ANNUAL FINANCIAL REPORT
MARION COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

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FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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JENI PALADENI, CISA
State Auditors

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

MARION COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Marion County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Marion County as of and for the year ended June 30, 2014.

Results

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

Our audit resulted in 13 findings and recommendations, which we have reviewed with Marion County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- The airport had operating deficiencies.
- Appropriations exceeded estimated available funding in the Drug Control Fund.
- The office did not file a Report on Debt Obligation with the state Comptroller's Office.

OFFICE OF HIGHWAY SUPERVISOR

- The vehicle assigned to the Highway Supervisor was not plainly marked as property of the Highway Department.
- An insurance claim was not filed for the repair of a department vehicle damaged in an accident.

OFFICE OF DIRECTOR OF SCHOOLS

- The office did not document some credit card charges.
- The office had payroll deficiencies.

OFFICE OF COUNTY CLERK

- Employees processed transactions utilizing the same username.

OFFICES OF COUNTY CLERK AND REGISTER OF DEEDS

- Multiple employees operated from the same cash drawer.

OFFICE OF SHERIFF

- The office did not deposit some funds within three days of collection.
- The office had deficiencies in the administration of drug control funds.
- The office had numerous accounting deficiencies.

SCHOOL FOOD SERVICE DEPARTMENT, AIRPORT, AND THE OFFICES OF COUNTY MAYOR, HIGHWAY SUPERVISOR, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

- Duties were not segregated adequately.

INTRODUCTORY SECTION

Marion County Officials
June 30, 2014

Officials

John Graham, County Mayor
Neil Webb, Highway Supervisor
Mark Griffith, Director of Schools
Sue Blevins, Trustee
Judy Brewer, Assessor of Property
Dwight Minter, County Clerk
Lonna Henderson, Circuit and General Sessions Courts Clerk
Levoy Gudger, Clerk and Master
Winfred Haggard, Register of Deeds
Ronnie Burnett, Sheriff

Board of County Commissioners

Les Price, Chairman
Don Adkins
Donald Blansett
Louin Campbell
Kenneth Cookston
Jane Dawkins
Robert Eugene Hargis
Ralph Pickett
Marshall Raines, Sr.
Mack Reeves
Jody Rollins
Donnie Sartin
Thomas Thompson
Glenn White
Wayne Willis

Board of Education

James Poston, Chairman
Julie Bennett
Terry Case
Ryan Phillips
Ola Mae Reeves

Audit Committee

David Abbott
Don Adkins
Gary Hooper
John Moore

FINANCIAL SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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, 2014, 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 (an enterprise fund), which represent 100 percent of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Marion County Emergency Communications District, which represent 3.21 percent, 3.64 percent, and 1.86 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the

amounts included for the Marion County Conservation Commission and the Marion County Emergency Communications District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Marion County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees,* which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part

of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefit plan on pages 78 - 80 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 introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service Fund, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

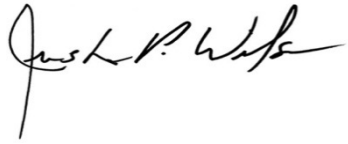
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service Fund, combining and individual fund financial statements of the Marion County School Department (a discretely presented component unit), and miscellaneous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

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 December 16, 2014, 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 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 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2014

JPW/sb

Basic Financial Statements

Exhibit A

Marion County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Marion County School Department	Marion County Emergency Communications District
ASSETS					
Cash	$ 101,685	$ 38,754	$ 140,439	$ 1,412	$ 577,098
Equity in Pooled Cash and Investments	18,070,535	0	18,070,535	3,492,640	0
Inventories	0	0	0	66,527	0
Accounts Receivable	20,054	55	20,109	31,800	12,515
Due from Other Governments	1,575,117	0	1,575,117	840,262	0
Due from Primary Government	0	0	0	389,648	0
Due from Component Units	155,029	0	155,029	0	0
Property Taxes Receivable	9,901,882	0	9,901,882	5,299,782	0
Allowance for Uncollectible Property Taxes	(628,906)	0	(628,906)	(336,609)	0
Prepaid Items	0	64	64	0	3,081
Assets Not Depreciated:					
Land	2,599,981	0	2,599,981	1,133,836	43,223
Construction in Progress	3,205,921	0	3,205,921	368,420	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	7,168,981	87,375	7,256,356	39,517,444	272,392
Infrastructure	5,909,385	0	5,909,385	0	0
Other Capital Assets	1,076,822	0	1,076,822	217,559	782,533
Total Assets	$ 49,156,486	$ 126,248	$ 49,282,734	$ 51,022,721	$ 1,690,842
LIABILITIES					
Accounts Payable	$ 0	$ 17,154	$ 17,154	$ 227,037	$ 3,246
Accrued Payroll	0	0	0	21,430	0
Payroll Deductions Payable	1,834	0	1,834	802,149	3,603
Contracts Payable	0	0	0	92,656	0
Due to Primary Government	0	0	0	155,029	0
Due to Component Units	389,648	0	389,648	0	0
Due to Litigants, Heirs, and Others	25,073	0	25,073	0	0
Accrued Interest Payable	256,077	0	256,077	0	0
Noncurrent Liabilities:					
Due Within One Year	2,285,788	0	2,285,788	0	0
Due in More Than One Year (net of unamortized premium on debt)	35,569,618	0	35,569,618	387,386	0
Total Liabilities	$ 38,528,038	$ 17,154	$ 38,545,192	$ 1,685,687	$ 6,849
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 8,839,970	$ 0	$ 8,839,970	$ 4,731,415	$ 0
Other Deferred Revenue	0	1,236	1,236	0	0
Total Deferred Inflows of Resources	$ 8,839,970	$ 1,236	$ 8,841,206	$ 4,731,415	$ 0
NET POSITION					
Net Investment in Capital Assets	$ 13,070,647	$ 87,375	$ 13,158,022	$ 41,237,259	$ 1,098,148
Restricted for:					
General Government	95,354	0	95,354	0	0
Finance	101,077	0	101,077	0	0
Administration of Justice	148,880	0	148,880	0	0
Public Safety	53,302	0	53,302	0	0
Public Health and Welfare	111,044	0	111,044	0	0
Highways/Public Works	867,977	0	867,977	0	0
Debt Service	6,403,662	0	6,403,662	0	0
Capital Projects	1,070,297	0	1,070,297	0	0
Education	0	0	0	1,065,754	0
Unrestricted	(20,133,762)	20,483	(20,113,279)	2,302,606	585,845
Total Net Position	$ 1,788,478	$ 107,858	$ 1,896,336	$ 44,605,619	$ 1,683,993

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, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Marion County School Department	Marion County Emergency Communications District
Primary Government:									
Governmental Activities:									
General Government	$ 1,794,142	$ 282,859	$ 22,088	$ 0	$ (1,489,195)	$ 0	$ (1,489,195)	$ 0	$ 0
Finance	822,234	760,672	0	0	(61,562)	0	(61,562)	0	0
Administration of Justice	1,078,617	631,609	2,168	0	(444,840)	0	(444,840)	0	0
Public Safety	3,829,095	514,432	257,846	16,102	(3,040,715)	0	(3,040,715)	0	0
Public Health and Welfare	1,638,817	23,646	216,749	242,105	(1,156,317)	0	(1,156,317)	0	0
Social, Cultural, and Recreational Services	442,737	248,808	30,079	0	(163,850)	0	(163,850)	0	0
Agriculture and Natural Resources	78,390	0	0	0	(78,390)	0	(78,390)	0	0
Highways/Public Works	2,643,900	39,448	1,754,464	260,063	(589,925)	0	(589,925)	0	0
Interest on Long-term Debt	1,564,042	0	0	0	(1,564,042)	0	(1,564,042)	0	0
Education	528,191	135,000	0	2,623,304	2,230,113	0	2,230,113	0	0
Total Governmental Activities	$ 14,420,165	$ 2,636,474	$ 2,283,394	$ 3,141,574	$ (6,358,723)	$ 0	$ (6,358,723)	$ 0	$ 0
Business-type Activities:									
Marion County Conservation Commission	$ 95,892	$ 102,817	$ 0	$ 5,000	$ 0	$ 11,925	$ 11,925	$ 0	$ 0
Total Primary Government	$ 14,516,057	$ 2,739,291	$ 2,283,394	$ 3,146,574	$ (6,358,723)	$ 11,925	$ (6,346,798)	$ 0	$ 0
Component Units:									
Marion County School Department	$ 36,896,404	$ 829,382	$ 4,610,603	$ 793,723	$ 0	$ 0	$ 0	$ (30,662,696)	$ 0
Marion County Emergency Communications District	339,200	167,752	142,860	300,000	0	0	0	0	271,412
Total Component Units	$ 37,235,604	$ 997,134	$ 4,753,463	$ 1,093,723	$ 0	$ 0	$ 0	$ (30,662,696)	$ 271,412

(Continued)

