113
Property Taxes Receivable	350,830
Allowance for Uncollectible Property Taxes	<u>(14,520)</u>
Total Assets	<u><u>\$ 2,249,844</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,233
Due to Other Funds	56
Due to Other Taxing Units	1,147,447
Due to Litigants, Heirs, and Others	916,022
Due to Joint Ventures	<u>184,086</u>
Total Liabilities	<u><u>\$ 2,249,844</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)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	44
3. Inventories and Prepaid Items	45
4. Restricted Assets	45
5. Capital Assets	45
6. Deferred Outflows/Inflows of Resources	46
7. Compensated Absences	47
8. Long-term Debt and Long-term Obligations	47
9. Net Position and Fund Balance	48
E. Pension Plans	49
F. Other Postemployment Benefit (OPEB) Plans	50
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	51
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	51
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	51
B. Expenditures Exceeded Appropriations	52
C. The Discretely Presented Marion County School Department Had Deposits That Were Exposed to Custodial Credit Risk	53
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	53
B. Capital Assets	61
C. Insurance Recovery	63
D. Interfund Receivables, Payables, and Transfers	63
E. Capital Leases	64
F. Long-term Debt	65
G. Long-term Obligations	68
H. On-Behalf Payments	70

(Continued)

---

---

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

---

---

Note	Page(s)
<b>V. Other Information</b>	
A. Risk Management	70
B. Contingent Liabilities	71
C. Changes in Administration	71
D. Landfill Closure/Postclosure Care Costs	71
E. Joint Venture	72
F. Jointly Governed Organization	72
G. Retirement Commitments	73
H. Other Postemployment Benefits (OPEB)	90
I. Termination Benefits	99
J. Purchasing Laws	99
K. Subsequent Events	100
<b>VI. Other Notes - Marion County Conservation Commission (Enterprise Fund)</b>	100

**MARION COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

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

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

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

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

Marion County issues all debt for the discretely presented Marion County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

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, except for agency funds, which have no measurement focus. 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. It has no internal service funds to report.

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

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



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

Proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no 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.

Marion County reports the following major governmental funds:

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

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

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

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

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

Marion County reports the following major proprietary fund:

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

Additionally, Marion County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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.

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

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

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

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 2.26 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes is reported as a deferred inflow of resources as of June 30.

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

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

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

**3. Inventories and Prepaid Items**

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

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

**4. Restricted Assets**

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Marion County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Marion County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Marion County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

**5. Capital Assets**

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

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

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

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

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

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

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, and proportionate share of contributions; OPEB changes in experience, assumptions, and changes in proportionate share of contributions; and employer contributions made to the pension and OPEB plans after the measurement date.

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

governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Compensated Absences**

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

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

**8. Long-term Debt and Long-term Obligations**

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

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

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

**9. Net Position and Fund Balance**

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

- a. Net Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2020, Marion County had \$17,928,080 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 Retirement 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 Retirement 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 Retirement 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 (special revenue fund), which is not budgeted, and certain capital projects funds, 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 in several major appropriation categories (the legal level of control) in the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Alcohol and Drug Programs	\$ 513
Sanitation Education/Information	2,994
Courthouse and Jail Maintenance:	
County Buildings	4,541
Drug Control:	
Drug Enforcement	10,715
Education Debt Service:	
Other Charges	1,691
Other Capital Projects:	
Other Economic and Community Development	40,704

In addition, expenditures exceeded total appropriations in the Courthouse and Jail Maintenance Fund by \$4,514, the Drug Control Fund by \$10,293, and the Education Debt Service Fund by \$1,690. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the Drug Control and Education Debt Service funds and by available fund balance in the Courthouse and Jail Maintenance Fund.

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

At June 30, 2020, the government's brokerage firm was holding investments of \$525,546 for the discretely presented Marion County School Department's Private Purpose Trust Fund, which were exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments.

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

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

**Deposits**

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

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

## **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, 2020, 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:			
SunTrust Bank - U.S. Certificates of Deposit	N/A	4-29-21	\$ 170,478
Corporate Bonds - Morgan Stanley	N/A	7-24-20	100,306
Corporate Bonds - National Rural Utilities	N/A	6-15-22	49,256
Corporate Bonds - Caterpillar Financial	N/A	12-15-22	50,353
Corporate Bonds - General Electric	N/A	1-9-23	41,892
Corporate Bonds - Wells Fargo	N/A	2-13-23	42,460
Corporate Bonds - Ford Motor Credit	N/A	5-20-24	70,801
Total			<u>\$ 525,546</u>

Investment by Fair Value Level	Fair Value 6-30-20	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)
SunTrust Bank -				
U.S. Certificates of Deposit	\$ 170,478	\$ 170,478	\$ 0	\$ 0
Corporate Bonds - Morgan Stanley	100,306	100,306	0	0
Corporate Bonds - National Rural Utilities	49,256	49,256	0	0
Corporate Bonds - Caterpillar Financial	50,353	50,353	0	0
Corporate Bonds - General Electric	41,892	41,892	0	0
Corporate Bonds - Wells Fargo	42,460	42,460	0	0
Corporate Bonds - Ford Motor Credit	70,801	70,801	0	0
Total	<u>\$ 525,546</u>	<u>\$ 525,546</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
SunTrust Bank - U.S. Certificates of Deposit	Aa2	N/A
Corporate Bonds - Morgan Stanley	A3	BBB+
Corporate Bonds - National Rural Utilities	A2	A
Corporate Bonds - Caterpillar Financial	A3	A
Corporate Bonds - General Electric	Baa1	BBB+
Corporate Bonds - Wells Fargo	A3	BBB+
Corporate Bonds - Ford Motor Credit	Ba2	BB+

**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 (\$525,546) represent the entire investments of the school department's Private Purpose Trust Fund. These investments are as follows: SunTrust Bank – U.S. Certificates of Deposit (32 percent), Corporate Bonds – Morgan Stanley (19 percent), Corporate Bonds – National Rural Utilities (nine percent), Corporate Bonds – Caterpillar Financial (ten percent), Corporate Bonds – General Electric (eight percent), Corporate Bonds – Wells Fargo (eight percent), and Corporate Bonds – Ford Motor Credit (13 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 \$525,546 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.

**Investment Balances.** Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are

not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2020, the Marion County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 32,861
Developed Market International Equity	N/A	N/A	14,842
Emerging Market International Equity	N/A	N/A	4,240
U.S. Fixed Income	N/A	N/A	21,200
Real Estate	N/A	N/A	10,600
Short-term Securities	N/A	N/A	1,060
NAV - Private Equity and Strategic Lending	N/A	N/A	21,201
Total			<u>\$ 106,004</u>

		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)	NAV
Investment by Fair Value Level	Fair Value 6-30-20				
U.S. Equity	\$ 32,861	\$ 32,861	\$ 0	\$ 0	0
Developed Market International Equity	14,842	14,842	0	0	0
Emerging Market International Equity	4,240	4,240	0	0	0
U.S. Fixed Income	21,200	0	21,200	0	0
Real Estate	10,600	0	0	10,600	0
Short-term Securities	1,060	0	1,060	0	0
Private Equity and Strategic Lending	21,201	0	0	0	21,201
Total	<u>\$ 106,004</u>	<u>\$ 51,943</u>	<u>\$ 22,260</u>	<u>\$ 10,600</u>	<u>\$ 21,201</u>

**Risks and Uncertainties.** The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Marion County School Department does not have the ability to limit trust 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. The Marion County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

**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 School Department places no limit on the amount the county may invest in one issuer.

**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. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Marion County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2020, was as follows:

**Primary Government - Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 2,739,127	\$ 0	\$ 0	\$ 2,739,127
Construction in Progress	535,705	0	(535,705)	0
Total Capital Assets Not Depreciated	<u>\$ 3,274,832</u>	<u>\$ 0</u>	<u>\$ (535,705)</u>	<u>\$ 2,739,127</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,175,081	\$ 0	\$ 0	\$ 19,175,081
Infrastructure	29,447,207	1,115,699	0	30,562,906
Other Capital Assets	4,377,542	435,552	(50,147)	4,762,947
Total Capital Assets Depreciated	<u>\$ 52,999,830</u>	<u>\$ 1,551,251</u>	<u>\$ (50,147)</u>	<u>\$ 54,500,934</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,079,354	\$ 502,262	\$ 0	\$ 6,581,616
Infrastructure	22,723,426	649,218	0	23,372,644
Other Capital Assets	2,831,117	298,065	(30,155)	3,099,027
Total Accumulated Depreciation	<u>\$ 31,633,897</u>	<u>\$ 1,449,545</u>	<u>\$ (30,155)</u>	<u>\$ 33,053,287</u>
Total Capital Assets Depreciated, Net	<u>\$ 21,365,933</u>	<u>\$ 101,706</u>	<u>\$ (19,992)</u>	<u>\$ 21,447,647</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,640,765</u>	<u>\$ 101,706</u>	<u>\$ (555,697)</u>	<u>\$ 24,186,774</u>

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

**Governmental Activities:**

General Government	\$ 434,364
Public Safety	301,073
Public Health and Welfare	23,220
Highways/Public Works	<u>690,888</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,449,545</u>

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

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 1,118,836	\$ 0	\$ 1,118,836
Total Capital Assets Not Depreciated	\$ 1,118,836	\$ 0	\$ 1,118,836
Capital Assets Depreciated:			
Buildings and Improvements	\$ 60,927,470	\$ 26,300	\$ 60,953,770
Other Capital Assets	854,132	13,719	867,851
Total Capital Assets Depreciated	\$ 61,781,602	\$ 40,019	\$ 61,821,621
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 27,698,563	\$ 1,452,476	\$ 29,151,039
Other Capital Assets	437,996	53,405	491,401
Total Accumulated Depreciation	\$ 28,136,559	\$ 1,505,881	\$ 29,642,440
Total Capital Assets Depreciated, Net	\$ 33,645,043	\$ (1,465,862)	\$ 32,179,181
Governmental Activities Capital Assets, Net	\$ 34,763,879	\$ (1,465,862)	\$ 33,298,017

There were no decreases in capital assets to report during the year ended June 30, 2020.

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

**Governmental Activities:**

Instruction	\$ 1,435,415
Support Services	27,515
Operation of Non-instructional Services	<u>42,951</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,505,881</u>

**C. Insurance Recovery**

Program expenses of governmental activities for Public Health and Welfare do not include \$362,250 in costs incurred in the Solid Waste/Sanitation Fund due to fire damage to a garbage compactor. These costs were netted against insurance proceeds received in that fund and resulted in no expense to the county.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 6,882
General	Nonmajor agency	56
Nonmajor governmental	General	78
Nonmajor agency	General	113
Discretely Presented School Department:		
General Purpose School	Central Cafeteria	19,838
General Purpose School	Nonmajor governmental	68,385

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
Primary Government:		
Component Unit:		
School Department:		
Highway/Public Works	General Purpose School	\$ 876
Governmental Activities	School Department	148,080

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 (\$148,080) represents debt issued by the primary government for

the schools. The principal is being contributed by the school department to the primary government to retire this debt.

### **Interfund Transfers:**

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

#### **Primary Government**

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

#### **Discretely Presented Marion County School Department**

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
Nonmajor governmental fund	\$ 65,093	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.

### **E. Capital Leases**

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

On May 3, 2019, Marion County entered into a five-year lease-purchase agreement to acquire Promethean boards for the school department. The terms



of the agreement require total lease payments of \$168,140. Title to the computers transfers to the school department at the end of the lease period. The lease payments are made from Education Debt Service Fund through contributions from the school department's General Purpose School and School Federal Projects funds. These items do not meet the county's capitalization threshold.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year Ending June 30	Governmental Funds
2021	\$ 50,811
2022	50,811
2023	50,811
Total Minimum Lease Payments	\$ 152,433
Less: Amount Representing Interest	(4,353)
Present Value of Minimum Lease Payments	\$ 148,080

**F. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Notes**

General Obligation Bonds – Marion County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service, Rural Debt Service, and Education Debt Service funds.

Direct Borrowing and Direct Placements - Marion County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 11 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in

long-term debt as of June 30, 2020, will be retired from the General and Highway/Public Works funds.

On December 21, 2012, Marion County issued a \$377,000 capital outlay note for a public works project. This capital outlay note will finance a portion of the cost of a sewer line extension and sewer pump station construction on the City of Jasper's existing sewer system to serve a commercial development and other properties within a newly-annexed portion of the city. Marion County and the City of Jasper entered into an interlocal agreement with the express understanding and agreement that the City of Jasper would be responsible for repayment of all principal and interest due on the capital outlay note. The City of Jasper will remit to the county on or before March 15, of each of the next three years, an amount between \$40,776 and \$42,328, depending on the debt service (principal and interest payments) for that particular year.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	2.5 to 4 %	4-1-30	\$ 3,675,000	\$ 1,800,000
General Obligation Bonds - Refunding	2 to 5	6-1-31	33,680,000	20,035,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.94 to 3.09	4-19-24	927,000	444,505
Capital Leases	0 to 4.54	5-3-23	246,904	148,080

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 2,525,000	\$ 752,662	\$ 3,277,662
2022	2,650,000	661,462	3,311,462
2023	2,755,000	559,388	3,314,388
2024	2,875,000	439,113	3,314,113
2025	1,670,000	343,094	2,013,094
2026-2030	8,020,000	1,024,278	9,044,278
2031	1,340,000	46,900	1,386,900
Total	\$ 21,835,000	\$ 3,826,897	\$ 25,661,897

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 118,557	\$ 12,355	\$ 130,912
2022	120,984	9,152	130,136
2023	123,487	5,873	129,360
2024	81,477	2,524	84,001
Total	\$ 444,505	\$ 29,904	\$ 474,409

There is \$13,833,998 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$773, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums totaled \$821, based on the 2010 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 6-30-20
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computers	\$ 47,196
Promethean Boards	16,006
<u>Contributions from the School Federal Projects Fund</u>	
Promethean Boards	84,878
Total	\$ 148,080

### Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:			
	Bonds	Notes - Direct Placement	Capital Leases - Direct Placement
Balance, July 1, 2019	\$ 24,270,000	\$ 560,674	\$ 196,093
Reductions	(2,435,000)	(116,169)	(48,013)
Balance, June 30, 2020	<u>\$ 21,835,000</u>	<u>\$ 444,505</u>	<u>\$ 148,080</u>
Balance Due Within One Year	<u>\$ 2,525,000</u>	<u>\$ 118,557</u>	<u>\$ 48,666</u>

### Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 22,427,585
Less: Balance Due Within One Year - Debt	(2,692,223)
Add: Unamortized Premium on Debt	<u>766,053</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 20,501,415</u>

## **G. Long-term Obligations**

### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2019	\$ 157,550	\$ 297,220
Additions	27,836	57,471
Reductions	<u>(165,361)</u>	<u>(40,681)</u>
Balance, June 30, 2020	<u>\$ 20,025</u>	<u>\$ 314,010</u>
Balance Due Within One Year	<u>\$ 19,023</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 334,035
Less: Balance Due Within One Year - Other	<u>(19,023)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 315,012</u>
---	-------------------

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

**Discretely Presented Marion County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Marion County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Other Post- employment Benefits
Balance, July 1, 2019	\$ 2,422,498
Additions	660,668
Reductions	<u>(431,806)</u>
Balance, June 30, 2020	<u>\$ 2,651,360</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 2,651,360
Less: Balance Due Within One Year - Other	<u>0</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,651,360</u>
---	---------------------

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 Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$64,866 and \$50,192, 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 \$100,000 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 Comprehensive Annual 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 Comprehensive Annual 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 the last two fiscal years.

#### **B. Contingent Liabilities**

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.

#### **C. Changes in Administration**

On September 20, 2019, Levoy Gudger retired from the Office of Clerk & Master and was succeeded by Paige Mashburn, effective September 23, 2019.

#### **D. 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 \$644,396 estimated closure and postclosure costs of the landfill at June 30, 2020, 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 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. 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, 2020 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

**F. 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.



## **G. Retirement Commitments**

### **1. Tennessee Consolidated Retirement System (TCRS)**

#### **Primary Government**

*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 Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.11 percent, the non-certified employees of the discretely presented school department comprise 39.89 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 [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	180
Inactive Employees Entitled to But Not Yet Receiving Benefits	245
Active Employees	322
Total	<u>747</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. 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, 2020, the employer contribution for Marion County was \$701,474 based on a rate of 6.88 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Marion County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Net Pension Liability (Asset)**

Marion County's net pension liability (asset) was measured as of June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 32,662,502	\$ 33,113,186	\$ (450,684)
Changes for the Year:			
Service Cost	\$ 955,882	\$ 0	\$ 955,882
Interest	2,385,378	0	2,385,378
Differences Between Expected and Actual Experience	57,772	0	57,772
Contributions-Employer	0	725,353	(725,353)
Contributions-Employees	0	529,962	(529,962)
Net Investment Income	0	2,457,938	(2,457,938)
Benefit Payments, Including Refunds of Employee Contributions	(1,433,247)	(1,433,247)	0
Administrative Expense	0	(27,790)	27,790
Net Changes	\$ 1,965,785	\$ 2,252,216	\$ (286,431)
Balance, June 30, 2019	\$ 34,628,287	\$ 35,365,402	\$ (737,115)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 60.11%	\$ 20,815,063	\$ 21,258,143	\$ (443,080)
School Department 39.89%	13,813,224	14,107,259	(294,035)
Total	\$ 34,628,287	\$ 35,365,402	\$ (737,115)

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

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

Net Pension Liability (Asset)      \$ 3,615,816   \$ (737,115)   \$ (4,362,566)

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

*Pension Expense.* For the year ended June 30, 2020, Marion County recognized pension expense of \$743,572.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, 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	\$ 63,618	\$ 80,320
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	410,100
Changes in Assumptions	314,688	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	701,474	N/A
Total	<u>\$ 1,079,780</u>	<u>\$ 490,420</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 645,178	\$ 294,791
School Department	434,602	195,629
Total	<u>\$ 1,079,780</u>	<u>\$ 490,420</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
2021	\$ 83,901
2022	(134,445)
2023	(60,188)
2024	(1,384)
2025	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 Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.11 percent and the non-certified employees of the discretely presented school department comprise 39.89 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 [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee



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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$55,706, which is 2.03 percent of covered payroll. In addition, employer contributions of \$53,896, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$122,143) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .216379 percent. The proportion as of June 30, 2018, was .202942 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$38,287.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, 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	\$ 5,065	\$ 21,323
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,164
Changes in Assumptions	4,244	0
Changes in Proportion of Net Pension Liability (Asset)	4,984	6,169
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	55,706	N/A
Total	\$ 69,999	\$ 32,656

The school department's employer contributions of \$55,706 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. 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
2021	\$ (2,635)
2022	(3,425)
2023	(1,976)
2024	(1,238)
2025	(1,027)
Thereafter	(8,062)

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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 38,700 \$ (122,143) \$ (241,036)

*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 [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.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 non-service related disability eligibility. The service related and non-service related disability benefits are

determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension 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. 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, 2020, to the Teacher Legacy Pension Plan were \$1,425,267 which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$4,210,740) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .409533 percent. The proportion measured at June 30, 2018, was .403398 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$562,549.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, 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	\$ 205,010	\$ 2,572,004
Changes in Assumptions	567,419	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,203,090
Changes in Proportion of Net Pension Liability (Asset)	41,457	13,285
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	1,425,267	N/A
Total	<u>\$ 2,239,153</u>	<u>\$ 3,788,379</u>

The school department's employer contributions of \$1,425,267 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. 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
2021	\$ (858,550)
2022	(1,185,655)
2023	(529,905)
2024	(400,383)
2025	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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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



Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		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 7.25 percent based on a blending of the factors described above.

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

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

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

Net Pension Liability (Asset) \$ 8,609,747 \$ (4,210,740) \$ (14,409,082)

*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 \$137,207 and teachers contributed \$75,514 to this deferred compensation pension plan.

## H. **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. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the 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, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2019, 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	2.20%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03 for for pre-65 retirees in the 2019 calendar year, and gradually decreasing 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 3.51 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, 2018, actuarial valuation of the TCRS.

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

years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

*Changes in Assumptions.* The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. 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 2020 plan year was revised from 6.75 to 6.03 percent.

### **Local Government OPEB Plan (Primary Government)**

*Plan description.* Employees of Marion County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) 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 LGP.

*Benefits provided.* Marion County offers the LGP 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 LGP 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 LGP. 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 LGP, 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, 2019, 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	136	26	162
Total	138	26	164

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP 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, 2020, the county paid \$12,425 (Marion County - \$11,771, Highway Dept - \$654) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Marion County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2018	\$ 228,074	\$ 69,146	\$ 297,220
Changes for the Year:			
Service Cost	\$ 22,162	\$ 6,727	\$ 28,889
Interest	9,033	2,719	11,752
Difference between Expected and Actuarial Experience	(17,621)	(20,127)	(37,748)
Changes in Assumption and Other Inputs	14,339	2,491	16,830
Benefit Payments	(1,406)	(1,527)	(2,933)
Net Changes	\$ 26,507	\$ (9,717)	\$ 16,790
Balance June 30, 2019	\$ 254,581	\$ 59,429	\$ 314,010

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the county recognized OPEB expense of \$32,627 (Marion County - \$26,900, Highway Dept - \$5,727). At June 30, 2020, 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 (County \$44,995, Hwy \$22,466)	\$ 0	\$ 67,461
Changes of Assumptions/Inputs (DO - County \$22,950, Hwy \$6,079 and DI - County \$8,585, Hwy \$2,105)	29,029	10,690
Net Difference Between Projected and Benefits paid after the measurement date (DO - County \$11,771, Hwy \$654)	<u>12,425</u>	<u>0</u>
Total	<u>\$ 41,454</u>	<u>\$ 78,151</u>

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
2021	\$ (4,295)	\$ (3,719)	\$ (8,014)
2022	(4,295)	(3,719)	(8,014)
2023	(4,295)	(3,719)	(8,014)
2024	(4,295)	(3,719)	(8,014)
2025	(4,295)	(3,319)	(7,614)
Thereafter	(9,155)	(297)	(9,452)

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 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 275,645	\$ 254,581	\$ 235,032
Hwy	66,340	59,429	53,192
Total OPEB Liability	<u>\$ 341,985</u>	<u>\$ 314,010</u>	<u>\$ 288,224</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 5.03 to 3.5%	Current Trend Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
County	\$ 226,063	\$ 254,581	\$ 288,341
Hwy	50,659	59,429	70,123
Total OPEB Liability	<u>\$ 276,722</u>	<u>\$ 314,010</u>	<u>\$ 358,464</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. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	16
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	0
Active Employees	352
Total	<u><u>368</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$113,287 to the LEP for OPEB benefits as they came due.



### Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Marion County School Department 64.86%	State of TN 35.14%	Total OPEB Liability
Balance July 1, 2018	\$ 2,422,498	\$ 1,222,093	\$ 3,644,591
Changes for the Year:			
Service Cost	\$ 142,136	\$ 76,993	\$ 219,129
Interest	87,862	47,594	135,456
Difference between Expected and Actuarial Experience	430,670	233,288	663,958
Changes in Assumption and Other Inputs	(213,842)	(115,835)	(329,677)
Change in Proportion	(58,471)	58,471	0
Benefit Payments	(159,493)	(86,397)	(245,890)
Net Changes	\$ 228,862	\$ 214,114	\$ 442,976
Balance June 30, 2019	\$ 2,651,360	\$ 1,436,207	\$ 4,087,567

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 \$175,404 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 64.86% and the State of Tennessee's share was 35.14%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$274,734, including the state's share of the expense. At June 30, 2020, 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	\$ 383,602	\$ 583,746
Changes of Assumptions/Inputs	76,219	284,303
Changes in Proportions	42,083	64,648
Benefits Paid After the Measurement Date of June 30, 2019	<u>113,287</u>	<u>0</u>
Total	<u>\$ 615,191</u>	<u>\$ 932,697</u>

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
2021	\$ (54,594)
2022	(54,594)
2023	(54,594)
2024	(54,594)
2025	(54,594)
Thereafter	(157,823)

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 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 2,862,392	\$ 2,651,360	\$ 2,450,788
--	--------------	--------------	--------------

*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 5.03 to 3.5%	Current Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
-----------------------------------	--------------------------------	---------------------------------	--------------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 2,344,226	\$ 2,651,360	\$ 3,013,826
--	--------------	--------------	--------------

#### **I. 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, 2020, nine school department employees accepted the retirement incentive; therefore, the total cost of the cash payments reported in the government-wide Statement of Net Position by function was \$4,500.

#### **J. Purchasing Laws**

##### Office of County Mayor

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

#### Office of Highway Supervisor

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

#### Office of Director of Schools

Purchasing procedures for the 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 the 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.

#### **K. Subsequent Events**

Property Assessor Steve Lamb retired August 31, 2020, and was succeeded by Darrell Pittman effective September 1, 2020.

On August 12, 2020, Marion County issued \$4,315,000 general obligation refunding bonds.

### **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, 2020. 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, 2020, 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 \$500 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	15-20
Equipment	3-10
Picnic Pavilion	20

### Deferred Outflows/Inflows of Resources

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

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

### Compensated Absences

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

### Net Position

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

### Estimates

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

### Events Occurring after Reporting Date

The commission has evaluated events and transactions that occurred between June 30, 2020, 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, 2020, the carrying amount of the commission's deposits was \$85,307, and the bank balance was \$93,449. 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, 2020, follows:

	Balance 7-1-19	Additions	Deletions	Balance 6-30-20
Business-type Activities:				
Capital Assets Not Depreciated:				
Construction in Progress	\$ 19,834	\$ 0	\$ (19,834)	\$ 0
Capital Assets Depreciated:				
Mobile Home	\$ 52,148	\$ 0	\$ 0	\$ 52,148
Bathhouse	39,677	76,887	0	116,564
Land Improvements	98,147	0	0	98,147
Equipment	55,070	9,426	0	64,496
Picnic Pavilion	65,686	0	0	65,686
Total Assets	\$ 330,562	\$ 86,313	\$ (19,834)	\$ 397,041
Less Accumulated Depreciation for:				
Mobile Home	\$ 1,303	\$ 2,608	\$ 0	\$ 3,911
Bathhouse	19,546	6,465	0	26,011
Land Improvements	63,183	4,145	0	67,328
Equipment	38,995	7,610	0	46,605
Picnic Pavilion	6,662	3,849	0	10,511
Total Accumulated Depreciation	\$ 129,689	\$ 24,677	\$ 0	\$ 154,366
Net Capital Assets	\$ 200,873	\$ 61,636	\$ (19,834)	\$ 242,675

**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, 2020, the commission reimbursed the county \$26,334 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, 2020, the commission does not have any material contingent liabilities that would have a material effect on the commission's financial condition.

**H. Litigation**

Together, the Marion County Conservation Commission and Marion County are involved in a lawsuit. The potential loss is estimated to be between \$35,000 and \$75,000. The portion of the potential loss that may be allocated to the Marion County Conservation Commission is unknown.

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

Note: Ten-year information will be presented when available.

Note: 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
Actuarially Determined Contribution	\$ 581,841	\$ 601,407	\$ 611,505	\$ 649,560	\$ 701,746	\$ 725,353	\$ 701,474
Less Contributions in Relation to the Actuarially Determined Contribution	(581,841)	(601,407)	(611,505)	(649,560)	(701,746)	(725,353)	(701,474)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,937,781	\$ 9,028,233	\$ 9,181,418	\$ 9,753,157	\$ 10,086,009	\$ 10,573,650	\$ 10,203,038
Contributions as a Percentage of Covered Payroll	6.51%	6.66%	6.66%	6.66%	6.96%	6.86%	6.88%

Note: Ten-year information will be presented when available.

Note: 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
Contractually Required Contribution	\$ 23,373	\$ 37,708	\$ 57,654	\$ 70,939	\$ 44,421	\$ 55,706
Less Contributions in Relation to the Contractually Required Contribution	(23,373)	(37,708)	(57,654)	(70,939)	(44,421)	(55,706)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 584,315	\$ 942,703	\$ 1,441,355	\$ 1,773,467	\$ 2,289,727	\$ 2,744,102
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

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
Contractually Required Contribution	\$ 1,361,307	\$ 1,311,722	\$ 1,290,031	\$ 1,271,709	\$ 1,282,612	\$ 1,436,392	\$ 1,425,267
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)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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
School Department's Proportion of the Net Pension Asset	0.275422%	0.214248%	0.219605%	0.202942%	0.216379%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,314) \$	(22,304) \$	(57,940) \$	(92,040) \$	(122,143)
Covered Payroll	\$ 584,315 \$	942,703 \$	1,441,355 \$	1,773,467 \$	2,289,727
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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
School Department's Proportion of the Net Pension Asset/Liability	0.390575%	0.387610%	0.395320%	0.397957%	0.403398%	0.409533%
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)
Covered Payroll	\$ 15,330,037	\$ 14,510,210	\$ 14,270,258	\$ 14,067,577	\$ 14,125,683	\$ 13,732,244
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

**Highway Department Plan**

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

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%

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

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

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

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%

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

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

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, 2020**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

---

---

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

---

---

# Nonmajor Governmental Funds

## Special Revenue Funds

---

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

---

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

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

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

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

## **Debt Service Funds**

---

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

---

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

## **Capital Projects Fund**

---

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

---

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.