Exhibit B

Marion County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Marion County School Department	Component Units: Marion County Emergency Communications District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					$ 7,299,038	$ 0	$ 7,299,038	$ 4,952,426	$ 0
Property Taxes Levied for Debt Service					1,945,877	0	1,945,877	0	0
Local Option Sales Taxes					1,716,844	0	1,716,844	3,127,745	0
Hotel/Motel Tax					0	0	0	4,881	0
Litigation Tax - General					98,564	0	98,564	0	0
Litigation Tax - Special Purpose					9,853	0	9,853	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					18,043	0	18,043	0	0
Business Tax					250,581	0	250,581	0	0
Mineral Severance Tax					3,322	0	3,322	0	0
Wholesale Beer Tax					0	0	0	83,225	0
Other Local Taxes					4,287	0	4,287	9,679	0
Grants and Contributions Not Restricted to Specific Programs					695,603	0	695,603	21,057,451	63,264
Unrestricted Investment Earnings					88,963	0	88,963	4,623	1,537
Miscellaneous					59,350	0	59,350	137,835	0
Total General Revenues					$ 12,190,325	$ 0	$ 12,190,325	$ 29,377,865	$ 64,801
Change in Net Position					$ 5,831,602	$ 11,925	$ 5,843,527	$ (1,284,831)	$ 336,213
Net Position, July 1, 2013					(4,043,124)	95,933	(3,947,191)	45,890,450	1,347,780
Net Position, June 30, 2014					$ 1,788,478	$ 107,858	$ 1,896,336	$ 44,605,619	$ 1,683,993

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, 2014

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Rural Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 200	$ 0	$ 0	$ 0	$ 101,485	$ 101,685
Equity in Pooled Cash and Investments	8,186,717	563,838	4,878,099	629,794	3,812,087	18,070,535
Accounts Receivable	19,778	0	0	0	276	20,054
Due from Other Governments	137,651	304,139	0	828,309	305,018	1,575,117
Due from Other Funds	4,876	0	0	0	0	4,876
Property Taxes Receivable	7,436,630	0	1,459,934	0	1,005,318	9,901,882
Allowance for Uncollectible Property Taxes	(472,329)	0	(92,726)	0	(63,851)	(628,906)
Total Assets	$ 15,313,523	$ 867,977	$ 6,245,307	$ 1,458,103	$ 5,160,333	$ 29,045,243
LIABILITIES						
Payroll Deductions Payable	$ 1,834	$ 0	$ 0	$ 0	$ 0	$ 1,834
Due to Other Funds	0	0	0	0	4,876	4,876
Due to Component Units	389,648	0	0	0	0	389,648
Due to Litigants, Heirs, and Others	0	0	0	0	25,073	25,073
Total Liabilities	$ 391,482	$ 0	$ 0	$ 0	$ 29,949	$ 421,431
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 6,639,100	$ 0	$ 1,303,366	$ 0	$ 897,504	$ 8,839,970
Deferred Delinquent Property Taxes	288,201	0	56,642	0	38,982	383,825
Other Deferred/Unavailable Revenue	0	151,698	0	0	155,000	306,698
Total Deferred Inflows of Resources	$ 6,927,301	$ 151,698	$ 1,360,008	$ 0	$ 1,091,486	$ 9,530,493

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Rural Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 55,780	$ 0	$ 0	$ 0	$ 17,527	$ 73,307
Restricted for Finance	4,192	0	0	0	96,885	101,077
Restricted for Administration of Justice	148,880	0	0	0	0	148,880
Restricted for Public Safety	34,526	0	0	0	18,776	53,302
Restricted for Public Health and Welfare	18,252	0	0	0	64,792	83,044
Restricted for Other Operations	22,047	0	0	0	0	22,047
Restricted for Highways/Public Works	0	716,279	0	0	0	716,279
Restricted for Debt Service	0	0	4,885,299	0	1,627,837	6,513,136
Restricted for Capital Projects	0	0	0	458,103	598,296	1,056,399
Committed:						
Committed for Debt Service	0	0	0	0	1,614,785	1,614,785
Committed for Capital Projects	0	0	0	1,000,000	0	1,000,000
Assigned:						
Assigned for Capital Projects	72,379	0	0	0	0	72,379
Unassigned	7,638,684	0	0	0	0	7,638,684
Total Fund Balances	$ 7,994,740	$ 716,279	$ 4,885,299	$ 1,458,103	$ 4,038,898	$ 19,093,319
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,313,523	$ 867,977	$ 6,245,307	$ 1,458,103	$ 5,160,333	$ 29,045,243

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, 2014

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)		$ 19,093,319
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 2,599,981	
Add: construction in progress	3,205,921	
Add: buildings and improvements net of accumulated depreciation	7,168,981	
Add: infrastructure net of accumulated depreciation	5,909,385	
Add: other capital assets net of accumulated depreciation	1,076,822	19,961,090
(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	$ (35,545,000)	
Less: notes payable	(1,627,000)	
Less: capital lease payable	(155,029)	
Add: debt to be contributed by the School Department	155,029	
Less: compensated absences payable	(67,787)	
Less: other postemployment benefits liability	(253,729)	
Less: accrued interest on bonds	(246,006)	
Less: accrued interest on notes	(7,891)	
Less: accrued interest on capital lease	(2,180)	
Less: unamortized premium on debt	(206,861)	(37,956,454)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		690,523
Net position of governmental activities (Exhibit A)		$ 1,788,478

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, 2014

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Rural Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 7,480,400	$ 3,322	$ 1,362,119	$ 0	$ 2,644,928	$ 11,490,769
Licenses and Permits	163,617	0	0	0	0	163,617
Fines, Forfeitures, and Penalties	179,050	0	0	0	34,635	213,685
Charges for Current Services	114,163	39,448	0	0	430,525	584,136
Other Local Revenues	387,435	55,159	0	429,964	6,581	879,139
Fees Received from County Officials	966,260	0	0	0	0	966,260
State of Tennessee	1,295,612	2,014,527	0	215,199	161,009	3,686,347
Federal Government	22,530	0	0	1,169,441	0	1,191,971
Other Governments and Citizens Groups	270,157	0	805,524	0	241,569	1,317,250
Total Revenues	$ 10,879,224	$ 2,112,456	$ 2,167,643	$ 1,814,604	$ 3,519,247	$ 20,493,174
Expenditures						
Current:						
General Government	$ 1,620,490	$ 0	$ 0	$ 0	$ 7,381	$ 1,627,871
Finance	394,265	0	0	0	411,936	806,201
Administration of Justice	1,050,025	0	0	0	2,300	1,052,325
Public Safety	3,760,883	0	0	0	78,782	3,839,665
Public Health and Welfare	462,645	0	0	0	502,703	965,348
Social, Cultural, and Recreational Services	149,066	0	0	0	0	149,066
Agriculture and Natural Resources	76,439	0	0	0	0	76,439
Other Operations	2,011,857	0	0	16	37,756	2,049,629
Highways	0	2,314,894	0	0	0	2,314,894
Debt Service:						
Principal on Debt	0	0	1,155,000	0	1,164,784	2,319,784
Interest on Debt	0	0	552,211	0	1,023,430	1,575,641
Other Debt Service	0	0	27,591	0	850	28,441

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	Rural Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Capital Projects	$ 0	$ 0	$ 0	$ 2,723,052	$ 0	$ 2,723,052
Capital Projects - Donated	0	0	0	197,958	0	197,958
Total Expenditures	$ 9,525,670	$ 2,314,894	$ 1,734,802	$ 2,921,026	$ 3,229,922	$ 19,726,314
Excess (Deficiency) of Revenues Over Expenditures	$ 1,353,554	$ (202,438)	$ 432,841	$ (1,106,422)	$ 289,325	$ 766,860
Other Financing Sources (Uses)						
Capital Leases Issued	$ 0	$ 0	$ 0	$ 197,958	$ 0	$ 197,958
Proceeds from Sale of Capital Assets	15,840	1,000	0	0	0	16,840
Insurance Recovery	6,942	0	0	0	0	6,942
Transfers In	0	10,000	0	0	400,000	410,000
Transfers Out	(410,000)	0	0	0	0	(410,000)
Total Other Financing Sources (Uses)	$ (387,218)	$ 11,000	$ 0	$ 197,958	$ 400,000	$ 221,740
Net Change in Fund Balances	$ 966,336	$ (191,438)	$ 432,841	$ (908,464)	$ 689,325	$ 988,600
Fund Balance, July 1, 2013	7,028,404	907,717	4,452,458	2,366,567	3,349,573	18,104,719
Fund Balance, June 30, 2014	$ 7,994,740	$ 716,279	$ 4,885,299	$ 1,458,103	$ 4,038,898	$ 19,093,319

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, 2014

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)		$ 988,600
(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	$ 3,750,243	
Less: current-year depreciation expense	(987,714)	2,762,529
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	$ 46,983	
Less: book value of capital assets disposed	(53,078)	(6,095)
(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, 2014	$ 690,523	
Less: deferred delinquent property taxes and other deferred June 30, 2013	(753,425)	(62,902)
(4) The issuance of long-term debt (e.g., bonds, notes, capital 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:		
Less: capital lease proceeds	$ (197,958)	
Add: contributions to the School Department for capital lease	197,958	
Add: principal payments on bonds	1,970,000	
Add: principal payments on notes	357,844	
Add: principal payments on capital lease	42,929	
Less: contributions from the School Department for notes and capital lease	(229,784)	
Add: changes in premium on debt issuance	20,796	2,161,785
(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	$ 11,599	
Change in compensated absences payable	(6,818)	
Change in other postemployment benefits liability	(17,096)	(12,315)
Change in net position of governmental activities (Exhibit B)		$ 5,831,602