Exhibit G-1

Marion County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 114,718	\$ 114,718	\$ 0
Equity in Pooled Cash and Investments	13,769	308,754	353,298	0	675,821	1,927,080
Accounts Receivable	0	0	0	473	473	0
Due from Other Governments	0	111,165	0	0	111,165	0
Due from Other Funds	0	78	0	0	78	0
Property Taxes Receivable	0	0	0	0	0	696,962
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(29,352)
Total Assets	\$ 13,769	\$ 419,997	\$ 353,298	\$ 115,191	\$ 902,255	\$ 2,594,690
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 28,307	\$ 0	\$ 0	\$ 28,307	\$ 0
Due to Other Funds	0	0	0	6,882	6,882	0
Due to Litigants, Heirs, and Others	0	0	22,561	0	22,561	0
Total Liabilities	\$ 0	\$ 28,307	\$ 22,561	\$ 6,882	\$ 57,750	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 641,456
Deferred Delinquent Property Taxes	0	0	0	0	0	23,941
Other Deferred/Unavailable Revenue	0	57,963	0	0	57,963	0
Total Deferred Inflows of Resources	\$ 0	\$ 57,963	\$ 0	\$ 0	\$ 57,963	\$ 665,397

(Continued)



Exhibit G-1

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

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 13,769	\$ 0	\$ 0	\$ 0	\$ 13,769	\$ 0
Restricted for Finance	0	0	0	108,309	108,309	0
Restricted for Public Safety	0	0	330,737	0	330,737	0
Restricted for Public Health and Welfare	0	333,727	0	0	333,727	0
Restricted for Debt Service	0	0	0	0	0	1,929,293
Committed:						
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 13,769</u>	<u>\$ 333,727</u>	<u>\$ 330,737</u>	<u>\$ 108,309</u>	<u>\$ 786,542</u>	<u>\$ 1,929,293</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,769</u>	<u>\$ 419,997</u>	<u>\$ 353,298</u>	<u>\$ 115,191</u>	<u>\$ 902,255</u>	<u>\$ 2,594,690</u>

(Continued)

## Exhibit G-1

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

	Capital Projects Fund		Total Nonmajor Governmental Funds
	Education Capital Projects		
<u>ASSETS</u>			
Cash	\$ 0	\$	114,718
Equity in Pooled Cash and Investments	1,188,490		3,791,391
Accounts Receivable	0		473
Due from Other Governments	0		111,165
Due from Other Funds	0		78
Property Taxes Receivable	0		696,962
Allowance for Uncollectible Property Taxes	0		(29,352)
Total Assets	<u>\$ 1,188,490</u>	<u>\$</u>	<u>4,685,435</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$	28,307
Due to Other Funds	0		6,882
Due to Litigants, Heirs, and Others	0		22,561
Total Liabilities	<u>\$ 0</u>	<u>\$</u>	<u>57,750</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$	641,456
Deferred Delinquent Property Taxes	0		23,941
Other Deferred/Unavailable Revenue	0		57,963
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$</u>	<u>723,360</u>

(Continued)

Exhibit G-1

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

	Capital Projects Fund		Total Nonmajor Governmental Funds	
	Education Capital Projects			
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$	0	\$	13,769
Restricted for Finance		0		108,309
Restricted for Public Safety		0		330,737
Restricted for Public Health and Welfare		0		333,727
Restricted for Debt Service		0		1,929,293
Committed:				
Committed for Capital Projects		1,188,490		1,188,490
Total Fund Balances	\$	1,188,490	\$	3,904,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,188,490	\$	4,685,435

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, 2020

	Special Revenue Funds					Debt Service Fund
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Revenues</u>						
Local Taxes	\$ 7,334	\$ 555,308	\$ 0	\$ 0	\$ 562,642	\$ 647,603
Fines, Forfeitures, and Penalties	0	0	167,815	0	167,815	0
Charges for Current Services	0	54,969	0	508,996	563,965	0
Other Local Revenues	0	255	0	0	255	0
State of Tennessee	0	182,285	0	0	182,285	0
Federal Government	0	0	308	0	308	0
Total Revenues	\$ 7,334	\$ 792,817	\$ 168,123	\$ 508,996	\$ 1,477,270	\$ 647,603
<u>Expenditures</u>						
Current:						
General Government	\$ 18,541	\$ 0	\$ 0	\$ 0	\$ 18,541	\$ 0
Finance	0	0	0	512,988	512,988	0
Administration of Justice	0	0	0	1,748	1,748	0
Public Safety	0	0	161,815	0	161,815	0
Public Health and Welfare	0	746,865	0	0	746,865	0
Other Operations	73	11,410	78	0	11,561	12,832
Debt Service:						
Principal on Debt	0	0	0	0	0	425,000
Interest on Debt	0	0	0	0	0	124,281
Other Debt Service	0	0	0	0	0	352
Total Expenditures	\$ 18,614	\$ 758,275	\$ 161,893	\$ 514,736	\$ 1,453,518	\$ 562,465
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,280)	\$ 34,542	\$ 6,230	\$ (5,740)	\$ 23,752	\$ 85,138
Net Change in Fund Balances	\$ (11,280)	\$ 34,542	\$ 6,230	\$ (5,740)	\$ 23,752	\$ 85,138
Fund Balance, July 1, 2019	25,049	299,185	324,507	114,049	762,790	1,844,155
Fund Balance, June 30, 2020	\$ 13,769	\$ 333,727	\$ 330,737	\$ 108,309	\$ 786,542	\$ 1,929,293

(Continue)

Exhibit G-2

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 1,210,245
Fines, Forfeitures, and Penalties	0	167,815
Charges for Current Services	0	563,965
Other Local Revenues	222,577	222,832
State of Tennessee	0	182,285
Federal Government	0	308
Total Revenues	<u>\$ 222,577</u>	<u>\$ 2,347,450</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 18,541
Finance	0	512,988
Administration of Justice	0	1,748
Public Safety	0	161,815
Public Health and Welfare	0	746,865
Other Operations	2,226	26,619
Debt Service:		
Principal on Debt	0	425,000
Interest on Debt	0	124,281
Other Debt Service	0	352
Total Expenditures	<u>\$ 2,226</u>	<u>\$ 2,018,209</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 220,351</u>	<u>\$ 329,241</u>
Net Change in Fund Balances	\$ 220,351	\$ 329,241
Fund Balance, July 1, 2019	968,139	3,575,084
Fund Balance, June 30, 2020	<u><u>\$ 1,188,490</u></u>	<u><u>\$ 3,904,325</u></u>

## 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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,334	\$ 8,000	\$ 8,000	\$ (666)
Total Revenues	\$ 7,334	\$ 8,000	\$ 8,000	\$ (666)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 18,541	\$ 14,000	\$ 14,000	\$ (4,541)
<u>Other Operations</u>				
Other Charges	73	100	100	27
Total Expenditures	\$ 18,614	\$ 14,100	\$ 14,100	\$ (4,514)
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,280)	\$ (6,100)	\$ (6,100)	\$ (5,180)
Net Change in Fund Balance	\$ (11,280)	\$ (6,100)	\$ (6,100)	\$ (5,180)
Fund Balance, July 1, 2019	25,049	10,180	10,180	14,869
Fund Balance, June 30, 2020	\$ 13,769	\$ 4,080	\$ 4,080	\$ 9,689

## 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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 555,308	\$ 315,000	\$ 315,000	\$ 240,308
Charges for Current Services	54,969	47,000	47,000	7,969
Other Local Revenues	255	0	0	255
State of Tennessee	182,285	150,000	150,000	32,285
Total Revenues	<u>\$ 792,817</u>	<u>\$ 512,000</u>	<u>\$ 512,000</u>	<u>\$ 280,817</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 746,865	\$ 906,607	\$ 904,392	\$ 157,527
<u>Other Operations</u>				
Other Charges	11,410	6,000	11,415	5
Total Expenditures	<u>\$ 758,275</u>	<u>\$ 912,607</u>	<u>\$ 915,807</u>	<u>\$ 157,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 34,542</u>	<u>\$ (400,607)</u>	<u>\$ (403,807)</u>	<u>\$ 438,349</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 225,000	\$ 225,000	\$ (225,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ (225,000)</u>
Net Change in Fund Balance	\$ 34,542	\$ (175,607)	\$ (178,807)	\$ 213,349
Fund Balance, July 1, 2019	299,185	255,248	255,248	43,937
Fund Balance, June 30, 2020	<u><u>\$ 333,727</u></u>	<u><u>\$ 79,641</u></u>	<u><u>\$ 76,441</u></u>	<u><u>\$ 257,286</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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 167,815	\$ 14,000	\$ 14,000	\$ 153,815
Federal Government	308	0	0	308
Total Revenues	<u>\$ 168,123</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 154,123</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 161,815	\$ 115,200	\$ 151,100	\$ (10,715)
<u>Other Operations</u>				
Other Charges	78	500	500	422
Total Expenditures	<u>\$ 161,893</u>	<u>\$ 115,700</u>	<u>\$ 151,600</u>	<u>\$ (10,293)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,230</u>	<u>\$ (101,700)</u>	<u>\$ (137,600)</u>	<u>\$ 143,830</u>
Net Change in Fund Balance	\$ 6,230	\$ (101,700)	\$ (137,600)	\$ 143,830
Fund Balance, July 1, 2019	<u>324,507</u>	<u>279,269</u>	<u>279,269</u>	<u>45,238</u>
Fund Balance, June 30, 2020	<u><u>\$ 330,737</u></u>	<u><u>\$ 177,569</u></u>	<u><u>\$ 141,669</u></u>	<u><u>\$ 189,068</u></u>



## Exhibit G-6

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 647,603	\$ 659,498	\$ 659,498	\$ (11,895)
Total Revenues	\$ 647,603	\$ 659,498	\$ 659,498	\$ (11,895)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 12,832	\$ 15,000	\$ 15,000	\$ 2,168
<u>Principal on Debt</u>				
General Government	425,000	425,000	425,000	0
<u>Interest on Debt</u>				
General Government	124,281	124,282	124,282	1
<u>Other Debt Service</u>				
General Government	352	1,000	1,000	648
Total Expenditures	\$ 562,465	\$ 565,282	\$ 565,282	\$ 2,817
Excess (Deficiency) of Revenues Over Expenditures	\$ 85,138	\$ 94,216	\$ 94,216	\$ (9,078)
Net Change in Fund Balance	\$ 85,138	\$ 94,216	\$ 94,216	\$ (9,078)
Fund Balance, July 1, 2019	1,844,155	1,857,183	1,857,183	(13,028)
Fund Balance, June 30, 2020	\$ 1,929,293	\$ 1,951,399	\$ 1,951,399	\$ (22,106)

# Major Governmental Funds

## Debt Service Fund

---

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

---

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

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

## Capital Projects Fund

---

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

---

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

## Exhibit H-1

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Rural Debt Service Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,442,556	\$ 1,462,075	\$ 1,462,075	\$ (19,519)
Other Governments and Citizens Groups	774,868	774,868	774,868	0
Total Revenues	<u>\$ 2,217,424</u>	<u>\$ 2,236,943</u>	<u>\$ 2,236,943</u>	<u>\$ (19,519)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,235,000	\$ 1,380,000	\$ 1,380,000	\$ 145,000
<u>Interest on Debt</u>				
Education	282,000	296,744	296,744	14,744
<u>Other Debt Service</u>				
Education	29,843	36,500	36,500	6,657
Total Expenditures	<u>\$ 1,546,843</u>	<u>\$ 1,713,244</u>	<u>\$ 1,713,244</u>	<u>\$ 166,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 670,581</u>	<u>\$ 523,699</u>	<u>\$ 523,699</u>	<u>\$ 146,882</u>
Net Change in Fund Balance	\$ 670,581	\$ 523,699	\$ 523,699	\$ 146,882
Fund Balance, July 1, 2019	<u>6,661,327</u>	<u>6,693,157</u>	<u>6,693,157</u>	<u>(31,830)</u>
Fund Balance, June 30, 2020	<u><u>\$ 7,331,908</u></u>	<u><u>\$ 7,216,856</u></u>	<u><u>\$ 7,216,856</u></u>	<u><u>\$ 115,052</u></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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,976,213	\$ 1,500,000	\$ 1,500,000	\$ 476,213
Other Local Revenues	17,301	11,000	11,000	6,301
Other Governments and Citizens Groups	48,013	0	48,013	0
Total Revenues	\$ 2,041,527	\$ 1,511,000	\$ 1,559,013	\$ 482,514
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 19,691	\$ 18,000	\$ 18,000	\$ (1,691)
<u>Principal on Debt</u>				
Education	823,013	775,000	823,013	0
<u>Interest on Debt</u>				
Education	434,281	434,282	434,282	1
Total Expenditures	\$ 1,276,985	\$ 1,227,282	\$ 1,275,295	\$ (1,690)
Excess (Deficiency) of Revenues Over Expenditures	\$ 764,542	\$ 283,718	\$ 283,718	\$ 480,824
Net Change in Fund Balance	\$ 764,542	\$ 283,718	\$ 283,718	\$ 480,824
Fund Balance, July 1, 2019	3,808,255	3,473,395	3,473,395	334,860
Fund Balance, June 30, 2020	\$ 4,572,797	\$ 3,757,113	\$ 3,757,113	\$ 815,684

## Exhibit H-3

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,077,096	\$ 1,065,340	\$ 1,065,340	\$ 11,756
Other Local Revenues	212	0	0	212
State of Tennessee	0	38,566	0	0
Federal Government	39,920	0	38,566	1,354
Total Revenues	<u>\$ 1,117,228</u>	<u>\$ 1,103,906</u>	<u>\$ 1,103,906</u>	<u>\$ 13,322</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 208,898	\$ 33,447	\$ 256,962	\$ 48,064
<u>Other Operations</u>				
Other Economic and Community Development	47,513	6,809	6,809	(40,704)
Other Charges	21,347	22,000	22,000	653
Total Expenditures	<u>\$ 277,758</u>	<u>\$ 62,256</u>	<u>\$ 285,771</u>	<u>\$ 8,013</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 839,470</u>	<u>\$ 1,041,650</u>	<u>\$ 818,135</u>	<u>\$ 21,335</u>
Net Change in Fund Balance	\$ 839,470	\$ 1,041,650	\$ 818,135	\$ 21,335
Fund Balance, July 1, 2019	<u>6,858,363</u>	<u>6,803,713</u>	<u>6,803,713</u>	<u>54,650</u>
Fund Balance, June 30, 2020	<u><u>\$ 7,697,833</u></u>	<u><u>\$ 7,845,363</u></u>	<u><u>\$ 7,621,848</u></u>	<u><u>\$ 75,985</u></u>

# Fiduciary Funds

---

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

---

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefits 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 Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2020

	Agency Funds					
	Cities - Sales Tax	Special School District	City School ADA - Richard City	Constitu - tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 912,430	\$ 0	\$ 912,430
Equity in Pooled Cash and Investments	0	187	37,409	0	169,270	206,866
Accounts Receivable	0	0	68	3,592	0	3,660
Due from Other Governments	729,476	0	43,997	0	16,992	790,465
Due from Other Funds	0	0	0	0	113	113
Property Taxes Receivable	0	33,483	317,347	0	0	350,830
Allowance for Uncollectible Property Taxes	0	(1,155)	(13,365)	0	0	(14,520)
Total Assets	<u>\$ 729,476</u>	<u>\$ 32,515</u>	<u>\$ 385,456</u>	<u>\$ 916,022</u>	<u>\$ 186,375</u>	<u>\$ 2,249,844</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,233	\$ 2,233
Due to Other Funds	0	0	0	0	56	56
Due to Other Taxing Units	729,476	32,515	385,456	0	0	1,147,447
Due to Litigants, Heirs, and Others	0	0	0	916,022	0	916,022
Due to Joint Ventures	0	0	0	0	184,086	184,086
Total Liabilities	<u>\$ 729,476</u>	<u>\$ 32,515</u>	<u>\$ 385,456</u>	<u>\$ 916,022</u>	<u>\$ 186,375</u>	<u>\$ 2,249,844</u>

## Exhibit I-2

Marion County, Tennessee  
Combining Statements of Changes in Assets and Liabilities -  
All Agency Funds  
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,850,119	\$ 3,850,119	\$ 0
Due from Other Governments	319,942	729,476	319,942	729,476
Total Assets	\$ 319,942	\$ 4,579,595	\$ 4,170,061	\$ 729,476
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 319,942	\$ 4,579,595	\$ 4,170,061	\$ 729,476
Total Liabilities	\$ 319,942	\$ 4,579,595	\$ 4,170,061	\$ 729,476
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 90	\$ 18,689	\$ 18,592	\$ 187
Taxes Receivable	36,188	33,483	36,188	33,483
Allowance for Uncollectible Taxes	(1,134)	(1,155)	(1,134)	(1,155)
Total Assets	\$ 35,144	\$ 51,017	\$ 53,646	\$ 32,515
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 35,144	\$ 51,017	\$ 53,646	\$ 32,515
Total Liabilities	\$ 35,144	\$ 51,017	\$ 53,646	\$ 32,515
<u>City School ADA - Richard City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 537,282	\$ 499,873	\$ 37,409
Accounts Receivable	1,089	68	1,089	68
Due from Other Governments	18,558	43,997	18,558	43,997
Taxes Receivable	300,372	317,347	300,372	317,347
Allowance for Uncollectible Taxes	(11,922)	(13,365)	(11,922)	(13,365)
Total Assets	\$ 308,097	\$ 885,329	\$ 807,970	\$ 385,456
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 308,097	\$ 885,329	\$ 807,970	\$ 385,456
Total Liabilities	\$ 308,097	\$ 885,329	\$ 807,970	\$ 385,456

(Continued)



## Exhibit I-2

Marion County, Tennessee  
Combining Statement of Changes in Assets and Liabilities -  
All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,068,153	\$ 6,109,395	\$ 6,265,118	\$ 912,430
Accounts Receivable	3,753	3,592	3,753	3,592
Total Assets	\$ 1,071,906	\$ 6,112,987	\$ 6,268,871	\$ 916,022
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,071,906	\$ 6,112,987	\$ 6,268,871	\$ 916,022
Total Liabilities	\$ 1,071,906	\$ 6,112,987	\$ 6,268,871	\$ 916,022
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 154,128	\$ 348,819	\$ 333,677	\$ 169,270
Due from Other Governments	0	16,992	0	16,992
Due from Other Funds	8,873	113	8,873	113
Total Assets	\$ 163,001	\$ 365,924	\$ 342,550	\$ 186,375
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,233	\$ 0	\$ 2,233
Payroll Deductions Payable	64	0	64	0
Due to Other Funds	0	56	0	56
Due to Joint Ventures	162,937	363,635	342,486	184,086
Total Liabilities	\$ 163,001	\$ 365,924	\$ 342,550	\$ 186,375
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,068,153	\$ 6,109,395	\$ 6,265,118	\$ 912,430
Equity in Pooled Cash and Investments	154,218	4,754,909	4,702,261	206,866
Accounts Receivable	4,842	3,660	4,842	3,660
Due from Other Governments	338,500	790,465	338,500	790,465
Due from Other Funds	8,873	113	8,873	113
Taxes Receivable	336,560	350,830	336,560	350,830
Allowance for Uncollectible Taxes	(13,056)	(14,520)	(13,056)	(14,520)
Total Assets	\$ 1,898,090	\$ 11,994,852	\$ 11,643,098	\$ 2,249,844
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,233	\$ 0	\$ 2,233
Payroll Deductions Payable	64	0	64	0
Due to Other Funds	0	56	0	56
Due to Other Taxing Units	663,183	5,515,941	5,031,677	1,147,447
Due to Litigants, Heirs, and Others	1,071,906	6,112,987	6,268,871	916,022
Due to Joint Ventures	162,937	363,635	342,486	184,086
Total Liabilities	\$ 1,898,090	\$ 11,994,852	\$ 11,643,098	\$ 2,249,844

# 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, two Special Revenue Funds, and a 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.