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 (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 7,480,400	$ 0	$ 0	$ 7,480,400	$ 6,872,029	$ 6,872,029	$ 608,371
Licenses and Permits	163,617	0	0	163,617	172,000	172,000	(8,383)
Fines, Forfeitures, and Penalties	179,050	0	0	179,050	102,350	102,350	76,700
Charges for Current Services	114,163	0	0	114,163	106,900	108,318	5,845
Other Local Revenues	387,435	0	0	387,435	364,020	364,020	23,415
Fees Received from County Officials	966,260	0	0	966,260	895,100	895,100	71,160
State of Tennessee	1,295,612	0	0	1,295,612	1,029,476	1,351,006	(55,394)
Federal Government	22,530	0	0	22,530	253,662	273,094	(250,564)
Other Governments and Citizens Groups	270,157	0	0	270,157	291,707	291,707	(21,550)
Total Revenues	$ 10,879,224	$ 0	$ 0	$ 10,879,224	$ 10,087,244	$ 10,429,624	$ 449,600
Expenditures							
General Government							
County Commission	$ 110,453	$ 0	$ 0	$ 110,453	$ 130,100	$ 131,150	$ 20,697
Board of Equalization	2,690	0	0	2,690	6,000	6,000	3,310
Beer Board	2,907	0	0	2,907	2,925	2,925	18
Budget and Finance Committee	5,975	0	0	5,975	5,400	6,400	425
County Mayor/Executive	219,715	0	0	219,715	254,725	262,272	42,557
Election Commission	154,992	0	0	154,992	212,978	218,143	63,151
Register of Deeds	198,926	0	0	198,926	203,416	203,416	4,490
Development	20,000	0	0	20,000	20,000	20,000	0
Building	133,343	0	0	133,343	135,382	139,018	5,675
County Buildings	667,381	0	0	667,381	1,168,461	1,169,796	502,415
Other General Administration	104,108	0	0	104,108	111,124	112,636	8,528
Finance							
Property Assessor's Office	208,107	0	0	208,107	214,167	218,367	10,260
Reappraisal Program	68,917	0	0	68,917	71,503	73,983	5,066
County Trustee's Office	61,437	0	0	61,437	61,456	61,455	18
County Clerk's Office	55,804	0	0	55,804	52,778	55,897	93

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Administration of Justice							
Circuit Court	$ 471,192	$ 0	$ 0	$ 471,192	$ 484,395	$ 487,305	$ 16,113
General Sessions Court	124,294	0	0	124,294	124,759	124,759	465
Drug Court	60,890	0	0	60,890	65,000	65,000	4,110
Chancery Court	199,925	0	0	199,925	222,430	222,430	22,505
Juvenile Court	193,724	0	0	193,724	212,088	212,108	18,384
Public Safety							
Sheriff's Department	2,377,123	0	0	2,377,123	2,405,619	2,446,600	69,477
Drug Enforcement	16,102	0	0	16,102	16,102	16,454	352
Administration of the Sexual Offender Registry	1,683	0	0	1,683	1,000	1,884	201
Jail	1,151,469	0	0	1,151,469	1,082,870	1,205,471	54,002
Fire Prevention and Control	177,291	0	0	177,291	140,076	211,814	34,523
Civil Defense	15,466	0	0	15,466	15,495	27,963	12,497
Rescue Squad	10,000	0	0	10,000	8,000	10,000	0
Other Emergency Management	2,749	0	0	2,749	17,052	17,052	14,303
County Coroner/Medical Examiner	9,000	0	0	9,000	9,000	9,000	0
Public Health and Welfare							
Local Health Center	200,776	0	0	200,776	175,600	228,897	28,121
Ambulance/Emergency Medical Services	163,340	0	0	163,340	160,000	163,340	0
Alcohol and Drug Programs	2,400	0	0	2,400	6,400	6,400	4,000
Other Local Health Services	55,250	0	0	55,250	56,500	56,500	1,250
Sanitation Education/Information	40,879	0	0	40,879	41,426	41,379	500
Social, Cultural, and Recreational Services							
Libraries	140,066	0	0	140,066	140,066	140,066	0
Parks and Fair Boards	0	0	0	0	20,659	20,659	20,659
Other Social, Cultural, and Recreational	9,000	0	0	9,000	12,000	12,000	3,000
Agriculture and Natural Resources							
Agricultural Extension Service	41,812	0	0	41,812	60,047	65,147	23,335
Soil Conservation	34,627	0	0	34,627	34,510	35,011	384

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Industrial Development	$ 9,096	$ 0	$ 0	$ 9,096	$ 9,100	$ 9,100	$ 4
Other Economic and Community Development	639,372	0	0	639,372	419,314	669,314	29,942
Airport	214,909	(72,379)	72,379	214,909	460,026	460,026	245,117
Veterans' Services	24,055	0	0	24,055	23,925	25,065	1,010
Other Charges	1,124,425	0	0	1,124,425	1,424,000	1,430,701	306,276
Total Expenditures	$ 9,525,670	$ (72,379)	$ 72,379	$ 9,525,670	$ 10,497,874	$ 11,102,903	$ 1,577,233
Excess (Deficiency) of Revenues Over Expenditures	$ 1,353,554	$ 72,379	$ (72,379)	$ 1,353,554	$ (410,630)	$ (673,279)	$ 2,026,833
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	$ 15,840	$ 0	$ 0	$ 15,840	$ 0	$ 0	$ 15,840
Insurance Recovery	6,942	0	0	6,942	2,000	2,000	4,942
Transfers Out	(410,000)	0	0	(410,000)	(505,000)	(505,000)	95,000
Total Other Financing Sources	$ (387,218)	$ 0	$ 0	$ (387,218)	$ (503,000)	$ (503,000)	$ 115,782
Net Change in Fund Balance	$ 966,336	$ 72,379	$ (72,379)	$ 966,336	$ (913,630)	$ (1,176,279)	$ 2,142,615
Fund Balance, July 1, 2013	7,028,404	(72,379)	0	6,956,025	6,980,277	6,980,277	(24,252)
Fund Balance, June 30, 2014	$ 7,994,740	$ 0	$ (72,379)	$ 7,922,361	$ 6,066,647	$ 5,803,998	$ 2,118,363

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 3,322	$ 6,351	$ 3,323	$ (1)
Charges for Current Services	39,448	75,000	41,000	(1,552)
Other Local Revenues	55,159	61,000	55,526	(367)
State of Tennessee	2,014,527	2,257,302	2,006,389	8,138
Total Revenues	$ 2,112,456	$ 2,399,653	$ 2,106,238	$ 6,218
Expenditures				
Highways				
Administration	$ 308,112	$ 325,936	$ 325,936	$ 17,824
Highway and Bridge Maintenance	854,643	1,086,421	1,098,709	244,066
Operation and Maintenance of Equipment	303,010	316,179	332,220	29,210
Other Charges	62,958	60,863	63,699	741
Employee Benefits	262,732	264,315	271,405	8,673
Capital Outlay	523,439	1,116,036	785,366	261,927
Total Expenditures	$ 2,314,894	$ 3,169,750	$ 2,877,335	$ 562,441
Excess (Deficiency) of Revenues Over Expenditures	$ (202,438)	$ (770,097)	$ (771,097)	$ 568,659
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	$ 1,000	$ 0	$ 1,000	$ 0
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources	$ 11,000	$ 10,000	$ 11,000	$ 0
Net Change in Fund Balance	$ (191,438)	$ (760,097)	$ (760,097)	$ 568,659
Fund Balance, July 1, 2013	907,717	998,648	998,648	(90,931)
Fund Balance, June 30, 2014	$ 716,279	$ 238,551	$ 238,551	$ 477,728

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, 2014

	Major Enterprise Fund Marion County Conservation Commission
ASSETS	
Cash	$ 38,754
Accounts Receivable	55
Prepaid Items	64
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	87,375
Total Assets	$ 126,248
LIABILITIES	
Accounts Payable	$ 17,154
Total Liabilities	$ 17,154
DEFERRED INFLOWS OF RESOURCES	
Other Deferred Revenue	$ 1,236
Total Deferred Inflows of Resources	$ 1,236
NET POSITION	
Net Investment in Capital Assets	$ 87,375
Unrestricted	20,483
Total Net Position	$ 107,858

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, 2014

	Major Enterprise Fund Marion County Conservation Commission
Operating Revenues	
User Fees/Vending	$ 102,817
Total Operating Revenues	$ 102,817
Operating Expenses	
Supplies	$ 8,879
Utilities	29,457
Repairs and Maintenance	5,227
Administrative Services	3,500
Depreciation	9,907
Professional Fees	4,750
Insurance	2,426
Office Supplies	131
Salaries and Benefits	18,264
Equipment Rental	3,200
Gasoline	3,621
Services	6,530
Total Operating Expenses	$ 95,892
Operating Income	$ 6,925
Nonoperating Revenue	
Capital Contributions	$ 5,000
Total Nonoperating Revenue/(Expenses)	$ 5,000
Change in Net Position	$ 11,925
Net Position, July 1, 2013	95,933
Net Position, June 30, 2014	$ 107,858