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, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 21,526,538	\$ 19,867	\$ 1,421,874	\$ (20,084,797)
Support Services	11,956,002	0	109,855	(11,846,147)
Operation of Non-instructional Services	3,211,465	237,035	3,239,093	264,663
Interest on Long-term Debt	2,798	0	0	(2,798)
Total Governmental Activities	\$ 36,696,803	\$ 256,902	\$ 4,770,822	\$ (31,669,079)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 5,320,539
Local Option Sales Taxes				4,618,433
Hotel/Motel Tax				26,595
Wholesale Beer Tax				117,589
Mixed Drink Tax				18,306
Grants and Contributions Not Restricted to Specific Programs				22,791,762
Unrestricted Investment Earnings				11,358
Proceeds from Sale of Equipment				575
Miscellaneous				48,139
Total General Revenues				\$ 32,953,296
Insurance Recovery				32,193
Total Revenues and Other Sources (Uses)				\$ 32,985,489
Change in Net Position				\$ 1,316,410
Net Position, July 1, 2019				41,554,260
Net Position, June 30, 2020				\$ 42,870,670

## Exhibit J-2

Marion County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Marion County School Department  
June 30, 2020

	Major Funds		Nonmajor Fund	Total
	General Purpose School	Central Cafeteria	School Federal Projects	Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 59,394	\$ 0	\$ 59,394
Equity in Pooled Cash and Investments	5,686,608	2,238,385	117,026	8,042,019
Inventories	0	105,134	0	105,134
Accounts Receivable	1,510	20	0	1,530
Due from Other Governments	871,130	129,675	11,229	1,012,034
Due from Other Funds	88,223	0	0	88,223
Property Taxes Receivable	5,769,092	0	0	5,769,092
Allowance for Uncollectible Property Taxes	(242,957)	0	0	(242,957)
Restricted Assets	106,004	0	0	106,004
Total Assets	<u>\$ 12,279,610</u>	<u>\$ 2,532,608</u>	<u>\$ 128,255</u>	<u>\$ 14,940,473</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 171,337	\$ 5,131	\$ 9,870	\$ 186,338
Accrued Payroll	14,622	0	0	14,622
Payroll Deductions Payable	5,181	0	0	5,181
Due to Other Funds	0	19,838	68,385	88,223
Due to Primary Government	876	0	0	876
Total Liabilities	<u>\$ 192,016</u>	<u>\$ 24,969</u>	<u>\$ 78,255</u>	<u>\$ 295,240</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,309,643	\$ 0	\$ 0	\$ 5,309,643
Deferred Delinquent Property Taxes	198,173	0	0	198,173
Other Deferred/Unavailable Revenue	404,206	0	0	404,206
Total Deferred Inflows of Resources	<u>\$ 5,912,022</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,912,022</u>

(Continued)

Exhibit J-2

Marion County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Marion County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>School Federal Projects</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 105,134	\$ 0	\$ 105,134
Restricted:				
Restricted for Education	52,532	2,402,505	0	2,455,037
Restricted for Hybrid Retirement Stabilization Funds	106,004	0	0	106,004
Committed:				
Committed for Education	0	0	50,000	50,000
Assigned:				
Assigned for Capital Outlay	32,193	0	0	32,193
Unassigned	5,984,843	0	0	5,984,843
Total Fund Balances	<u>\$ 6,175,572</u>	<u>\$ 2,507,639</u>	<u>\$ 50,000</u>	<u>\$ 8,733,211</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,279,610</u>	<u>\$ 2,532,608</u>	<u>\$ 128,255</u>	<u>\$ 14,940,473</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, 2020

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)		\$ 8,733,211
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,118,836	
Add: buildings and improvements net of accumulated depreciation	31,802,731	
Add: other capital assets net of accumulated depreciation	<u>376,450</u>	33,298,017
(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	\$ (148,080)	
Less: OPEB liability	<u>(2,651,360)</u>	(2,799,440)
(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	\$ 2,743,754	
Less: deferred inflows of resources related to pensions	(4,016,664)	
Add: deferred outflows of resources related to OPEB	615,191	
Less: deferred inflows of resources related to OPEB	<u>(932,697)</u>	(1,590,416)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 294,036	
Add: net pension asset - teacher retirement plan	122,143	
Add: net pension asset - teacher legacy pension plan	<u>4,210,740</u>	4,626,919
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>602,379</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 42,870,670</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, 2020

	Major Funds		Nonmajor Fund	
	General Purpose School	Central Cafeteria	School Federal Projects	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 9,824,788	\$ 0	\$ 0	\$ 9,824,788
Licenses and Permits	1,468	0	0	1,468
Charges for Current Services	86,114	170,788	0	256,902
Other Local Revenues	72,952	13,762	0	86,714
State of Tennessee	22,405,929	24,678	0	22,430,607
Federal Government	126,452	2,698,545	2,382,634	5,207,631
Total Revenues	<u>\$ 32,517,703</u>	<u>\$ 2,907,773</u>	<u>\$ 2,382,634</u>	<u>\$ 37,808,110</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 18,747,345	\$ 0	\$ 1,481,864	\$ 20,229,209
Support Services	11,199,569	0	840,026	12,039,595
Operation of Non-Instructional Services	576,216	2,595,172	0	3,171,388
Capital Outlay	77,088	0	0	77,088
Debt Service:				
Principal on Debt	14,385	0	0	14,385
Interest on Debt	2,798	0	0	2,798
Other Debt Service	774,868	0	0	774,868
Total Expenditures	<u>\$ 31,392,269</u>	<u>\$ 2,595,172</u>	<u>\$ 2,321,890</u>	<u>\$ 36,309,331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,125,434</u>	<u>\$ 312,601</u>	<u>\$ 60,744</u>	<u>\$ 1,498,779</u>

(Continued)

## Exhibit J-4

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

	Major Funds		Nonmajor Fund	
	General Purpose School	Central Cafeteria	School Federal Projects	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 32,193	\$ 0	\$ 0	\$ 32,193
Transfers In	65,093	0	0	65,093
Transfers Out	0	0	(65,093)	(65,093)
Total Other Financing Sources (Uses)	<u>\$ 97,286</u>	<u>\$ 0</u>	<u>\$ (65,093)</u>	<u>\$ 32,193</u>
Net Change in Fund Balances	\$ 1,222,720	\$ 312,601	\$ (4,349)	\$ 1,530,972
Fund Balance, July 1, 2019	<u>4,952,852</u>	<u>2,195,038</u>	<u>54,349</u>	<u>7,202,239</u>
Fund Balance, June 30, 2020	<u><u>\$ 6,175,572</u></u>	<u><u>\$ 2,507,639</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 8,733,211</u></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, 2020

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)		\$ 1,530,972
(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	\$ 40,019	
Less: current-year depreciation expense	<u>(1,505,881)</u>	(1,465,862)
(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, 2020	\$ 602,379	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(215,081)</u>	387,298
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on capital leases to primary government		48,013
(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 net pension asset - agent plan	\$ 109,120	
Change in net pension asset - teacher retirement plan	30,103	
Change in net pension asset - teacher legacy pension plan	2,791,217	
Change in deferred outflows related to pensions	(412,035)	
Change in deferred inflows related to pensions	(1,640,297)	
Change in OPEB liability	(228,862)	
Change in deferred outflows related to OPEB	318,221	
Change in deferred inflows related to OPEB	<u>(151,478)</u>	<u>815,989</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,316,410</u>

## Exhibit J-6

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Marion County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,824,788	\$ 8,786,599	\$ 8,786,599	\$ 1,038,189
Licenses and Permits	1,468	2,289	2,289	(821)
Charges for Current Services	86,114	162,859	162,859	(76,745)
Other Local Revenues	72,952	87,000	100,849	(27,897)
State of Tennessee	22,405,929	22,118,736	22,460,469	(54,540)
Federal Government	126,452	12,572	198,152	(71,700)
Total Revenues	\$ 32,517,703	\$ 31,170,055	\$ 31,711,217	\$ 806,486
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 14,689,237	\$ 15,320,958	\$ 15,328,964	\$ 639,727
Special Education Program	2,521,747	2,815,413	2,834,504	312,757
Career and Technical Education Program	1,536,361	1,713,328	1,713,328	176,967
<u>Support Services</u>				
Attendance	159,441	167,519	173,600	14,159
Health Services	377,918	433,296	433,296	55,378
Other Student Support	712,350	803,516	778,489	66,139
Regular Instruction Program	1,096,562	1,109,139	1,143,259	46,697
Special Education Program	376,371	468,569	468,569	92,198
Career and Technical Education Program	47,109	64,647	64,647	17,538
Technology	498,449	581,751	581,751	83,302
Other Programs	115,058	0	115,058	0
Board of Education	505,411	699,830	699,830	194,419
Director of Schools	366,962	409,299	409,301	42,339
Office of the Principal	2,161,077	2,241,632	2,252,271	91,194
Fiscal Services	335,199	381,440	381,440	46,241
Human Services/Personnel	128,562	137,006	137,006	8,444
Operation of Plant	2,409,693	2,990,438	2,990,438	580,745
Maintenance of Plant	745,601	794,819	987,919	242,318
Transportation	1,163,806	1,278,370	1,278,370	114,564
<u>Operation of Non-Instructional Services</u>				
Community Services	207,562	156,609	394,650	187,088
Early Childhood Education	368,654	393,305	369,425	771
<u>Capital Outlay</u>				
Regular Capital Outlay	77,088	285,000	285,000	207,912
<u>Principal on Debt</u>				
Education	14,385	14,385	14,385	0
<u>Interest on Debt</u>				
Education	2,798	2,798	2,798	0
<u>Other Debt Service</u>				
Education	774,868	774,868	774,868	0
Total Expenditures	\$ 31,392,269	\$ 34,037,935	\$ 34,613,166	\$ 3,220,897
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,125,434	\$ (2,867,880)	\$ (2,901,949)	\$ 4,027,383

(Continued)

## Exhibit J-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 32,193	\$ 0	\$ 0	\$ 32,193
Transfers In	65,093	60,000	60,000	5,093
Total Other Financing Sources	<u>\$ 97,286</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 37,286</u>
Net Change in Fund Balance	\$ 1,222,720	\$ (2,807,880)	\$ (2,841,949)	\$ 4,064,669
Fund Balance, July 1, 2019	<u>4,952,852</u>	<u>4,136,301</u>	<u>4,136,301</u>	<u>816,551</u>
Fund Balance, June 30, 2020	<u>\$ 6,175,572</u>	<u>\$ 1,328,421</u>	<u>\$ 1,294,352</u>	<u>\$ 4,881,220</u>

## Exhibit J-7

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Marion County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,382,634	\$ 2,372,527	\$ 2,961,449	\$ (578,815)
Total Revenues	\$ 2,382,634	\$ 2,372,527	\$ 2,961,449	\$ (578,815)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 888,015	\$ 842,073	\$ 924,926	\$ 36,911
Special Education Program	476,524	467,672	603,255	126,731
Career and Technical Education Program	117,325	70,784	117,325	0
<u>Support Services</u>				
Other Student Support	161,978	205,642	296,171	134,193
Regular Instruction Program	253,024	286,515	368,670	115,646
Special Education Program	398,598	378,199	519,394	120,796
Transportation	26,426	52,638	52,791	26,365
Total Expenditures	\$ 2,321,890	\$ 2,303,523	\$ 2,882,532	\$ 560,642
Excess (Deficiency) of Revenues Over Expenditures	\$ 60,744	\$ 69,004	\$ 78,917	\$ (18,173)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 164,220	\$ 0	\$ 0
Transfers Out	(65,093)	(233,224)	(78,915)	13,822
Total Other Financing Sources	\$ (65,093)	\$ (69,004)	\$ (78,915)	\$ 13,822
Net Change in Fund Balance	\$ (4,349)	\$ 0	\$ 2	\$ (4,351)
Fund Balance, July 1, 2019	54,349	0	0	54,349
Fund Balance, June 30, 2020	\$ 50,000	\$ 0	\$ 2	\$ 49,998

## Exhibit J-8

Marion County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Marion County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 170,788	\$ 250,000	\$ 250,000	\$ (79,212)
Other Local Revenues	13,762	8,500	8,500	5,262
State of Tennessee	24,678	25,000	25,000	(322)
Federal Government	2,698,545	2,219,078	2,219,078	479,467
Total Revenues	<u>\$ 2,907,773</u>	<u>\$ 2,502,578</u>	<u>\$ 2,502,578</u>	<u>\$ 405,195</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,595,172	\$ 3,612,147	\$ 3,612,147	\$ 1,016,975
Total Expenditures	<u>\$ 2,595,172</u>	<u>\$ 3,612,147</u>	<u>\$ 3,612,147</u>	<u>\$ 1,016,975</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 312,601</u>	<u>\$ (1,109,569)</u>	<u>\$ (1,109,569)</u>	<u>\$ 1,422,170</u>
Net Change in Fund Balance	\$ 312,601	\$ (1,109,569)	\$ (1,109,569)	\$ 1,422,170
Fund Balance, July 1, 2019	<u>2,195,038</u>	<u>2,011,142</u>	<u>2,011,142</u>	<u>183,896</u>
Fund Balance, June 30, 2020	<u>\$ 2,507,639</u>	<u>\$ 901,573</u>	<u>\$ 901,573</u>	<u>\$ 1,606,066</u>

Exhibit J-9

Marion County, Tennessee  
Statement of Fiduciary Net Position  
Discretely Presented Marion County School Department  
Fiduciary Fund  
June 30, 2020

	Other Trust Fund
	Private Purpose Trust Fund
<u>ASSETS</u>	
Current Assets:	
Cash in Bank	\$ 110,317
Equity in Pooled Cash and Investments	20,835
Investments	<u>525,546</u>
Total Assets	<u>\$ 656,698</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 656,698</u>
Total Net Position	<u><u>\$ 656,698</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, 2020