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, 2014

	Major Enterprise Fund Marion County Conservation Commission
Cash Flows from Operating Activities	
Receipts from Customers	$ 103,822
Utilities	(29,457)
Salaries and Benefits	(18,264)
Supplies	(9,010)
Gasoline/Fuel	(3,621)
Equipment Rent	(3,200)
Other Receipts (Payments)	(23,590)
Net Cash Provided By (Used In) Operating Activities	$ 16,680
Cash Flows from Capital and Related Financing Activities	
Payments of Capital Debt	$ (20,000)
Purchase of Property, Plant, and Equipment	(3,156)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (23,156)
Net Increase (Decrease) in Cash	$ (6,476)
Cash, July 1, 2013	45,230
Cash, June 30, 2014	$ 38,754
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income	$ 6,925
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	9,907
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	275
Increase (Decrease) in Accounts Payable	(1,157)
Increase (Decrease) in Deferred Revenue	730
Net Cash Provided By (Used In) Operating Activities	$ 16,680

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, 2014

	Agency Funds
ASSETS	
Cash	$ 937,467
Equity in Pooled Cash and Investments	39,440
Accounts Receivable	720
Due from Other Governments	595,344
Property Taxes Receivable	384,427
Allowance for Uncollectible Property Taxes	(24,086)
Total Assets	$ 1,933,312
LIABILITIES	
Due to Other Taxing Units	$ 962,042
Due to Litigants, Heirs, and Others	937,467
Due to Joint Ventures	33,803
Total Liabilities	$ 1,933,312

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

MARION COUNTY, TENNESSEE
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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. 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 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
Kimball, TN 37347

B. Government-wide and Fund Financial Statements

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

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

Marion County issues all debt for the discretely presented Marion County School Department. Net debt issues totaling $197,958 were contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, proprietary funds, 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.

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 Capital Projects Fund – This fund accounts for transactions relating to building projects for a higher education facility to be used by the citizens of Marion County and the surrounding area.

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 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; 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 fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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. All other investments are reported at fair value.

2. <u>Receivables and Payables</u>

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 3.45 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 or resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of

year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

3. Inventories

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

4. 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 estimated fair market 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:

Assets	Years
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	5 - 20
Bridges	40

5. 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 no items that qualify for reporting in this category.

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 revenues are from the following sources: current and delinquent property taxes 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.

6. 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 ten 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.

7. 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, other postemployment benefits, and landfill closure and postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. 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, 2014, Marion County had $30,450,029 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.

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 the 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.

At June 30, 2014, Marion County reported the following significant encumbrances:

Fund	Description	Amount
Major Fund:		
General	Airport Improvements	$ 72,379

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

At June 30, 2014, the School Department's brokerage firm was holding investments of $608,398 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 and in repurchase agreements. 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, 2014, Marion County had the following investments carried at fair value. 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	3-20-15	$ 65,576
Corporate Bonds - Citigroup	N/A	6-15-16	26,377
Corporate Bonds - JP Morgan Chase & Co.	N/A	3-1-15	61,726
Corporate Bonds - Verizon Communications	N/A	2-15-16	75,428
Corporate Bonds - Morgan Stanley	N/A	7-24-20	114,400
Corporate Bonds - Johnson & Johnson	N/A	7-15-18	114,034
Corporate Bonds - Dow Chemical	N/A	12-15-17	24,348
Corporate Bonds - Caterpillar Financial	N/A	12-15-22	47,019
Corporate Bonds - General Electric	N/A	1-9-23	39,686
Corporate Bonds - Wells Fargo	N/A	2-13-23	39,804
Total			$ 608,398

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	A2	BBB+
Corporate Bonds - Citigroup	Baa2	A-
Corporate Bonds - JP Morgan Chase & Co.	A3	A
Corporate Bonds - Verizon Communications	Baa1	BBB+
Corporate Bonds - Morgan Stanley	Baa2	A-
Corporate Bonds - Johnson & Johnson	Aaa	AAA
Corporate Bonds - Dow Chemical	Baa2	BBB
Corporate Bonds - Caterpillar Financial	A2	A
Corporate Bonds - General Electric	A1	AA+
Corporate Bonds - Wells Fargo	A3	A

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

The nonpooled investments ($608,398) 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 (11 percent), Corporate Bonds - Citigroup (four percent), Corporate Bonds - JP Morgan Chase and Co. (ten percent), Corporate Bonds - Verizon (12 percent), Corporate Bonds – Morgan Stanley (19 percent), Corporate Bonds - Johnson & Johnson (19 percent), Corporate Bonds – Dow Chemical (four percent) Corporate Bonds - Caterpillar Financial (eight percent) Corporate Bonds – General Electric (six percent) and Corporate Bonds – Wells Fargo (seven 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 $608,398 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.

B. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	$ 2,599,981	$ 0	$ 0	$ 2,599,981
Construction in Progress	231,930	2,973,991	0	3,205,921
Total Capital Assets Not Depreciated	$ 2,831,911	$ 2,973,991	$ 0	$ 5,805,902
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,366,936	$ 85,465	$ 0	$ 11,452,401
Infrastructure	26,609,795	119,388	0	26,729,183
Other Capital Assets	3,380,305	618,382	(334,291)	3,664,396
Total Capital Assets Depreciated	$ 41,357,036	$ 823,235	$ (334,291)	$ 41,845,980
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 3,974,729	$ 308,691	$ 0	$ 4,283,420
Infrastructure	20,298,512	521,286	0	20,819,798
Other Capital Assets	2,711,050	157,737	(281,213)	2,587,574
Total Accumulated Depreciation	$ 26,984,291	$ 987,714	$ (281,213)	$ 27,690,792
Total Capital Assets Depreciatied, Net	$ 14,372,745	$ (164,479)	$ (53,078)	$ 14,155,188
Governmental Activities Capital Assets, Net	$ 17,204,656	$ 2,809,512	$ (53,078)	$ 19,961,090

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

Governmental Activities:

General Government	$ 150,725
Public Safety	264,972
Public Health and Welfare	20,058
Highways/Public Works	551,959
Total Depreciation Expense - Governmental Activities	$ 987,714

Discretely Presented Marion County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	$ 1,133,836	$ 0	$ 0	$ 1,133,836
Construction in Progress	97,610	368,420	(97,610)	368,420
Total Capital Assets Not Depreciated	$ 1,231,446	$ 368,420	$ (97,610)	$ 1,502,256
Capital Assets Depreciated:				
Buildings and Improvements	$ 59,370,958	$ 634,589	$ 0	$ 60,005,547
Other Capital Assets	411,965	51,266	0	463,231
Total Capital Assets Depreciated	$ 59,782,923	$ 685,855	$ 0	$ 60,468,778
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 18,956,145	$ 1,531,958	$ 0	$ 20,488,103
Other Capital Assets	213,715	31,957	0	245,672
Total Accumulated Depreciation	$ 19,169,860	$ 1,563,915	$ 0	$ 20,733,775
Total Capital Assets Depreciatied, Net	$ 40,613,063	$ (878,060)	$ 0	$ 39,735,003
Governmental Activities Capital Assets, Net	$ 41,844,509	$ (509,640)	$ (97,610)	$ 41,237,259

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

Governmental Activities:

Instruction	$ 1,522,156
Support Services	23,704
Operation of Non-instructional Services	18,055
Total Depreciation Expense - Governmental Activities	$ 1,563,915

C. Construction Commitments

At June 30, 2014, the county had uncompleted construction contracts of approximately $72,379 for airport improvements and $774,766 for higher education projects. Funding has been received for these future expenditures for the airport improvements. Most of the funding for the higher education projects has been received; however, additional funding is expected to be received from contributions from various cities.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 4,876
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	79,349

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	Payable	Amount
Primary Government:	Component Unit:	
Governmental Activities	School Department	$ 155,029
Component Unit:		
School Department:	Primary Government:	
General Purpose School Fund	General Fund	389,648

The Due to Primary Government ($155,029) consists of the balance of the capital lease issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this debt. These long-term debt obligations are reflected in the governmental activities on the Statement of Net Position. The Due to Component Unit ($389,648) consists of the balance of fiscal year 2014 budgeted funds from the county's General Fund for projects at various schools. This amount was remitted to the School Department subsequent to June 30, 2014.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	$ 10,000	$ 400,000

The county made a one-time transfer of $300,000 to the Other Capital Projects Fund for various capital projects of the county.

Discretely Presented Marion County School Department

	Transfer In
Transfer Out	General Purpose School Fund
Nonmajor governmental funds	$ 96,570

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 Lease

On September 27, 2013, 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 $197,958 plus interest of 4.2186 percent. Title to the computers transfers to the School Department at the end of the lease period. The Education Debt Service Fund

is making the lease payments. In the government-wide financial statements, the computers were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30		Governmental Funds
2015	$	42,929
2016		42,929
2017		42,929
2018		42,929
Total Minimum Lease Payments	$	171,716
Less: Amount Representing Interest		(16,687)
Present Value of Minimum Lease Payments	$	155,029

F. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and up to 12 years for notes. 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, 2014, will be retired from the General Debt Service, Rural Debt Service, and Education Debt Service funds. All capital outlay notes included in long-term debt as of June 30, 2014, will be retired from the General, Rural Debt Service, and Education Debt Service funds.

On December 2, 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 nine years, an amount between $40,277 and $43,880, depending on the debt service (principal and interest payments) for that particular year.

General obligation bonds, capital outlay notes, and the capital lease outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2.5 to 4.5 %	6-1-31	$ 23,175,000	$ 19,380,000
General Obligation Bonds - Refunding	3 to 4.5	4-1-30	20,150,000	16,165,000
Capital Outlay Notes	1.94 to 3.25	4-1-23	1,792,000	1,627,000
Capital Lease	4.2186	6-20-18	197,958	155,029

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2014, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 2,025,000	$ 1,472,324	$ 3,497,324
2016	2,100,000	1,404,574	3,504,574
2017	2,160,000	1,333,441	3,493,441
2018	2,250,000	1,259,003	3,509,003
2019	2,310,000	1,170,493	3,480,493
2020-2024	13,130,000	4,351,971	17,481,971
2025-2029	8,495,000	1,835,826	10,330,826
2030-2031	3,075,000	202,375	3,277,375
Total	$ 35,545,000	$ 13,030,007	$ 48,575,007

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	$ 160,000	$ 31,564	$ 191,564
2016	165,000	28,460	193,460
2017	170,000	25,259	195,259
2018	172,000	21,960	193,960
2019	185,000	18,624	203,624
2020-2023	775,000	38,121	813,121
Total	$ 1,627,000	$ 163,988	$ 1,790,988

There is $8,127,921 available in the debt service funds to service general long-term debt. Debt per capita, including bonds, notes, and the capital lease totaled $1,322, 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 Indebtedness	Outstanding 6-30-14
Capital Lease Payable	
Contributions from the General Purpose School Fund	
Computers	$ 155,029

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Lease
Balance, July 1, 2013	$ 37,515,000	$ 1,984,844	$ 0
Additions	0	0	197,958
Reductions	(1,970,000)	(357,844)	(42,929)
Balance, June 30, 2014	$ 35,545,000	$ 1,627,000	$ 155,029
Balance Due Within One Year	$ 2,025,000	$ 160,000	$ 36,389

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	$ 60,969	$ 236,633
Additions	163,775	19,243
Reductions	(156,957)	(2,147)
Balance, June 30, 2014	$ 67,787	$ 253,729
Balance Due Within One Year	$ 64,399	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 37,648,545
Less: Balance Due Within One Year	(2,285,788)
Add: Unamortized Premium on Debt	206,861
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 35,569,618

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, 2014, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2013	$ 476,083
Additions	212,490
Reductions	(301,187)
Balance, June 30, 2014	$ 387,386
Balance Due Within One Year	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 387,386
Less: Balance Due Within One Year	0
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 387,386

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

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for various employees on-behalf of Marion County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2014, totaled $312. Marion County has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2014, were $85,503 and $37,837, 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

The county (excluding the Highway Department) 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.

The county (excluding the Highway Department) 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 Highway Department's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years.

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 School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Government Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The 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.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, John Graham left the Office of County Mayor and was succeeded by David Jackson, Sue Blevins left the Office of Trustee and was succeeded by Diane Massengale, and Winfred Haggard left the Office of Register and was succeeded by Debra Pittman.

On October 15, 2014, Marion County issued $15,485,000 in general obligation refunding bonds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure costs generally are paid near the date that the landfill stops accepting waste and postclosure care costs are paid during the 30-year period following closure. Marion County has contracted with Solid Waste Disposal, Inc., a private company, to operate the county's landfill. This contract was amended on November 26, 2012, and requires Solid Waste Disposal, Inc., to be responsible for all closure and postclosure care costs of the county's landfill during the term of the contract. The terms of the 2012 amendment to the contract runs 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 $291,932 estimated closure and postclosure costs of the landfill at June 30, 2014, 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 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District; Bledsoe, Franklin, Grundy, Marion, Rhea, 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 participating law enforcement agencies within each judicial district. Marion County made no contributions to the DTF for the year ended June 30, 2014.

Marion County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

G. Jointly Governed Organization

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

H. Retirement Commitments

Plan Description

Employees of Marion County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of

service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Marion County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at http://www.tn.gov/treasury/tcrs/PS/.

Funding Policy

Marion County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 6.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, Marion County's annual pension cost of $581,841 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was three years. An

actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$581,841	100%	$0
6-30-13	573,422	100	0
6-30-12	570,851	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 96.22 percent funded. The actuarial accrued liability for benefits was $24.93 million, and the actuarial value of assets was $23.99 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.94 million. The covered payroll (annual payroll of active employees covered by the plan) was $8.39 million, and the ratio of the UAAL to the covered payroll was 11.22 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Marion County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service.

Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were $1,361,307, $1,350,123, and $1,367,077, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Marion County and the School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated* (*TCA*), for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Marion County retirees' contributions vary depending on the insurance options they select, ranging from $431 to $698 per month. School Department retirees' contributions vary depending on the insurance options they select, ranging from $565 to $1,150 per month. During the year ended June 30, 2014, the county and the discretely presented School Department contributed $2,147 and $301,187, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	$ 19,000	$ 212,000
Interest on the NOPEBO	9,465	19,043
Adjustment to the ARC	(9,222)	(18,553)
Annual OPEB cost	$ 19,243	$ 212,490
Amount of contribution	(2,147)	(301,187)
Increase/decrease in NOPEBO	$ 17,096	$ (88,697)
Net OPEB obligation, 7-1-13	236,633	476,083
Net OPEB obligation, 6-30-14	$ 253,729	$ 387,386

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Government Group	$ 50,642	10%	$ 191,136
6-30-13	"	50,530	10	236,633
6-30-14	"	19,243	11	253,729
6-30-12	Local Education Group	341,150	80	405,281
6-30-13	"	344,003	79	476,083
6-30-14	"	212,490	142	387,386

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	$ 133,000	$ 1,996,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 133,000	$ 1,996,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 3,726,006	$ 17,179,447
UAAL as a % of covered payroll	3.57%	11.62%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Termination Benefits

The discretely presented Marion County School Department offers a retirement incentive to support staff with at least 20 years with the School Department, and teachers, who retire from the School Department. The employee 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, 2014, 15 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 $7,500.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated* (*TCA*), which provide for all purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids. The County Commission has adopted a resolution that requires the county mayor to approve all purchases exceeding $500.

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 54-7-133, *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.

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

A. Summary of Significant Accounting Policies

Business-type Activity

The 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 for 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.

Fund Financial Statements

The commission's proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The commission classifies net position in the proprietary fund financial statements as follows:

- Net Investment in Capital Assets includes the commission's capital assets net of accumulated depreciation.

- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The commission typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. The commission had no restrictions at June 30, 2014.

- Unrestricted Net Position typically includes unrestricted liquid assets. The Board of Directors has the authority to revisit or alter this designation.

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

Marion County Conservation Commission Fund

The financial statements present only the Marion County Conservation Commission of Marion County, Tennessee, as of June 30, 2014. 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.

Cash Flows

For purposes of the Statement of Cash Flows, the commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Capital Assets

Equipment and property additions are recorded at cost.

Depreciation is calculated using the straight-line method over the estimated useful life as follows:

Assets	Years
Land Improvements	20
Mobile Home	20
Bathhouse	20
Equipment	7

B. Cash Deposits

The commission is authorized to invest in the following types of securities and indebtedness in accordance with governing statues:

- Bonds, notes, treasury bills, or similar types of indebtedness to the United States.
- Non-convertible debt including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association.
- Other obligations not specified above, which provide guaranteed principal and interest by the United States or any of its agencies.
- Repurchase agreements, which involve obligations of the United States or its agencies, provided the term of the repurchase agreement does not extend beyond the maturity date of the obligation and the market value of the security exceeds the cost of the security.
- Money market funds invested in any of the aforementioned securities.

Total cash for the year ended June 30, 2014, was $38,754. Of this amount, $332 was undeposited or in petty cash, and the remaining $38,422 was entirely covered by federal depository insurance.

C. 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.

D. Change in Capital Assets

A summary of capital assets as of June 30, 2014, is as follows:

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
Capital Assets Not Depreciated:				
Construction in Progress	$ 35,171	$ 3,155	$ 38,326	$ 0
Capital Assets Depreciated:				
Mobile Home	12,112	0	0	12,112
Bathhouse	7,991	38,326	0	46,317
Land Improvements	74,055	0	0	74,055
Equipment	30,683	5,000	0	35,683
Total Assets	$ 160,012	$ 46,481	$ 38,326	$ 168,167
Total Accumulated Depreciation	$ 70,885	$ 9,907	$ 0	$ 80,792
Net Capital Assets	$ 89,127	$ 36,574	$ 38,326	$ 87,375

E. Short-term Debt

Short-term debt provides financing for the commission. During the prior fiscal year, the commission received $20,000 from Marion County for interim financing associated with the construction of a new bathhouse. The debt was due within one year and was noninterest bearing.

The following is a summary of changes in short-term debt for the year ended June 30, 2014:

Balance, July 1, 2013	$ 20,000
Reductions	(20,000)
Balance, June 30, 2014	$ 0

F. Deferred Inflows of Resources

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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. The commission has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. At the end of the current fiscal year, the commission reported $1,236 in deferred inflows, which consisted of deferred revenue relating to user fees.