151

---

---

## MISCELLANEOUS SCHEDULES

---

---



Exhibit K-1

Marion County, Tennessee  
Schedule of Changes in Long-term Bonds, Notes, and Capital Leases  
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<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	\$ 2,000,000	\$ 200,000	\$ 1,800,000
General Obligation Refunding Bonds, 2015A Series	3,345,000	2 to 2.35		2-25-15	4-1-29	2,480,000	225,000	2,255,000
Total Payable through General Debt Service Fund						\$ 4,480,000	\$ 425,000	\$ 4,055,000
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding Bonds, Series 2011	13,045,000	3 to 4.5		1-6-11	4-1-24	\$ 5,725,000	\$ 1,060,000	\$ 4,665,000
Rural School General Obligation Refunding Bonds, 2015 Series	1,805,000	2 to 4		2-25-15	4-1-25	1,150,000	175,000	975,000
Total Payable through Rural Debt Service Fund						\$ 6,875,000	\$ 1,235,000	\$ 5,640,000
<u>Payable through Education Debt Service Fund</u>								
General Obligation Refunding Bonds, 2014 Series	15,485,000	2 to 5		10-15-14	6-1-31	\$ 12,915,000	\$ 775,000	\$ 12,140,000
Total Payable through Education Debt Service Fund						\$ 12,915,000	\$ 775,000	\$ 12,140,000
Total Bonds Payable						\$ 24,270,000	\$ 2,435,000	\$ 21,835,000
<u>NOTES PAYABLE</u>								
<u>Payable through General Fund</u>								
Jasper Public Works Project	(1) 377,000	1.94		12-21-12	4-1-23	\$ 160,000	\$ 40,000	\$ 120,000
Total Payable through General Fund						\$ 160,000	\$ 40,000	\$ 120,000
<u>Payable through Highway/Public Works Fund</u>								
Kenworth Dump Trucks	550,000	3.09		7-10-17	4-19-24	\$ 400,674	\$ 76,169	\$ 324,505
Total Payable through Highway/Public Works Fund						\$ 400,674	\$ 76,169	\$ 324,505
Total Notes Payable						\$ 560,674	\$ 116,169	\$ 444,505

(Continued)

Exhibit K-1

Marion County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Capital Leases (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>CAPITAL LEASES PAYABLE</u>							
<u>Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund</u>							
Computers	\$ 78,764	4.54 %	12-5-18	12-5-23	\$ 61,581	\$ 14,385	\$ 47,196
<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	134,512	33,628	100,884
Total Capital Leases Payable					<u>\$ 196,093</u>	<u>\$ 48,013</u>	<u>\$ 148,080</u>

- (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
2021	\$ 2,525,000	\$ 752,662	\$ 3,277,662
2022	2,650,000	661,462	3,311,462
2023	2,755,000	559,388	3,314,388
2024	2,875,000	439,113	3,314,113
2025	1,670,000	343,094	2,013,094
2026	1,505,000	297,756	1,802,756
2027	1,575,000	256,744	1,831,744
2028	1,670,000	210,525	1,880,525
2029	1,740,000	157,553	1,897,553
2030	1,530,000	101,700	1,631,700
2031	1,340,000	46,900	1,386,900
Total	<u>\$ 21,835,000</u>	<u>\$ 3,826,897</u>	<u>\$ 25,661,897</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 118,557	\$ 12,355	\$ 130,912
2022	120,984	9,152	130,136
2023	123,487	5,873	129,360
2024	81,477	2,524	84,001
Total	<u>\$ 444,505</u>	<u>\$ 29,904</u>	<u>\$ 474,409</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2021	\$ 48,666	\$ 2,145	\$ 50,811
2022	49,350	1,461	50,811
2023	50,064	747	50,811
Total	<u>\$ 148,080</u>	<u>\$ 4,353</u>	<u>\$ 152,433</u>

Exhibit K-3

Marion County, Tennessee  
Schedule of Investments  
Discretely Presented Marion County School Department  
June 30, 2020

<u>Fund and Type</u>	<u>Amount</u>
<u>Private Purpose Trust Fund</u>	
SunTrust Bank - Certificates of Deposit	\$ 170,478
Corporate Bonds - Morgan Stanley	100,306
Corporate Bonds - National Rural Utilities	49,256
Corporate Bonds - Caterpillar Financial	50,353
Corporate Bonds - General Electric	41,892
Corporate Bonds - Wells Fargo	42,460
Corporate Bonds - Ford Motor Credit	<u>70,801</u>
Total Investments	<u><u>\$ 525,546</u></u>

Exhibit K-4

Marion County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Marion County School Department

For the Year Ended June 30, 2020

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	General Maintenance/Construction	\$ 10,000
Total Transfers Primary Government			<u>\$ 10,000</u>
<u>DISCRETELY PRESENTED MARION COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 65,093
Total Transfers Discretely Presented Marion County School Department			<u>\$ 65,093</u>

Exhibit K-5

Marion County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Marion County School Department  
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 99,667 (1)	\$ (4)	
Highway Supervisor	Section 8-24-102, <i>TCA</i> , and County Commission	87,568 (2) (4)	100,000	RLI Insurance Company
Director of Schools	State Board of Education and County Board of Education	170,744 (3)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	77,971 (4)	1,228,223	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	77,971 (4)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	77,971	(4)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	77,971	(4)	
Clerk and Master:	Section 8-24-102, <i>TCA</i>			
Levoy Gudger (7-1-19 through 9-20-19)	and Chancery Court Judge	17,993	(4)	
Paige Mashburn (9-23-19 through 6-30-20)		59,978	(4)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	77,971	(4)	
Sheriff	Section 8-24-102, <i>TCA</i>	86,568 (5)	(4)	
Employee Blanket Bond Coverage:				
Public Employee Dishonesty - County Departments			400,000	Local Government Insurance Pool
Public Employee Dishonesty - Highway Department			400,000	"
Public Employee Dishonesty - School Department			150,000	Liberty Mutual Insurance

(1) Includes a local salary supplement of \$9,612.

(2) Includes a local salary supplement of \$1,800.

(3) Includes a chief executive officer training supplement of \$1,000.

(4) Covered under the Public Employee Dishonesty Bond.

(5) Includes a law enforcement training supplement of \$800.

## Exhibit K-6

Marion County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2020

	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	\$ 6,217,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	228,519	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	177,840	0	0	0	0	0
Interest and Penalty	47,001	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	28,970	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	23,523	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	4,473	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	555,308	0	0	0
Litigation Tax - General	84,051	0	0	0	0	0
Litigation Tax - Special Purpose	1,004	7,334	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	15,203	0	0	0	0	0
Business Tax	268,863	0	0	0	0	0
Mixed Drink Tax	6,879	0	0	0	0	0
Total Local Taxes	\$ 7,103,819	\$ 7,334	\$ 555,308	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 143,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	1,575	0	0	0	0	0
Building Permits	126,666	0	0	0	0	0
Total Licenses and Permits	\$ 271,727	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,765	0	0	0	0	0
Drug Control Fines	0	0	0	7,335	0	0
Jail Fees	449	0	0	0	0	0
DUI Treatment Fines	577	0	0	0	0	0
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	894	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	30,295	0	0	0	0	0
Officers Costs	27,165	0	0	0	0	0
Game and Fish Fines	418	0	0	0	0	0
Drug Court Fees	4,603	0	0	0	0	0
Jail Fees	2,861	0	0	0	0	0
DUI Treatment Fines	9,226	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,981	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	43	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	3,940	0	0	0	0	0
<u>Other Courts - In-county</u>						
Officers Costs	2,193	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	160,480	0	0
Total Fines, Forfeitures, and Penalties	\$ 105,575	\$ 0	\$ 0	\$ 167,815	\$ 0	\$ 0

(Continued)



## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 17,227	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	26,475	0	0	0
Other General Service Charges	0	0	0	0	0	63,378
<u>Fees</u>						
Airport Fees	60,150	0	0	0	0	0
Copy Fees	465	0	0	0	0	0
Telephone Commissions	1,120	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	508,996	0
Data Processing Fee - Register	10,619	0	0	0	0	0
Data Processing Fee - Sheriff	1,915	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,100	0	0	0	0	0
Data Processing Fee - County Clerk	492	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	0	0	11,267	0	0	0
Total Charges for Current Services	\$ 79,861	\$ 0	\$ 54,969	\$ 0	\$ 508,996	\$ 63,378
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 357,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	14,921	0	0	0	0	0
Commissary Sales	31,829	0	0	0	0	0
Sale of Gasoline	148,322	0	0	0	0	21,288
Sale of Recycled Materials	0	0	0	0	0	630
Miscellaneous Refunds	1,348	0	255	0	0	52,340

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 7,975	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Property	48,427	0	0	0	0	0
Contributions and Gifts	1,000	0	0	0	0	0
Performance Bond Forfeitures	950	0	0	0	0	0
Total Other Local Revenues	<u>\$ 611,922</u>	<u>\$ 0</u>	<u>\$ 255</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 74,258</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 33,943	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	325,864	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	141,393	0	0	0	0	0
General Sessions Court Clerk	177,089	0	0	0	0	0
Clerk and Master	113,558	0	0	0	0	0
Register	141,730	0	0	0	0	0
Sheriff	16,383	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 949,960</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
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	24,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	121,623	0	0	0	0	0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	106,998
State Aid Program	0	0	0	0	0	542,862
Litter Program	50,397	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	199,597	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	6,690	0	0	0	0	0
Alcoholic Beverage Tax	79,772	0	0	0	0	0
State Revenue Sharing - T.V.A.	364,569	0	182,285	0	0	0
State Revenue Sharing - Telecommunications	37,152	0	0	0	0	0
Contracted Prisoner Boarding	170,781	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,473,156
Petroleum Special Tax	0	0	0	0	0	20,374
T.B.I. - Equipment Reimbursement	1,789	0	0	0	0	0
Registrar's Salary Supplement	44,117	0	0	0	0	0
Other State Grants	123,905	0	0	0	0	0
Other State Revenues	33,758	0	0	0	0	0
Total State of Tennessee	\$ 1,286,125	\$ 0	\$ 182,285	\$ 0	\$ 0	\$ 3,143,390
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	2,145	0	0	0	0	0
COVID-19 Grant A	145,372	0	0	0	0	0
Other Federal through State	133,913	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 9,722	\$ 0	\$ 0	\$ 308	\$ 0	\$ 452,008
Total Federal Government	\$ 291,152	\$ 0	\$ 0	\$ 308	\$ 0	\$ 452,008
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 11,140	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	337,031	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	323	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 348,494	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 11,048,635	\$ 7,334	\$ 792,817	\$ 168,123	\$ 508,996	\$ 3,733,034

(Continued)

## Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 598,467	\$ 1,332,762	\$ 0	\$ 0	\$ 995,224	\$ 9,143,946
Trustee's Collections - Prior Year	22,011	48,726	0	0	36,765	336,021
Circuit Clerk/Clerk and Master Collections - Prior Years	17,118	38,638	0	0	28,466	262,062
Interest and Penalty	4,524	10,053	0	0	7,523	69,101
Payments in-Lieu-of Taxes - T.V.A.	2,788	6,294	0	0	4,637	42,689
Payments in-Lieu-of Taxes - Local Utilities	2,264	5,111	0	0	3,765	34,663
Payments in-Lieu-of Taxes - Other	431	972	0	0	716	6,592
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	1,976,213	0	0	2,531,521
Litigation Tax - General	0	0	0	0	0	84,051
Litigation Tax - Special Purpose	0	0	0	0	0	8,338
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	15,203
Business Tax	0	0	0	0	0	268,863
Mixed Drink Tax	0	0	0	0	0	6,879
Total Local Taxes	\$ 647,603	\$ 1,442,556	\$ 1,976,213	\$ 0	\$ 1,077,096	\$ 12,809,929
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 143,486
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,575
Building Permits	0	0	0	0	0	126,666
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 271,727

(Continued)

## Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,165
Officers Costs	0	0	0	0	0	7,765
Drug Control Fines	0	0	0	0	0	7,335
Jail Fees	0	0	0	0	0	449
DUI Treatment Fines	0	0	0	0	0	577
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	0	0	0	0	0	894
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	30,295
Officers Costs	0	0	0	0	0	27,165
Game and Fish Fines	0	0	0	0	0	418
Drug Court Fees	0	0	0	0	0	4,603
Jail Fees	0	0	0	0	0	2,861
DUI Treatment Fines	0	0	0	0	0	9,226
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,981
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	43
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	0	0	0	0	0	3,940
<u>Other Courts - In-county</u>						
Officers Costs	0	0	0	0	0	2,193
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	160,480
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	273,390

(Continued)

## Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,227
Surcharge - Waste Tire Disposal	0	0	0	0	0	26,475
Other General Service Charges	0	0	0	0	0	63,378
<u>Fees</u>						
Airport Fees	0	0	0	0	0	60,150
Copy Fees	0	0	0	0	0	465
Telephone Commissions	0	0	0	0	0	1,120
Constitutional Officers' Fees and Commissions	0	0	0	0	0	508,996
Data Processing Fee - Register	0	0	0	0	0	10,619
Data Processing Fee - Sheriff	0	0	0	0	0	1,915
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	5,100
Data Processing Fee - County Clerk	0	0	0	0	0	492
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	11,267
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	707,204
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	17,301	\$ 1,327	\$ 0	375,778
Lease/Rentals	0	0	0	221,250	0	236,171
Commissary Sales	0	0	0	0	0	31,829
Sale of Gasoline	0	0	0	0	0	169,610
Sale of Recycled Materials	0	0	0	0	0	630
Miscellaneous Refunds	0	0	0	0	212	54,155

(Continued)

Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,975
Sale of Property	0	0	0	0	0	48,427
Contributions and Gifts	0	0	0	0	0	1,000
Performance Bond Forfeitures	0	0	0	0	0	950
Total Other Local Revenues	\$ 0	\$ 0	\$ 17,301	\$ 222,577	\$ 212	\$ 926,525
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	33,943
Trustee	0	0	0	0	0	325,864
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	141,393
General Sessions Court Clerk	0	0	0	0	0	177,089
Clerk and Master	0	0	0	0	0	113,558
Register	0	0	0	0	0	141,730
Sheriff	0	0	0	0	0	16,383
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 949,960
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	24,800
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	121,623

(Continued)



## Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	106,998
State Aid Program	0	0	0	0	0	542,862
Litter Program	0	0	0	0	0	50,397
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	199,597
Beer Tax	0	0	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	0	0	6,690
Alcoholic Beverage Tax	0	0	0	0	0	79,772
State Revenue Sharing - T.V.A.	0	0	0	0	0	546,854
State Revenue Sharing - Telecommunications	0	0	0	0	0	37,152
Contracted Prisoner Boarding	0	0	0	0	0	170,781
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,473,156
Petroleum Special Tax	0	0	0	0	0	20,374
T.B.I. - Equipment Reimbursement	0	0	0	0	0	1,789
Registrar's Salary Supplement	0	0	0	0	0	44,117
Other State Grants	0	0	0	0	0	123,905
Other State Revenues	0	0	0	0	0	33,758
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,611,800
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	39,920	39,920
Homeland Security Grants	0	0	0	0	0	2,145
COVID-19 Grant A	0	0	0	0	0	145,372
Other Federal through State	0	0	0	0	0	133,913

(Continued)

Exhibit K-6

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

	Debt Service Funds			Capital Projects Funds			
	General Debt Service	Rural Debt Service	Education Debt Service	Education Capital Projects	Other Capital Projects		Total
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$	462,038
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,920	\$	783,388
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 774,868	\$ 48,013	\$ 0	\$ 0	\$	834,021
Contracted Services	0	0	0	0	0		337,031
<u>Citizens Groups</u>							
Donations	0	0	0	0	0		323
Total Other Governments and Citizens Groups	\$ 0	\$ 774,868	\$ 48,013	\$ 0	\$ 0	\$	1,171,375
Total	\$ 647,603	\$ 2,217,424	\$ 2,041,527	\$ 222,577	\$ 1,117,228	\$	22,505,298