G. Wages

The managers of the park are compensated by the general government of Marion County. During the year ended June 30, 2014, the commission reimbursed the county $18,264 relating to salaries, payroll taxes, and workers compensation insurance. Additionally, the manager received $2,445 in health insurance reimbursements during the year and is permitted to live in the mobile home rent free, including utilities.

H. Exposure

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. Other than the mobile home coverage, the commission reimburses Marion County for the cost of insurance.

VII. OTHER NOTES – DISCRETELY PRESENTED MARION COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

Organization

Marion County 9-1-1 Emergency Communications District is a governmental entity organized pursuant to Chapter 867 of the 1984 Tennessee Public Acts ("The Emergency Communications District Law"), which was enacted to establish local emergency telephone service and to provide for the funding of such services.

Financial Reporting Entity

The district is a component unit of Marion County, Tennessee. The Marion County Board of Commissioners appoints the district's Board of Directors, may appropriate funds for the operation and maintenance of the district, and must approve long-term debt issued by the district.

Basis of accounting

The district is a governmental unit, subject to accounting directives issued by the Governmental Accounting Standards Board (GASB), and anticipates recovering the cost of its services in a manner similar to a private business enterprise. Therefore, the district uses the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred. Operating revenues are those that result from the activities of the district, including telephone service charges and state allocations and operational funding. Revenue from other sources is considered nonoperating.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash

For purposes of these financial statements, cash includes cash in banks and certificates of deposit with an original maturity date of 90 days or less.

Accounts Receivable

Accounts receivable for telephone service charges is reported at the outstanding principal amount. All recorded amounts are considered to be collectible; therefore no allowance for uncollectibles is recorded.

Capital Assets

The district capitalizes significant purchases of capital assets, which are recorded at cost. Depreciation is provided over the estimated useful lives of the individual assets by the straight-line method. Depreciation and amortization expense for the year ended June 30, 2014, was $143,678.

Deferred Outflows/Inflows of Resources

Under GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

- Deferred outflows of resources – a consumption of net assets by the district that is applicable to a future reporting period.

- Deferred inflows of resources – an acquisition of net assets by the district that is applicable to a future reporting period.

As of June 30, 2014, the district did not have any deferred outflows of resources or any deferred inflows of resources. This statement had no significant impact on the district.

B. Budgetary Control

The district's board approves an annual budget based upon anticipated revenues and estimated operating expenses. In accordance with the level of control established by the Tennessee Comptroller of the Treasury, operating expenses may not exceed the amount budgeted in each line item. Budgeted expenses may be amended, as needed, to meet changing needs.

C. Compensated Absences

The district has only one employee whose accrued vacation must be taken by the last day of the fiscal year; therefore, there is no unused vacation time available at June 30, 2014. The employee is provided 96 hours of annual sick time, which may be accumulated up to 90 days; because unused sick time is nonvesting and is not paid upon termination, no liability is recorded.

D. Changes in Capital Assets

Changes in capital assets for the year ended June 30, 2014, are as follows:

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
Non-depreciable Assets:				
Land	$ 6,200	$ 37,023	$ 0	$ 43,223
Depreciable Assets:				
Furniture and Fixtures	78,289	0	4,956	73,333
Office Equipment	66,030	16,151	7,761	74,420
Vehicles	46,171	0	0	46,171
Communications Equipment	1,005,715	290,374	253,161	1,042,928
Building and Improvements	288,055	0	0	288,055
Total Assets	$ 1,490,460	$ 343,548	$ 265,878	$ 1,568,130
Accumulated Depreciation:				
Furniture and Fixtures	$ 14,987	$ 7,372	$ 4,278	$ 18,081
Office Equipment	20,802	12,194	7,368	25,628
Vehicles	26,094	3,012	0	29,106
Communications Equipment	521,757	112,378	252,631	381,504
Building and Improvements	7,707	7,956	0	15,663
Total Accumulated Depreciation	$ 591,347	$ 142,912	$ 264,277	$ 469,982
Net Capital Assets	$ 899,113	$ 200,636	$ 1,601	$ 1,098,148

E. Retirement Plan

The district provides a defined contribution money purchase pension plan for all full-time employees who have one year of continuous service. No employee contributions are required. The district contributes three percent of eligible compensation, subject to amendment to the plan as approved by the district's board. The "six-year graded" vesting schedule is used. Retirement expense included in salaries and benefits was $1,669. Plan assets are maintained by an outside trustee. Each employee directs the investments of his individual account.

F. Commitment for provider Services

For the year ended June 30, 2014, AT&T was the district's provider for automated number ID, number location, and routing equipment. A previous five-year agreement ended in April 2009 and continues on a month-to-month basis. For the year ended June 30, 2014, the expense related to this agreement was $13,998.

There are no future commitments as of the date this report is available for release.

G. Operating Leases

The district leases antenna and transmittal space for $518 per month under a month-to-month operating lease agreement. The agreement provides for annual, negotiated increases, based on increases in the lessor's costs of operating and maintaining the rental site. Rent expense for the year ended June 30, 2014, was $5,581.

The district leases office equipment under an operating lease with monthly rental payments of $99 per month plus some additional charges for excess usage. Rent expense for the year was $3,006.

H. Cash and Investments

The district reports its cash and investments under the provisions of governmental auditing standards, which are designed to provide improved reporting of deposit and investment risks.

At June 30, 2014, the district's cash and investments consist of the following:

	Weighted Average Maturity (Years)		Cost Basis
Cash in Demand Deposit Accounts	0.00	$	176,813
Certificates of Deposits	0.69		400,285
Total		$	577,098

Interest Rate Risk – As a means of limiting its exposure to losses resulting from rising interest rates, the district's usual policy is to invest in certificates of three years or less. The exposure to interest rate changes is presented using the weighted average maturity method. Its policy is to limit exposure to interest rate risk by requiring sufficient liquidity in the investment portfolio. The district's investments experienced no significant fluctuations in fair value during the year.

Custodial Credit Risk – The district's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance or the Tennessee Bank Collateral Pool, by collateral held

by the district's agent in the district's name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the district may participate. The district limits its investments to certificates of deposit with local banks.

Credit Risk – The district's policies are designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws.

At June 30, 2014, investments in certificates of deposit consist of the following:

Financial Institution	Type of Instrument	Interest	Maturity Date	Amount
First Jackson Bank	Certificate	0.60 %	5-12-15	$ 200,000
First Jackson Bank	Certificate	0.60	5-24-15	40,240
Peoples State Bank	Certificate	0.75	2-16-15	56,320
Citizens Tri-County Bank	Certificate	0.30	10-6-14	103,725
Total				$ 400,285

Subsequent to June 30, 2014, the certificate maturing on October 6, 2014, was invested in a new certificate.

I. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The district is insured, subject to specified limits, for risks of these types of losses, including workers' compensation, general liability, personal property, and errors and omissions, through the Tennessee Municipal League Risk Management Pool. Premiums are based on the district's individual claims history, as well as the claims history of the entire pool.

There have been no settlements in excess of insurance coverage during the three most recent fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Marion County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Marion County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	$ 23,993	$ 24,935	$ 942	96.22 %	$ 8,394	11.22 %
7-1-11	21,291	21,894	603	97.25	8,528	7.07
7-1-09	17,340	17,340	0	100	8,229	0

Exhibit F-2

Marion County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Marion County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT							
Local Government Group	7-1-10	$ 0	$ 572	$ 572	0 %	$ 3,462	16.52 %
"	7-1-11	0	357	357	0	3,439	10.38
"	7-1-13	0	133	133	0	3,726	3.57
DISCRETELY PRESENTED MARION COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-10	0	2,469	2,469	0	16,902	14.61
"	7-1-11	0	2,939	2,939	0	17,154	17.21
"	7-1-13	0	1,996	1,996	0	17,179	11.62

MARION COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of bonds issued for the construction and renovation of schools.

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 expenditures of the county.

Exhibit G-1

Marion County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds					Debt Service Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 101,485	$ 101,485	$ 0
Equity in Pooled Cash and Investments	17,527	43,535	43,849	0	104,911	1,624,637
Accounts Receivable	0	0	0	276	276	0
Due from Other Governments	0	49,257	0	0	49,257	0
Property Taxes Receivable	0	0	0	0	0	646,788
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(41,080)
Total Assets	$ 17,527	$ 92,792	$ 43,849	$ 101,761	$ 255,929	$ 2,230,345
LIABILITIES						
Due to Other Funds	$ 0	$ 0	$ 0	$ 4,876	$ 4,876	$ 0
Due to Litigants, Heirs, and Others	0	0	25,073	0	25,073	0
Total Liabilities	$ 0	$ 0	$ 25,073	$ 4,876	$ 29,949	$ 0
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 577,424
Deferred Delinquent Property Taxes	0	0	0	0	0	25,084
Other Deferred/Unavailable Revenue	0	28,000	0	0	28,000	0
Total Deferred Inflows of Resources	$ 0	$ 28,000	$ 0	$ 0	$ 28,000	$ 602,508

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Debt Service Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 17,527	$ 0	$ 0	$ 0	$ 17,527	$ 0
Restricted for Finance	0	0	0	96,885	96,885	0
Restricted for Public Safety	0	0	18,776	0	18,776	0
Restricted for Public Health and Welfare	0	64,792	0	0	64,792	0
Restricted for Debt Service	0	0	0	0	0	1,627,837
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Debt Service	0	0	0	0	0	0
Total Fund Balances	$ 17,527	$ 64,792	$ 18,776	$ 96,885	$ 197,980	$ 1,627,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 17,527	$ 92,792	$ 43,849	$ 101,761	$ 255,929	$ 2,230,345

(Continued)

Exhibit G-1

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

	Debt Service Funds (Cont.)		Capital Projects Fund	
	Education Debt Service	Total	Other Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 0	$ 101,485
Equity in Pooled Cash and Investments	1,486,024	3,110,661	596,515	3,812,087
Accounts Receivable	0	0	0	276
Due from Other Governments	255,761	255,761	0	305,018
Property Taxes Receivable	0	646,788	358,530	1,005,318
Allowance for Uncollectible Property Taxes	0	(41,080)	(22,771)	(63,851)
Total Assets	$ 1,741,785	$ 3,972,130	$ 932,274	$ 5,160,333
LIABILITIES				
Due to Other Funds	$ 0	$ 0	$ 0	$ 4,876
Due to Litigants, Heirs, and Others	0	0	0	25,073
Total Liabilities	$ 0	$ 0	$ 0	$ 29,949
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 577,424	$ 320,080	$ 897,504
Deferred Delinquent Property Taxes	0	25,084	13,898	38,982
Other Deferred/Unavailable Revenue	127,000	127,000	0	155,000
Total Deferred Inflows of Resources	$ 127,000	$ 729,508	$ 333,978	$ 1,091,486

(Continued)

Exhibit G-1

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

	Debt Service Funds (Cont.)		Capital Projects Fund	
	Education Debt Service	Total	Other Capital Projects	Total Nonmajor Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for General Government	$ 0	$ 0	$ 0	$ 17,527
Restricted for Finance	0	0	0	96,885
Restricted for Public Safety	0	0	0	18,776
Restricted for Public Health and Welfare	0	0	0	64,792
Restricted for Debt Service	0	1,627,837	0	1,627,837
Restricted for Capital Projects	0	0	598,296	598,296
Committed:				
Committed for Debt Service	1,614,785	1,614,785	0	1,614,785
Total Fund Balances	$ 1,614,785	$ 3,242,622	$ 598,296	$ 4,038,898
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,741,785	$ 3,972,130	$ 932,274	$ 5,160,333

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, 2014

	Special Revenue Funds					Debt Service Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
Revenues						
Local Taxes	$ 8,741	$ 232,229	$ 0	$ 0	$ 240,970	$ 614,997
Fines, Forfeitures, and Penalties	0	0	34,635	0	34,635	0
Charges for Current Services	0	20,896	0	409,629	430,525	0
Other Local Revenues	0	0	0	0	0	0
State of Tennessee	0	161,009	0	0	161,009	0
Other Governments and Citizens Groups	0	0	7,000	0	7,000	0
Total Revenues	$ 8,741	$ 414,134	$ 41,635	$ 409,629	$ 874,139	$ 614,997
Expenditures						
Current:						
General Government	$ 7,381	$ 0	$ 0	$ 0	$ 7,381	$ 0
Finance	0	0	0	411,936	411,936	0
Administration of Justice	0	0	0	2,300	2,300	0
Public Safety	0	0	78,782	0	78,782	0
Public Health and Welfare	0	502,703	0	0	502,703	0
Other Operations	87	3,985	554	0	4,626	12,180
Debt Service:						
Principal on Debt	0	0	0	0	0	360,000
Interest on Debt	0	0	0	0	0	257,445
Other Debt Service	0	0	0	0	0	850
Total Expenditures	$ 7,468	$ 506,688	$ 79,336	$ 414,236	$ 1,007,728	$ 630,475

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Debt Service Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Total	General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	$ 1,273	$ (92,554)	$ (37,701)	$ (4,607)	$ (133,589)	$ (15,478)
Other Financing Sources (Uses)						
Transfers In	$ 0	$ 100,000	$ 0	$ 0	$ 100,000	$ 0
Total Other Financing Sources (Uses)	$ 0	$ 100,000	$ 0	$ 0	$ 100,000	$ 0
Net Change in Fund Balances	$ 1,273	$ 7,446	$ (37,701)	$ (4,607)	$ (33,589)	$ (15,478)
Fund Balance, July 1, 2013	16,254	57,346	56,477	101,492	231,569	1,643,315
Fund Balance, June 30, 2014	$ 17,527	$ 64,792	$ 18,776	$ 96,885	$ 197,980	$ 1,627,837

(Continued)

Exhibit G-2

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

	Debt Service Funds (Cont.)		Capital Projects Fund	
	Education Debt Service	Total	Other Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Local Taxes	$ 1,484,615	$ 2,099,612	$ 304,346	$ 2,644,928
Fines, Forfeitures, and Penalties	0	0	0	34,635
Charges for Current Services	0	0	0	430,525
Other Local Revenues	6,581	6,581	0	6,581
State of Tennessee	0	0	0	161,009
Other Governments and Citizens Groups	234,569	234,569	0	241,569
Total Revenues	$ 1,725,765	$ 2,340,762	$ 304,346	$ 3,519,247
Expenditures				
Current:				
General Government	$ 0	$ 0	$ 0	$ 7,381
Finance	0	0	0	411,936
Administration of Justice	0	0	0	2,300
Public Safety	0	0	0	78,782
Public Health and Welfare	0	0	0	502,703
Other Operations	14,900	27,080	6,050	37,756
Debt Service:				
Principal on Debt	804,784	1,164,784	0	1,164,784
Interest on Debt	765,985	1,023,430	0	1,023,430
Other Debt Service	0	850	0	850
Total Expenditures	$ 1,585,669	$ 2,216,144	$ 6,050	$ 3,229,922

(Continued)

Exhibit G-2

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

	Debt Service Funds (Cont.)		Capital Projects Fund	
	Education Debt Service	Total	Other Capital Projects	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 140,096	$ 124,618	$ 298,296	$ 289,325
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 0	$ 300,000	$ 400,000
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 300,000	$ 400,000
Net Change in Fund Balances	$ 140,096	$ 124,618	$ 598,296	$ 689,325
Fund Balance, July 1, 2013	1,474,689	3,118,004	0	3,349,573
Fund Balance, June 30, 2014	$ 1,614,785	$ 3,242,622	$ 598,296	$ 4,038,898

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 8,741	$ 7,000	$ 7,000	$ 1,741
Total Revenues	$ 8,741	$ 7,000	$ 7,000	$ 1,741
Expenditures				
General Government				
County Buildings	$ 7,381	$ 15,000	$ 15,000	$ 7,619
Other Operations				
Other Charges	87	100	100	13
Total Expenditures	$ 7,468	$ 15,100	$ 15,100	$ 7,632
Excess (Deficiency) of Revenues Over Expenditures	$ 1,273	$ (8,100)	$ (8,100)	$ 9,373
Net Change in Fund Balance	$ 1,273	$ (8,100)	$ (8,100)	$ 9,373
Fund Balance, July 1, 2013	16,254	15,722	15,722	532
Fund Balance, June 30, 2014	$ 17,527	$ 7,622	$ 7,622	$ 9,905

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 232,229	$ 250,000	$ 250,000	$ (17,771)
Charges for Current Services	20,896	14,000	14,000	6,896
State of Tennessee	161,009	174,000	174,000	(12,991)
Total Revenues	$ 414,134	$ 438,000	$ 438,000	$ (23,866)
Expenditures				
Public Health and Welfare				
Convenience Centers	$ 502,703	$ 624,876	$ 625,756	$ 123,053
Other Waste Collection	0	24,000	24,000	24,000
Other Operations				
Other Charges	3,985	6,000	6,000	2,015
Total Expenditures	$ 506,688	$ 654,876	$ 655,756	$ 149,068
Excess (Deficiency) of Revenues Over Expenditures	$ (92,554)	$ (216,876)	$ (217,756)	$ 125,202
Other Financing Sources (Uses)				
Transfers In	$ 100,000	$ 195,000	$ 195,000	$ (95,000)
Total Other Financing Sources	$ 100,000	$ 195,000	$ 195,000	$ (95,000)
Net Change in Fund Balance	$ 7,446	$ (21,876)	$ (22,756)	$ 30,202
Fund Balance, July 1, 2013	57,346	27,393	27,393	29,953
Fund Balance, June 30, 2014	$ 64,792	$ 5,517	$ 4,637	$ 60,155

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 34,635	$ 12,000	$ 12,000	$ 22,635
State of Tennessee	0	2,000	2,000	(2,000)
Other Governments and Citizens Groups	7,000	500	500	6,500
Total Revenues	$ 41,635	$ 14,500	$ 14,500	$ 27,135
Expenditures				
Public Safety				
Drug Enforcement	$ 78,782	$ 50,100	$ 93,950	$ 15,168
Other Operations				
Other Charges	554	300	600	46
Total Expenditures	$ 79,336	$ 50,400	$ 94,550	$ 15,214
Excess (Deficiency) of Revenues Over Expenditures	$ (37,701)	$ (35,900)	$ (80,050)	$ 42,349
Net Change in Fund Balance	$ (37,701)	$ (35,900)	$ (80,050)	$ 42,349
Fund Balance, July 1, 2013	56,477	61,665	61,665	(5,188)
Fund Balance, June 30, 2014	$ 18,776	$ 25,765	$ (18,385)	$ 37,161