Exhibit K-7

Marion County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Marion County School Department  
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 4,953,752	\$ 0	\$ 0	\$ 4,953,752
Trustee's Collections - Prior Year	182,185	0	0	182,185
Circuit Clerk/Clerk and Master Collections - Prior Years	141,756	0	0	141,756
Interest and Penalty	37,448	0	0	37,448
Payments in-Lieu-of Taxes - T.V.A.	23,082	0	0	23,082
Payments in-Lieu-of Taxes - Local Utilities	18,742	0	0	18,742
Payments in-Lieu-of Taxes - Other	3,564	0	0	3,564
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,214,227	0	0	4,214,227
Hotel/Motel Tax	26,595	0	0	26,595
Mixed Drink Tax	18,306	0	0	18,306
<u>Statutory Local Taxes</u>				
Bank Excise Tax	87,542	0	0	87,542
Wholesale Beer Tax	117,589	0	0	117,589
Total Local Taxes	<u>\$ 9,824,788</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,824,788</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,468	\$ 0	\$ 0	\$ 1,468
Total Licenses and Permits	<u>\$ 1,468</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,468</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Out-of-state Systems	\$ 8,190	\$ 0	\$ 0	\$ 8,190

(Continued)

## Exhibit K-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
A la Carte Sales	\$ 0	\$ 0	\$ 170,788	\$ 170,788
Receipts from Individual Schools	11,677	0	0	11,677
Community Service Fees - Children	66,247	0	0	66,247
Total Charges for Current Services	<u>\$ 86,114</u>	<u>\$ 0</u>	<u>\$ 170,788</u>	<u>\$ 256,902</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 3,285	\$ 0	\$ 8,073	\$ 11,358
Miscellaneous Refunds	46,450	0	1,689	48,139
<u>Nonrecurring Items</u>				
Sale of Property	575	0	0	575
Contributions and Gifts	8,500	0	0	8,500
<u>Other Local Revenues</u>				
Other Local Revenues	14,142	0	4,000	18,142
Total Other Local Revenues	<u>\$ 72,952</u>	<u>\$ 0</u>	<u>\$ 13,762</u>	<u>\$ 86,714</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 115,058	\$ 0	\$ 0	\$ 115,058
<u>State Education Funds</u>				
Basic Education Program	20,836,193	0	0	20,836,193
School Food Service	0	0	24,678	24,678
Driver Education	3,735	0	0	3,735
Other State Education Funds	462,220	0	0	462,220

(Continued)

## Exhibit K-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Coordinated School Health	\$ 95,000	\$ 0	\$ 0	\$ 95,000
Career Ladder Program	70,888	0	0	70,888
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	755,180	0	0	755,180
Safe Schools	67,655	0	0	67,655
Total State of Tennessee	<u>\$ 22,405,929</u>	<u>\$ 0</u>	<u>\$ 24,678</u>	<u>\$ 22,430,607</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,614,894	\$ 1,614,894
USDA - Commodities	0	0	189,078	189,078
Breakfast	0	0	783,679	783,679
USDA - Other	0	0	110,894	110,894
Vocational Education - Basic Grants to States	0	126,085	0	126,085
Title I Grants to Local Education Agencies	0	1,079,797	0	1,079,797
Special Education - Grants to States	32,515	881,647	0	914,162
Special Education Preschool Grants	0	47,519	0	47,519
Safe and Drug-free Schools - State Grants	93,937	0	0	93,937
Rural Education	0	66,777	0	66,777
Eisenhower Professional Development State Grants	0	109,426	0	109,426
Other Federal through State	0	71,383	0	71,383
Total Federal Government	<u>\$ 126,452</u>	<u>\$ 2,382,634</u>	<u>\$ 2,698,545</u>	<u>\$ 5,207,631</u>
Total	<u>\$ 32,517,703</u>	<u>\$ 2,382,634</u>	<u>\$ 2,907,773</u>	<u>\$ 37,808,110</u>

## Exhibit K-8

Marion County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	44,000	
Social Security		3,366	
Dues and Memberships		2,467	
Legal Services		76,440	
Legal Notices, Recording, and Court Costs		2,776	
Travel		2,003	
Other Supplies and Materials		1,300	
Total County Commission			\$ 132,352

Board of Equalization

Board and Committee Members Fees	\$	1,300	
Social Security		99	
Total Board of Equalization			1,399

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	\$	3,900	
Social Security		298	
Total Budget and Finance Committee			4,198

County Mayor/Executive

County Official/Administrative Officer	\$	99,667	
Accountants/Bookkeepers		39,468	
Secretary(ies)		33,562	
Clerical Personnel		32,445	
Other Salaries and Wages		355	
Social Security		14,557	
Pensions		13,712	
Employee and Dependent Insurance		24,366	
Unemployment Compensation		65	
Communication		4,611	
Dues and Memberships		1,982	
Maintenance and Repair Services - Equipment		12,379	
Maintenance and Repair Services - Vehicles		528	
Postal Charges		1,757	
Travel		2,450	
Gasoline		1,075	
Office Supplies		2,832	
Motor Vehicles		26,050	
Total County Mayor/Executive			311,861

Election Commission

County Official/Administrative Officer	\$	70,174	
--	----	--------	--

(Continued)

## Exhibit K-8

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

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

Deputy(ies)	\$	30,795	
Part-time Personnel		9,174	
Overtime Pay		917	
Other Salaries and Wages		336	
Election Commission		11,100	
Election Workers		23,095	
Social Security		9,027	
Pensions		6,778	
Employee and Dependent Insurance		12,912	
Unemployment Compensation		61	
Contracts with Private Agencies		11,744	
Dues and Memberships		350	
Legal Notices, Recording, and Court Costs		2,752	
Postal Charges		6,894	
Rentals		800	
Travel		1,978	
Office Supplies		4,535	
Other Supplies and Materials		42,219	
Office Equipment		17,045	
Total Election Commission			\$ 262,686

Register of Deeds

County Official/Administrative Officer	\$	77,971	
Deputy(ies)		34,418	
Clerical Personnel		33,342	
Other Salaries and Wages		34,348	
Social Security		12,762	
Pensions		12,067	
Employee and Dependent Insurance		25,824	
Unemployment Compensation		63	
Data Processing Services		7,175	
Dues and Memberships		781	
Maintenance and Repair Services - Equipment		763	
Postal Charges		235	
Office Supplies		578	
Office Equipment		706	
Total Register of Deeds			241,033

Development

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

Building

Supervisor/Director	\$	52,647	
Clerical Personnel		33,277	
Other Salaries and Wages		6,810	
In-service Training		20	

(Continued)

## Exhibit K-8

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

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

Social Security	\$	6,578	
Pensions		6,307	
Employee and Dependent Insurance		10,491	
Unemployment Compensation		42	
Communication		667	
Contracts with Government Agencies		5,000	
Dues and Memberships		160	
Postal Charges		83	
Travel		5,269	
Office Supplies		2,700	
Office Equipment		1,315	
Total Building			\$ 131,366

County Buildings

Custodial Personnel	\$	33,371	
Other Salaries and Wages		661	
Social Security		2,552	
Pensions		2,307	
Employee and Dependent Insurance		6,456	
Unemployment Compensation		21	
Janitorial Services		27,600	
Maintenance and Repair Services - Equipment		107,776	
Other Contracted Services		21,340	
Utilities		233,520	
Other Supplies and Materials		281,139	
Building Improvements		8,999	
Health Equipment		52,644	
Other Equipment		1,056	
Total County Buildings			779,442

Other General Administration

Maintenance Personnel	\$	48,519	
Overtime Pay		584	
Other Salaries and Wages		37,061	
Social Security		6,232	
Pensions		5,856	
Employee and Dependent Insurance		12,912	
Unemployment Compensation		42	
Communication		1,281	
Gasoline		3,245	
Total Other General Administration			115,732

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	77,971	
Secretary(ies)		33,250	
Clerical Personnel		27,087	

(Continued)



## Exhibit K-8

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

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

Other Salaries and Wages	\$	34,433	
Social Security		12,864	
Pensions		11,563	
Employee and Dependent Insurance		18,561	
Unemployment Compensation		63	
Audit Services		19,050	
Legal Services		370	
Maintenance and Repair Services - Equipment		4,851	
Postal Charges		899	
Travel		510	
Office Supplies		2,608	
Office Equipment		626	
Total Property Assessor's Office			\$ 244,706

Reappraisal Program

Clerical Personnel	\$	14,451	
Other Salaries and Wages		33,262	
Social Security		3,623	
Pensions		2,254	
Employee and Dependent Insurance		2,421	
Unemployment Compensation		43	
Travel		3,518	
Other Contracted Services		20,982	
Total Reappraisal Program			80,554

County Trustee's Office

Pensions	\$	13,299	
Employee and Dependent Insurance		25,824	
Dues and Memberships		631	
Maintenance and Repair Services - Equipment		7,800	
Postal Charges		10,657	
Office Supplies		1,309	
Total County Trustee's Office			59,520

County Clerk's Office

Pensions	\$	18,504	
Employee and Dependent Insurance		33,894	
Dues and Memberships		631	
Maintenance and Repair Services - Equipment		19,251	
Postal Charges		12,631	
Office Supplies		6,564	
Office Equipment		1,318	
Total County Clerk's Office			92,793

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	77,970	
--	----	--------	--

(Continued)

## Exhibit K-8

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

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

Deputy(ies)	\$	288,506	
Other Salaries and Wages		24,814	
Jury and Witness Expense		5,117	
Social Security		28,793	
Pensions		25,557	
Employee and Dependent Insurance		47,882	
Unemployment Compensation		235	
Data Processing Services		26,400	
Dues and Memberships		631	
Maintenance and Repair Services - Equipment		2,650	
Postal Charges		2,793	
Travel		505	
Office Supplies		7,036	
Other Charges		4,687	
Office Equipment		1,000	
Total Circuit Court			\$ 544,576

General Sessions Court

Judge(s)	\$	112,900	
Social Security		8,305	
Pensions		7,447	
Travel		796	
Library Books/Media		2,834	
Office Supplies		150	
Total General Sessions Court			132,432

Chancery Court

County Official/Administrative Officer	\$	77,971	
Accountants/Bookkeepers		29,450	
Clerical Personnel		33,262	
Other Salaries and Wages		33,262	
Social Security		12,852	
Pensions		11,691	
Employee and Dependent Insurance		25,821	
Unemployment Compensation		105	
Dues and Memberships		631	
Maintenance and Repair Services - Equipment		11,492	
Postal Charges		10,171	
Office Supplies		3,353	
Office Equipment		9,085	
Total Chancery Court			259,146

Juvenile Court

Judge(s)	\$	65,135	
Assistant(s)		35,448	
Probation Officer(s)		33,298	
Overtime Pay		11,228	

(Continued)

## Exhibit K-8

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

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

Other Salaries and Wages	\$	33,298	
Social Security		13,397	
Pensions		12,156	
Employee and Dependent Insurance		25,824	
Unemployment Compensation		63	
Postal Charges		34	
Travel		4,045	
Other Contracted Services		14,526	
Office Supplies		1,454	
Total Juvenile Court			\$ 249,906

Public SafetySheriff's Department

County Official/Administrative Officer	\$	85,768	
Deputy(ies)		784,123	
Investigator(s)		43,393	
Accountants/Bookkeepers		6,740	
Salary Supplements		24,000	
Dispatchers/Radio Operators		390,742	
Clerical Personnel		63,160	
Attendants		81,158	
Part-time Personnel		1,279	
School Resource Officer		346,218	
Overtime Pay		176,290	
Other Salaries and Wages		69,247	
In-service Training		7,427	
Social Security		150,358	
Pensions		132,745	
Employee and Dependent Insurance		263,865	
Unemployment Compensation		1,114	
Data Processing Services		12,031	
Dues and Memberships		2,000	
Maintenance and Repair Services - Equipment		3,201	
Postal Charges		945	
Rentals		2,010	
Travel		5,660	
Gasoline		134,016	
Office Supplies		8,978	
Tires and Tubes		11,648	
Uniforms		4,579	
Vehicle Parts		57,814	
Other Charges		2,504	
Communication Equipment		31,695	
Law Enforcement Equipment		38,272	
Motor Vehicles		17	
Total Sheriff's Department			2,942,997

(Continued)

## Exhibit K-8

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	\$ 2,592	
Total Administration of the Sexual Offender Registry		\$ 2,592

Jail

Guards	\$ 581,426	
Cafeteria Personnel	57,073	
Part-time Personnel	4,850	
Overtime Pay	36,167	
Other Salaries and Wages	24,979	
Social Security	52,293	
Pensions	47,470	
Employee and Dependent Insurance	105,458	
Unemployment Compensation	528	
Medical and Dental Services	371,070	
Transportation - Other than Students	849	
Food Supplies	171,603	
Office Supplies	2,362	
Prisoners Clothing	3,814	
Other Charges	66,061	
Total Jail		1,526,003

Correctional Incentive Program Improvements

Other Salaries and Wages	\$ 13,256	
Social Security	998	
Pensions	909	
Employee and Dependent Insurance	1,430	
Unemployment Compensation	11	
Total Correctional Incentive Program Improvements		16,604

Fire Prevention and Control

Contributions	\$ 2,000	
Other Contracted Services	219,925	
Total Fire Prevention and Control		221,925

Civil Defense

Contributions	\$ 20,000	
Equipment and Machinery Parts	2,145	
Total Civil Defense		22,145

Rescue Squad

Contributions	\$ 15,000	
Total Rescue Squad		15,000

County Coroner/Medical Examiner

Medical Personnel	\$ 21,390	
Social Security	963	
Unemployment Compensation	32	
Total County Coroner/Medical Examiner		22,385

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Contributions	\$ 76,969	
Other Contracted Services	<u>156,043</u>	
Total Local Health Center		\$ 233,012

Ambulance/Emergency Medical Services

Ambulance Services	<u>\$ 160,726</u>	
Total Ambulance/Emergency Medical Services		160,726

Alcohol and Drug Programs

Other Salaries and Wages	\$ 2,308	
Social Security	152	
Pensions	158	
Employee and Dependent Insurance	362	
Unemployment Compensation	1	
Other Supplies and Materials	<u>3,932</u>	
Total Alcohol and Drug Programs		6,913

Other Local Health Services

Other Contracted Services	<u>\$ 35,925</u>	
Total Other Local Health Services		35,925

Sanitation Education/Information

Guards	\$ 25,012	
Clerical Personnel	19,897	
Social Security	3,276	
Pensions	3,053	
Employee and Dependent Insurance	6,456	
Unemployment Compensation	42	
Travel	133	
Instructional Supplies and Materials	15,605	
Motor Vehicles	<u>32,758</u>	
Total Sanitation Education/Information		106,232

Social, Cultural, and Recreational ServicesLibraries

Contributions	<u>\$ 169,122</u>	
Total Libraries		169,122

Parks and Fair Boards

Clerical Personnel	\$ 3,700	
Custodial Personnel	20,565	
Social Security	1,808	
Pensions	254	
Employee and Dependent Insurance	558	
Unemployment Compensation	43	
Other Equipment	<u>19,991</u>	
Total Parks and Fair Boards		46,919

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Other Social, Cultural, and Recreational

Contributions	\$	20,000	
Other Charges		15,218	
Total Other Social, Cultural, and Recreational			\$ 35,218

Agriculture and Natural ResourcesAgricultural Extension Service

Contributions	\$	85,590	
Maintenance and Repair Services - Equipment		204	
Office Equipment		600	
Total Agricultural Extension Service			86,394

Soil Conservation

Clerical Personnel	\$	32,305	
Social Security		2,398	
Pensions		2,189	
Employee and Dependent Insurance		6,456	
Unemployment Compensation		21	
Travel		35	
Total Soil Conservation			43,404

Other OperationsIndustrial Development

Dues and Memberships	\$	9,378	
Total Industrial Development			9,378

Other Economic and Community Development

Other Contracted Services	\$	8,716	
Other Charges		77,409	
Principal on Notes		40,000	
Interest on Notes		3,104	
Total Other Economic and Community Development			129,229

Airport

Supervisor/Director	\$	34,523	
Temporary Personnel		9,904	
Social Security		3,213	
Pensions		2,341	
Employee and Dependent Insurance		6,456	
Unemployment Compensation		51	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		375	
Travel		210	
Fuel Oil		85,837	
Office Supplies		2,629	
Utilities		18,239	
Other Supplies and Materials		6,750	
Other Charges		6,533	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Other Operations (Cont.)Airport (Cont.)

Airport Improvement	\$	27,478	
Other Construction		<u>154,234</u>	
Total Airport			\$ 359,023

Veterans' Services

Supervisor/Director	\$	15,873	
Social Security		1,214	
Unemployment Compensation		21	
Communication		480	
Travel		700	
Office Supplies		55	
Other Charges		<u>449</u>	
Total Veterans' Services			18,792

Other Charges

Audit Services	\$	10,730	
Operating Lease Payments		3,296	
Postal Charges		1,055	
Office Supplies		7,888	
Building and Contents Insurance		27,763	
Liability Insurance		50,162	
Refunds		9,588	
Trustee's Commission		162,606	
Vehicle and Equipment Insurance		21,317	
Workers' Compensation Insurance		24,837	
Other Charges		<u>48,101</u>	
Total Other Charges			367,343

COVID-19 Grant A

Other Charges	\$	<u>145,372</u>	
Total COVID-19 Grant A			<u>145,372</u>

Total General Fund \$ 10,419,262

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Maintenance and Repair Services - Buildings	\$	<u>18,541</u>	
Total County Buildings			\$ 18,541

Other OperationsOther Charges

Trustee's Commission	\$	<u>73</u>	
Total Other Charges			<u>73</u>

Total Courthouse and Jail Maintenance Fund 18,614

(Continued)

## Exhibit K-8

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

Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Truck Drivers	\$	33,129	
Part-time Personnel		183,272	
Overtime Pay		15,877	
Other Salaries and Wages		6,219	
Social Security		18,156	
Pensions		3,761	
Employee and Dependent Insurance		6,456	
Unemployment Compensation		407	
Maintenance and Repair Services - Equipment		6,293	
Disposal Fees		249,740	
Diesel Fuel		17,287	
Tires and Tubes		8,629	
Utilities		19,852	
Gravel and Chert		1,850	
Other Supplies and Materials		7,266	
Other Charges		3,126	
Other Equipment		165,545	
Total Convenience Centers			\$ 746,865

Other OperationsOther Charges

Trustee's Commission	\$	11,410	
Total Other Charges			11,410

Total Solid Waste/Sanitation Fund \$ 758,275

Drug Control FundPublic SafetyDrug Enforcement

Accountants/Bookkeepers	\$	3,846	
Secretary(ies)		4,000	
Overtime Pay		31,438	
Social Security		3,006	
Pensions		2,696	
Unemployment Compensation		13	
Confidential Drug Enforcement Payments		3,000	
Law Enforcement Supplies		1,649	
Other Charges		1,770	
Law Enforcement Equipment		47,864	
Motor Vehicles		62,533	
Total Drug Enforcement			\$ 161,815

Other OperationsOther Charges

Trustee's Commission	\$	78	
Total Other Charges			78

Total Drug Control Fund 161,893

(Continued)



## Exhibit K-8

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

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 215,337	
Total County Trustee's Office		\$ 215,337

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 297,651	
Total County Clerk's Office		297,651

Administration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$ 1,748	
Total Chancery Court		<u>1,748</u>

Total Constitutional Officers - Fees Fund		\$ 514,736
---	--	------------

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 85,768	
Assistant(s)	101,898	
Accountants/Bookkeepers	88,584	
Salary Supplements	1,800	
Custodial Personnel	3,748	
Social Security	17,662	
Pensions	19,331	
Employer Medicare	4,131	
Communication	3,901	
Data Processing Services	8,285	
Dues and Memberships	4,246	
Evaluation and Testing	345	
Legal Notices, Recording, and Court Costs	176	
Maintenance and Repair Services - Office Equipment	587	
Postal Charges	504	
Other Contracted Services	330	
Office Supplies	642	
Other Charges	<u>468</u>	
Total Administration		\$ 342,406

Highway and Bridge Maintenance

Foremen	\$ 35,205
Equipment Operators	160,094
Equipment Operators - Light	325,998
Truck Drivers	130,675
Laborers	124,173
Social Security	48,011
Pensions	53,104
Employer Medicare	11,228
Other Contracted Services	336,519

(Continued)

## Exhibit K-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Asphalt - Cold Mix	\$	23,659	
Asphalt - Hot Mix		174,805	
Asphalt - Liquid		6,463	
Crushed Stone		317,656	
Pipe		21,828	
Road Signs		7,541	
Sand		1,005	
Wood Products		455	
Other Supplies and Materials		6,092	
Other Charges		5,239	
Total Highway and Bridge Maintenance			\$ 1,789,750

Operation and Maintenance of Equipment

Foremen	\$	41,955	
Mechanic(s)		83,010	
Social Security		7,748	
Pensions		8,573	
Employer Medicare		1,812	
Diesel Fuel		45,466	
Equipment and Machinery Parts		70,508	
Garage Supplies		5,132	
Gasoline		37,967	
Lubricants		4,966	
Propane Gas		1,564	
Tires and Tubes		7,924	
Total Operation and Maintenance of Equipment			316,625

Other Charges

Electricity	\$	6,119	
Water and Sewer		121	
Building and Contents Insurance		1,648	
Liability Insurance		4,795	
Trustee's Commission		24,968	
Vehicle and Equipment Insurance		18,349	
Total Other Charges			56,000

Employee Benefits

Employee and Dependent Insurance	\$	253,279	
Unemployment Compensation		2,325	
Workers' Compensation Insurance		46,595	
Total Employee Benefits			302,199

Capital Outlay

Engineering Services	\$	18,800	
Communication Equipment		838	
Motor Vehicles		26,948	
State Aid Projects		460,681	
Other Equipment		58,247	
Total Capital Outlay			565,514

(Continued)

## Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Notes	\$ 76,169	
Total Highways and Streets		\$ 76,169

Interest on Debt

Highways and Streets

Interest on Notes	\$ 12,415	
Total Highways and Streets		12,415

Total Highway/Public Works Fund		\$ 3,461,078
---------------------------------	--	--------------

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$ 12,832	
Total Other Charges		\$ 12,832

Principal on Debt

General Government

Principal on Bonds	\$ 425,000	
Total General Government		425,000

Interest on Debt

General Government

Interest on Bonds	\$ 124,281	
Total General Government		124,281

Other Debt Service

General Government

Other Charges	\$ 352	
Total General Government		352

Total General Debt Service Fund		562,465
---------------------------------	--	---------

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,235,000	
Total Education		\$ 1,235,000

Interest on Debt

Education

Interest on Bonds	\$ 282,000	
Total Education		282,000

Other Debt Service

Education

Trustee's Commission	\$ 28,592	
Other Charges	1,251	
Total Education		29,843

Total Rural Debt Service Fund		1,546,843
-------------------------------	--	-----------

(Continued)

## Exhibit K-8

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

<u>Education Debt Service Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	19,691	
Total Other Charges		\$	19,691
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	775,000	
Principal on Capital Leases		48,013	
Total Education			823,013
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	434,281	
Total Education			434,281
Total Education Debt Service Fund			\$ 1,276,985
<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	2,226	
Total Other Charges		\$	2,226
Total Education Capital Projects Fund			2,226
<u>Other Capital Projects Fund</u>			
<u>General Government</u>			
<u>County Buildings</u>			
Other Capital Outlay	\$	208,898	
Total County Buildings		\$	208,898
<u>Other Operations</u>			
<u>Other Economic and Community Development</u>			
Water and Sewer	\$	47,513	
Total Other Economic and Community Development			47,513
<u>Other Charges</u>			
Trustee's Commission	\$	21,347	
Total Other Charges			21,347
Total Other Capital Projects Fund			277,758
Total Governmental Funds - Primary Government			<u>\$ 19,000,135</u>

## Exhibit K-9

Marion County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Marion County School Department  
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,774,450	
Career Ladder Program	37,000	
Homebound Teachers	23,839	
Educational Assistants	406,024	
Certified Substitute Teachers	67,290	
Non-certified Substitute Teachers	172,210	
Social Security	617,169	
Pensions	1,000,810	
Medical Insurance	1,876,335	
Employer Medicare	144,926	
Other Contracted Services	41,966	
Instructional Supplies and Materials	113,682	
Textbooks - Bound	320,024	
Other Supplies and Materials	92,651	
Regular Instruction Equipment	861	
Total Regular Instruction Program		\$ 14,689,237

Special Education Program

Teachers	\$ 1,214,929	
Career Ladder Program	5,000	
Homebound Teachers	10,893	
Educational Assistants	296,150	
Speech Pathologist	215,136	
Other Salaries and Wages	7,081	
Certified Substitute Teachers	5,784	
Non-certified Substitute Teachers	21,336	
Social Security	102,846	
Pensions	164,143	
Medical Insurance	401,245	
Employer Medicare	24,155	
Contracts with Private Agencies	33,634	
Other Contracted Services	42	
Instructional Supplies and Materials	15,659	
Other Supplies and Materials	2,935	
Special Education Equipment	779	
Total Special Education Program		2,521,747

Career and Technical Education Program

Teachers	\$ 1,023,451	
Career Ladder Program	2,000	
Non-certified Substitute Teachers	12,212	
Social Security	61,567	
Pensions	94,656	
Medical Insurance	185,103	
Employer Medicare	14,396	
Maintenance and Repair Services - Equipment	1,619	

(Continued)

## Exhibit K-9

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

## General Purpose School Fund (Cont.)

## Instruction (Cont.)

## Career and Technical Education Program (Cont.)

Other Contracted Services	\$	2,504	
Instructional Supplies and Materials		34,515	
Textbooks - Electronic		39,950	
Textbooks - Bound		14,578	
Other Supplies and Materials		27,305	
Vocational Instruction Equipment		22,505	
Total Career and Technical Education Program			\$ 1,536,361

## Support Services

## Attendance

Supervisor/Director	\$	68,466	
Career Ladder Program		850	
Social Workers		32,480	
Social Security		6,197	
Pensions		9,596	
Medical Insurance		13,949	
Employer Medicare		1,449	
Other Contracted Services		1,204	
Software		21,576	
Other Supplies and Materials		308	
In Service/Staff Development		2,366	
Other Charges		1,000	
Total Attendance			159,441

## Health Services

Supervisor/Director	\$	62,963	
Medical Personnel		142,960	
Other Salaries and Wages		59,892	
Social Security		15,416	
Pensions		16,500	
Medical Insurance		49,746	
Employer Medicare		3,605	
Maintenance and Repair Services - Equipment		6,375	
Travel		2,916	
Other Contracted Services		1,463	
Drugs and Medical Supplies		4,823	
Other Supplies and Materials		3,106	
In Service/Staff Development		6,410	
Other Charges		1,055	
Health Equipment		688	
Total Health Services			377,918

## Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		467,837	
Social Security		27,678	

(Continued)

## Exhibit K-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Pensions	\$	48,237	
Medical Insurance		74,862	
Employer Medicare		6,473	
Contracts with Government Agencies		61,864	
Evaluation and Testing		19,966	
Travel		820	
Other Contracted Services		2,325	
In Service/Staff Development		1,288	
Total Other Student Support			\$ 712,350

Regular Instruction Program

Supervisor/Director	\$	236,188	
Career Ladder Program		5,000	
Librarians		484,238	
Secretary(ies)		15,730	
Other Salaries and Wages		3,614	
Social Security		44,543	
Pensions		76,567	
Medical Insurance		109,549	
Employer Medicare		10,417	
Travel		3,256	
Other Contracted Services		13,016	
Library Books/Media		70,578	
Other Supplies and Materials		917	
In Service/Staff Development		13,041	
Other Charges		9,908	
Total Regular Instruction Program			1,096,562

Special Education Program

Supervisor/Director	\$	83,738	
Career Ladder Program		2,000	
Secretary(ies)		30,095	
Social Security		7,124	
Pensions		11,178	
Medical Insurance		14,333	
Employer Medicare		1,666	
Maintenance and Repair Services - Equipment		372	
Travel		9,534	
Other Contracted Services		196,512	
Other Supplies and Materials		11,169	
In Service/Staff Development		8,311	
Special Education Equipment		339	
Total Special Education Program			376,371

Career and Technical Education Program

Secretary(ies)	\$	31,460	
----------------	----	--------	--

(Continued)

## Exhibit K-9

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

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Career and Technical Education Program (Cont.)

Social Security	\$	1,562	
Pensions		2,158	
Medical Insurance		10,440	
Employer Medicare		365	
Other Supplies and Materials		327	
In Service/Staff Development		300	
Other Charges		497	
Total Career and Technical Education Program			\$ 47,109

## Technology

Supervisor/Director	\$	67,200	
Other Salaries and Wages		200,811	
Social Security		16,240	
Pensions		18,300	
Medical Insurance		37,960	
Employer Medicare		3,798	
Internet Connectivity		45,407	
Travel		485	
Other Contracted Services		3,652	
Office Supplies		582	
Cabling		6,260	
Software		33,815	
Other Supplies and Materials		23,104	
In Service/Staff Development		265	
Other Equipment		40,570	
Total Technology			498,449

## Other Programs

On-behalf Payments to OPEB	\$	115,058	
Total Other Programs			115,058

## Board of Education

Board and Committee Members Fees	\$	15,975	
Social Security		990	
Unemployment Compensation		10,807	
Employer Medicare		232	
Audit Services		15,700	
Dues and Memberships		12,207	
Legal Services		89,839	
Travel		7,847	
Premiums on Corporate Surety Bonds		1,243	
Trustee's Commission		210,748	
Workers' Compensation Insurance		135,979	
Criminal Investigation of Applicants - TBI		633	
Other Charges		3,211	
Total Board of Education			505,411

(Continued)



## Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	169,744	
Career Ladder Program		1,000	
Secretary(ies)		39,442	
Clerical Personnel		15,730	
Social Security		11,476	
Pensions		21,935	
Medical Insurance		23,838	
Employer Medicare		3,203	
Communication		46,082	
Dues and Memberships		3,299	
Maintenance and Repair Services - Equipment		1,062	
Postal Charges		16	
Travel		6,023	
Other Contracted Services		16,725	
Office Supplies		2,959	
In Service/Staff Development		4,428	
Total Director of Schools			\$ 366,962

Office of the Principal

Principals	\$	672,727	
Career Ladder Program		6,000	
Assistant Principals		446,279	
Secretary(ies)		419,962	
Other Salaries and Wages		5,425	
Social Security		91,859	
Pensions		146,312	
Medical Insurance		307,979	
Employer Medicare		21,482	
Other Contracted Services		42,692	
Other Charges		360	
Total Office of the Principal			2,161,077

Fiscal Services

Supervisor/Director	\$	87,738	
Accountants/Bookkeepers		120,380	
Other Salaries and Wages		23,848	
Social Security		13,572	
Pensions		15,891	
Medical Insurance		39,443	
Employer Medicare		3,174	
Data Processing Services		23,581	
Dues and Memberships		80	
Travel		143	
Other Contracted Services		980	
Data Processing Supplies		104	
Office Supplies		884	
In Service/Staff Development		5,381	
Total Fiscal Services			335,199

(Continued)

## Exhibit K-9

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

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Human Services/Personnel

Other Salaries and Wages	\$	96,833	
Social Security		5,929	
Pensions		6,331	
Medical Insurance		8,839	
Employer Medicare		1,387	
Travel		2,671	
Other Contracted Services		3,358	
Office Supplies		2,893	
Other Charges		321	
Total Human Services/Personnel			\$ 128,562

## Operation of Plant

Custodial Personnel	\$	607,169	
Social Security		36,429	
Pensions		38,797	
Medical Insurance		199,774	
Employer Medicare		8,520	
Disposal Fees		27,068	
Other Contracted Services		30,269	
Custodial Supplies		130,313	
Electricity		930,329	
Natural Gas		106,410	
Water and Sewer		84,964	
Other Supplies and Materials		16,343	
Building and Contents Insurance		191,833	
Other Charges		1,475	
Total Operation of Plant			2,409,693

## Maintenance of Plant

Supervisor/Director	\$	60,940	
Maintenance Personnel		265,533	
Social Security		19,843	
Pensions		22,192	
Medical Insurance		80,522	
Employer Medicare		4,641	
Maintenance and Repair Services - Buildings		17,523	
Maintenance and Repair Services - Equipment		29,158	
Maintenance and Repair Services - Vehicles		903	
Other Contracted Services		43,695	
Other Supplies and Materials		124,587	
Other Charges		250	
Administration Equipment		58,325	
Maintenance Equipment		17,489	
Total Maintenance of Plant			745,601

(Continued)

## Exhibit K-9

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

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Transportation

Supervisor/Director	\$	12,082	
Bus Drivers		12,204	
Other Salaries and Wages		14,783	
Social Security		2,336	
Pensions		2,021	
Medical Insurance		1,131	
Employer Medicare		546	
Contracts with Vehicle Owners		1,111,752	
Maintenance and Repair Services - Vehicles		2,898	
Other Contracted Services		952	
Diesel Fuel		2,300	
Other Supplies and Materials		69	
In Service/Staff Development		732	
Total Transportation			\$ 1,163,806

## Operation of Non-Instructional Services

## Community Services

Supervisor/Director	\$	7,175	
Teachers		58,808	
Other Salaries and Wages		94,766	
Social Security		8,573	
Pensions		13,751	
Employer Medicare		2,250	
Travel		278	
Instructional Supplies and Materials		13,456	
Other Supplies and Materials		2,963	
Other Charges		5,542	
Total Community Services			207,562

## Early Childhood Education

Teachers	\$	188,195	
Educational Assistants		71,550	
Social Security		15,251	
Pensions		23,501	
Medical Insurance		60,640	
Employer Medicare		3,567	
Other Fringe Benefits		671	
Other Contracted Services		1,325	
Instructional Supplies and Materials		1,080	
Debt Service Contribution to Primary Government		2,874	
Total Early Childhood Education			368,654

## Capital Outlay

## Regular Capital Outlay

Building Improvements	\$	77,088	
Total Regular Capital Outlay			77,088

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$ 14,385	
Total Education		\$ 14,385

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$ 2,798	
Total Education		2,798

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 774,868	
Total Education		<u>774,868</u>

Total General Purpose School Fund \$ 31,392,269

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 363,276	
Educational Assistants	104,560	
Non-certified Substitute Teachers	4,118	
Social Security	27,918	
Pensions	45,795	
Medical Insurance	106,594	
Employer Medicare	6,529	
Other Fringe Benefits	1,227	
Other Contracted Services	16,168	
Instructional Supplies and Materials	53,291	
Debt Service Contribution to Primary Government	30,754	
Regular Instruction Equipment	<u>127,785</u>	
Total Regular Instruction Program		\$ 888,015

Special Education Program

Educational Assistants	\$ 249,367	
Speech Pathologist	1,206	
Other Salaries and Wages	26,400	
Social Security	16,363	
Pensions	18,918	
Medical Insurance	117,348	
Employer Medicare	3,827	
Other Fringe Benefits	720	
Instructional Supplies and Materials	10,016	
Other Supplies and Materials	2,667	
Special Education Equipment	<u>29,692</u>	
Total Special Education Program		476,524

(Continued)

## Exhibit K-9

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Career and Technical Education Program

Instructional Supplies and Materials	\$	7,500	
Other Supplies and Materials		11,955	
Vocational Instruction Equipment		97,870	
Total Career and Technical Education Program			\$ 117,325

Support ServicesOther Student Support

Other Salaries and Wages	\$	113,496	
Social Security		6,931	
Pensions		11,914	
Medical Insurance		13,299	
Employer Medicare		1,622	
Other Fringe Benefits		295	
Other Contracted Services		31	
Other Supplies and Materials		898	
In Service/Staff Development		8,231	
Other Charges		5,261	
Total Other Student Support			161,978

Regular Instruction Program

Supervisor/Director	\$	75,612	
Secretary(ies)		25,240	
Social Security		5,829	
Pensions		9,769	
Medical Insurance		21,206	
Employer Medicare		1,363	
Other Fringe Benefits		262	
Travel		1,946	
Other Contracted Services		57,747	
Other Supplies and Materials		1,229	
In Service/Staff Development		52,821	
Total Regular Instruction Program			253,024

Special Education Program

Psychological Personnel	\$	195,980	
Other Salaries and Wages		90,950	
Social Security		17,253	
Pensions		29,101	
Medical Insurance		30,160	
Employer Medicare		4,035	
Other Fringe Benefits		746	
Operating Lease Payments		3,431	
Other Supplies and Materials		3,347	
In Service/Staff Development		8,365	
Other Charges		1,792	
Other Equipment		13,438	
Total Special Education Program			398,598

(Continued)

## Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Other Salaries and Wages	\$	15,705	
Social Security		974	
Pensions		713	
Medical Insurance		7,070	
Employer Medicare		228	
Other Fringe Benefits		41	
Maintenance and Repair Services - Vehicles		965	
Gasoline		654	
Lubricants		76	
Total Transportation			\$ 26,426

Total School Federal Projects Fund \$ 2,321,890

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	76,984	
Accountants/Bookkeepers		2,108	
Cafeteria Personnel		779,209	
Other Salaries and Wages		32,040	
Social Security		52,503	
Pensions		45,754	
Medical Insurance		195,307	
Employer Medicare		12,443	
Other Fringe Benefits		19,838	
Communication		6,429	
Maintenance and Repair Services - Equipment		35,616	
Travel		873	
Other Contracted Services		51,126	
Food Preparation Supplies		64,267	
Food Supplies		993,641	
USDA - Commodities		189,078	
Other Supplies and Materials		8,817	
Trustee's Commission		80	
In Service/Staff Development		3,860	
Other Charges		3,576	
Food Service Equipment		21,623	
Total Food Service			\$ 2,595,172

Total Central Cafeteria Fund 2,595,172

Total Governmental Funds - Marion County School Department \$ 36,309,331

## Exhibit K-10

Marion County, Tennessee  
Schedule of Detail Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2020

	Cities Sales Tax Fund	Special School District Fund	City School ADA - Richard City Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 17,646	\$ 271,494	\$ 289,140
Trustee's Collections - Prior Years	0	892	10,681	11,573
Circuit/Clerk and Master Collections - Prior Years	0	0	7,731	7,731
Interest and Penalty	0	151	2,060	2,211
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,270	1,270
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,031	1,031
Payments in-Lieu-of Taxes - Other	0	0	196	196
Local Option Sales Tax	3,850,119	0	228,985	4,079,104
Hotel/Motel Tax	0	0	1,463	1,463
Mixed Drink Tax	0	0	1,007	1,007
Bank Excise Tax	0	0	4,815	4,815
Wholesale Beer Tax	0	0	6,468	6,468
Marriage Licenses	0	0	81	81
Total Cash Receipts	<u>\$ 3,850,119</u>	<u>\$ 18,689</u>	<u>\$ 537,282</u>	<u>\$ 4,406,090</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 3,811,618	\$ 18,220	\$ 491,754	\$ 4,321,592
Trustee's Commission	38,501	372	8,119	46,992
Total Cash Disbursements	<u>\$ 3,850,119</u>	<u>\$ 18,592</u>	<u>\$ 499,873</u>	<u>\$ 4,368,584</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 97	\$ 37,409	\$ 37,506
Cash Balance, July 1, 2019	0	90	0	90
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 187</u>	<u>\$ 37,409</u>	<u>\$ 37,596</u>

---

---

## 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, 2020, 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 February 18, 2021. Our report includes a reference to other auditors who audited the financial statements of the Marion County Conservation Commission, as described in our report on Marion County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Marion County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-001.

### **Marion County's Response to the Finding**

Marion County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Marion County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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

February 18, 2021

JEM/sl



JASON E. MUMPOWER  
*Comptroller*

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Marion County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marion County's major federal programs for the year ended June 30, 2020. Marion County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Marion County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marion County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Marion County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of Marion County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marion County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marion County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements. We issued our report thereon dated February 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 18, 2021

JEM/sl

Marion County, Tennessee, and the Marion County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10)  
For Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 452,008
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	545,049 (6)
COVID-19 - School Breakfast Program	10.553	(4)	238,630 (6)
National School Lunch Program	10.555	(4)	1,255,941 (6)
COVID-19 - National School Lunch Program	10.555	(4)	379,638 (6)
Fresh Fruit and Vegetable Program	10.582	(4)	78,811
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	200,476 (6) (7)
Total U.S. Department of Agriculture			<u>\$ 3,150,553</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant	14.228	(4)	\$ 39,920
Total U.S. Department of Housing and Urban Development			<u>\$ 39,920</u>
U.S. Department of Justice:			
Passed-through Tennessee Bureau of Investigation:			
Public Safety Partnership and Community Policing Grants	16.710	(4)	\$ 61,942
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	140,000
Total U.S. Department of Justice			<u>\$ 201,942</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 116,612
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(8)	15,541
Total U.S. Department of Transportation			<u>\$ 132,153</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(4)	\$ 3,922
Total Appalachian Regional Commission			<u>\$ 3,922</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Education Agencies	84.010	(4)	\$ 1,084,146
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	914,162
Special Education - Preschool Grants	84.173	(4)	47,519
Career and Technical Education - Basic Grants to States	84.048	(4)	126,085
Twenty-first Century Community Learning Centers	84.287	(4)	93,937
Rural Education	84.358	(4)	66,777
Supporting Effective Instruction State Grants	84.367	(4)	109,426
Student Support and Academic Enrichment Grants	84.424	(4)	71,384
Total U.S. Department of Education			<u>\$ 2,513,436</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of the State:			
2020 HAVA Election Security Grant	90.404	(4)	\$ 1,760
Total U.S. Election Assistance Commission			<u>\$ 1,760</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(4)	\$ 2,145
Total U.S. Department of Homeland Security			<u>\$ 2,145</u>
Total Expenditures of Federal Awards			<u>\$ 6,045,831</u>

(Continued)

Marion County, Tennessee, and the Marion County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(4)	\$ 35,655
Assistance for Communities with Hospital Closures - State Department of Economic and Community Development	N/A	(4)	50,000
Site Development Grant Program - State Department of Economic and Community Development	N/A	(4)	20,250
Juvenile Services Program - State Department of Children's Services	N/A	(4)	9,000
Litter Program - State Department of Transportation	N/A	(4)	50,397
Airport Maintenance Grant - State Department of Transportation	N/A	(4)	15,000
Local Health Services Grant - State Department of Health	N/A	(4)	121,623
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Lottery for Education After School Programs - State Department of Education	N/A	(4)	47,445
Safe Schools - State Department of Education	N/A	(4)	27,786
School Safety - State Department of Education	N/A	(4)	39,869
Arts Program Categorical Grants - Arts 360 - Tennessee Arts Commission	N/A	(4)	17,685
Transition School to Work - State Department of Human Services	N/A	(4)	17,292
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	369,425
Total State Grants			<u>\$ 916,427</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Marion County elected to not use the 10% de minimus 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 \$2,619,734; Special Education Cluster (IDEA) total \$961,681.

(6) CFDA Totals: CFDA No. 10.553, \$783,679; CFDA No. 10.555, \$1,836,055.

(7) Commodities \$189,078; Commodity Rebate \$11,398.

(8) Grant with multiple pass-through identifying numbers:

CFDA 20.607: Z-19-THS-174: \$3,647; Z-20-THS-152: \$11,894

(9) During the year ended June 30, 2020, Marion County received donated PPE valued at \$145,372 (\$109,029 federal and \$36,343 state) from the Tennessee Department of Military. These donations were unaudited.

(10) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 151,079
Rural Education	84.358	93
Supporting Effective Instruction State Grant	84.367	928
Student Support and Academic Enrichment Grants	84.424	186
		<u>\$ 152,286</u>

Marion County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2020

*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, 2020.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
----------------	----------------	-------------------	------------------	----------------	----------------

**OFFICE OF COUNTY MAYOR AND COUNTY CLERK**

2019	210	2019-001	Employees shared usernames and passwords.	N/A	Corrected
------	-----	----------	---	-----	-----------

**OFFICE OF HIGHWAY SUPERVISOR**

2019	211	2019-002	The office had purchasing deficiencies.	N/A	Corrected
------	-----	----------	---	-----	-----------

**OFFICE OF SHERIFF**

2019	212	2019-003	Two employees shared a user name and password.	N/A	Corrected
------	-----	----------	--	-----	-----------

***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, 2020**

---

---

**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Marion County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number: 84.010 Title I Grants to Local Education Agencies
  - \* CFDA Number: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education Preschool Grants
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

A finding and recommendation, as a result of our audit, is presented below. We reviewed this finding and recommendation 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.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2020-001**

#### **EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the county commission in several major appropriation categories (the legal level of control) in the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Alcohol and Drug Programs	\$ 513
Sanitation Education/Information	2,994
Courthouse and Jail Maintenance:	
County Buildings	4,541
Drug Control:	
Drug Enforcement	10,715
Education Debt Service:	
Other Charges	1,691
Other Capital Projects:	
Other Economic and Community Development	40,704

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

### **RECOMMENDATION**

Expenditures should be held within appropriations approved by the county commission.

### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

We 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, 2020.

**Marion County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2020**

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
-------------------	------------------	---------------------------------------

**OFFICE OF COUNTY MAYOR**

2020-001	Expenditures exceeded appropriations.	213
----------	---------------------------------------	-----

# 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 2020-001: EXPENDITURES EXCEEDED APPROPRIATIONS**

**Response and Corrective Action Plan Prepared by:**

Diane Beavers, Bookkeeper

**Person Responsible for Implementing the Corrective Action:**

Diane Beavers, Bookkeeper

**Anticipated Completion Date of Corrective Action:**

February 10, 2021

**Repeat Finding:**

No

**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

Diane Beavers will reconcile the ending balances of ALL funds before closing each month. If there is an overage in a line item, either an internal journal entry will be made before closing the month or a Budget Amendment will be presented to the County Commissioners at the monthly Commission Meeting.

Signature:

  
County Mayor

## **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

\$23,615,000 COUNTY DISTRICT SCHOOL BONDS, SERIES 2022

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this 5<sup>th</sup> day of January, 2022 by Marion County, Tennessee (the “Issuer”) in connection with the issuance of its \$23,615,000 County District School Bonds, Series 2022 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated December 7, 2021, 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 May 24, 2021.

“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, 2021, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "County-Wide Summary of Outstanding Debt";
2. "County-Wide Debt Statement";
3. "County-Wide Debt Record";
4. "County-Wide Per Capita Debt Ratios";
5. "County-Wide Debt Ratios";
6. "County-Wide Debt Trend";
7. "County-Wide Debt Service Requirements";
8. "County-Wide Property Valuation and Property Tax";
9. "County-Wide Top Property Taxpayers";
10. "County-Wide Fund Balances"; and
11. "County-Wide Local Sales Tax;"
12. "County-Wide Basic Education Program Funding;"
13. "County District Summary of Outstanding Debt";
14. "County District Debt Statement";
15. "County District Debt Record of Marion County (County District)";
16. "County District Per Capita Debt Ratios";
17. "County District Debt Ratios";
18. "County District Debt Trend";
19. "County District Debt Service Requirements";
20. "County District Property Valuation and Property Tax"; and
21. "County District Debt Service Fund Balances".

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2021, 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

[This page is intentionally left blank]