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 614,997	$ 575,562	$ 575,562	$ 39,435
Total Revenues	$ 614,997	$ 575,562	$ 575,562	$ 39,435
Expenditures				
Other Operations				
Other Charges	$ 12,180	$ 15,000	$ 15,000	$ 2,820
Principal on Debt				
General Government	360,000	360,000	360,000	0
Interest on Debt				
General Government	257,445	257,445	257,445	0
Other Debt Service				
General Government	850	500	1,000	150
Total Expenditures	$ 630,475	$ 632,945	$ 633,445	$ 2,970
Excess (Deficiency) of Revenues Over Expenditures	$ (15,478)	$ (57,383)	$ (57,883)	$ 42,405
Net Change in Fund Balance	$ (15,478)	$ (57,383)	$ (57,883)	$ 42,405
Fund Balance, July 1, 2013	1,643,315	1,639,349	1,639,349	3,966
Fund Balance, June 30, 2014	$ 1,627,837	$ 1,581,966	$ 1,581,466	$ 46,371

Exhibit G-7

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,484,615	$ 1,400,000	$ 1,400,000	$ 84,615
Other Local Revenues	6,581	12,000	12,000	(5,419)
Other Governments and Citizens Groups	234,569	0	234,569	0
Total Revenues	$ 1,725,765	$ 1,412,000	$ 1,646,569	$ 79,196
Expenditures				
Other Operations				
Other Charges	$ 14,900	$ 16,000	$ 16,000	$ 1,100
Principal on Debt				
Education	804,784	575,000	804,784	0
Interest on Debt				
Education	765,985	761,200	765,985	0
Total Expenditures	$ 1,585,669	$ 1,352,200	$ 1,586,769	$ 1,100
Excess (Deficiency) of Revenues Over Expenditures	$ 140,096	$ 59,800	$ 59,800	$ 80,296
Net Change in Fund Balance	$ 140,096	$ 59,800	$ 59,800	$ 80,296
Fund Balance, July 1, 2013	1,474,689	1,347,158	1,347,158	127,531
Fund Balance, June 30, 2014	$ 1,614,785	$ 1,406,958	$ 1,406,958	$ 207,827

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.

Exhibit H

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,362,119	$ 1,292,037	$ 1,292,037	$ 70,082
Other Governments and Citizens Groups	805,524	805,524	805,524	0
Total Revenues	$ 2,167,643	$ 2,097,561	$ 2,097,561	$ 70,082
Expenditures				
Principal on Debt				
Education	$ 1,155,000	$ 1,155,000	$ 1,155,000	$ 0
Interest on Debt				
Education	552,211	552,211	552,211	0
Other Debt Service				
Education	27,591	32,000	32,000	4,409
Total Expenditures	$ 1,734,802	$ 1,739,211	$ 1,739,211	$ 4,409
Excess (Deficiency) of Revenues Over Expenditures	$ 432,841	$ 358,350	$ 358,350	$ 74,491
Net Change in Fund Balance	$ 432,841	$ 358,350	$ 358,350	$ 74,491
Fund Balance, July 1, 2013	4,452,458	4,443,550	4,443,550	8,908
Fund Balance, June 30, 2014	$ 4,885,299	$ 4,801,900	$ 4,801,900	$ 83,399

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.

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.

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, 2014

	Agency Funds					
	Cities - Sales Tax	Special School District	City School ADA - Richard City	Constitutional Officers - Agency	Judicial District Drug	Total
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 937,467	$ 0	$ 937,467
Equity in Pooled Cash and Investments	0	304	5,333	0	33,803	39,440
Accounts Receivable	0	0	720	0	0	720
Due from Other Governments	557,009	0	38,335	0	0	595,344
Property Taxes Receivable	0	35,928	348,499	0	0	384,427
Allowance for Uncollectible Property Taxes	0	(1,952)	(22,134)	0	0	(24,086)
Total Assets	$ 557,009	$ 34,280	$ 370,753	$ 937,467	$ 33,803	$ 1,933,312
LIABILITIES						
Due to Other Taxing Units	$ 557,009	$ 34,280	$ 370,753	$ 0	$ 0	$ 962,042
Due to Litigants, Heirs, and Others	0	0	0	937,467	0	937,467
Due to Joint Ventures	0	0	0	0	33,803	33,803
Total Liabilities	$ 557,009	$ 34,280	$ 370,753	$ 937,467	$ 33,803	$ 1,933,312

Exhibit I-2

Marion County, Tennessee
Combining Statements of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 3,097,577	$ 3,097,577	$ 0
Due from Other Governments	508,859	557,009	508,859	557,009
Total Assets	$ 508,859	$ 3,654,586	$ 3,606,436	$ 557,009
Liabilities				
Due to Other Taxing Units	$ 508,859	$ 3,654,586	$ 3,606,436	$ 557,009
Total Liabilities	$ 508,859	$ 3,654,586	$ 3,606,436	$ 557,009
Special School District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 52	$ 25,157	$ 24,905	$ 304
Taxes Receivable	36,241	35,928	36,241	35,928
Allowance for Uncollectible Taxes	(1,712)	(1,952)	(1,712)	(1,952)
Total Assets	$ 34,581	$ 59,133	$ 59,434	$ 34,280
Liabilities				
Due to Other Taxing Units	$ 34,581	$ 59,133	$ 59,434	$ 34,280
Total Liabilities	$ 34,581	$ 59,133	$ 59,434	$ 34,280
City School ADA - Richard City Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 512,403	$ 507,070	$ 5,333
Accounts Receivable	26	720	26	720
Due from Other Governments	38,488	38,335	38,488	38,335
Taxes Receivable	378,238	348,499	378,238	348,499
Allowance for Uncollectible Taxes	(25,208)	(22,134)	(25,208)	(22,134)
Total Assets	$ 391,544	$ 877,823	$ 898,614	$ 370,753
Liabilities				
Cash Overdraft	$ 35,019	$ 0	$ 35,019	$ 0
Due to Other Taxing Units	356,525	877,823	863,595	370,753
Total Liabilities	$ 391,544	$ 877,823	$ 898,614	$ 370,753

(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
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 841,215	$ 4,972,194	$ 4,875,942	$ 937,467
Total Assets	$ 841,215	$ 4,972,194	$ 4,875,942	$ 937,467
Liabilities				
Due to Litigants, Heirs, and Others	$ 841,215	$ 4,972,194	$ 4,875,942	$ 937,467
Total Liabilities	$ 841,215	$ 4,972,194	$ 4,875,942	$ 937,467
Judicial District Drug Fund				
Assets				
Equity in Pooled Cash and Investments	$ 4,079	$ 149,178	$ 119,454	$ 33,803
Due from Other Governments	1,276	0	1,276	0
Total Assets	$ 5,355	$ 149,178	$ 120,730	$ 33,803
Liabilities				
Due to Joint Ventures	$ 5,355	$ 149,178	$ 120,730	$ 33,803
Total Liabilities	$ 5,355	$ 149,178	$ 120,730	$ 33,803
Totals - All Agency Funds				
Assets				
Cash	$ 841,215	$ 4,972,194	$ 4,875,942	$ 937,467
Equity in Pooled Cash and Investments	4,131	3,784,315	3,749,006	39,440
Accounts Receivable	26	720	26	720
Due from Other Governments	548,623	595,344	548,623	595,344
Taxes Receivable	414,479	384,427	414,479	384,427
Allowance for Uncollectible Taxes	(26,920)	(24,086)	(26,920)	(24,086)
Total Assets	$ 1,781,554	$ 9,712,914	$ 9,561,156	$ 1,933,312
Liabilities				
Cash Overdraft	$ 35,019	$ 0	$ 35,019	$ 0
Due to Other Taxing Units	899,965	4,591,542	4,529,465	962,042
Due to Litigants, Heirs, and Others	841,215	4,972,194	4,875,942	937,467
Due to Joint Ventures	5,355	149,178	120,730	33,803
Total Liabilities	$ 1,781,554	$ 9,712,914	$ 9,561,156	$ 1,933,312

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, 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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 21,585,444	$ 170,131	$ 1,529,813	$ 793,723	$ (19,091,777)
Support Services	11,966,535	0	505,377	0	(11,461,158)
Operation of Non-instructional Services	3,339,640	659,251	2,575,413	0	(104,976)
Interest on Long-term Debt	4,785	0	0	0	(4,785)
Total Governmental Activities	$ 36,896,404	$ 829,382	$ 4,610,603	$ 793,723	$ (30,662,696)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 4,952,426
Local Option Sales Taxes					3,127,745
Hotel/Motel Tax					4,881
Wholesale Beer Tax					83,225
Other Local Taxes					9,679
Grants and Contributions Not Restricted to Specific Programs					21,057,451
Unrestricted Investment Earnings					4,623
Miscellaneous					137,835
Total General Revenues					$ 29,377,865
Change in Net Position					$ (1,284,831)
Net Position, July 1, 2013					45,890,450
Net Position, June 30, 2014					$ 44,605,619

Exhibit J-2

Marion County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Marion County School Department
June 30, 2014

	Major Funds		Nonmajor Fund	
	General Purpose School	Central Cafeteria	School Federal Projects	Total Governmental Funds
ASSETS				
Cash	$ 0	$ 1,412	$ 0	$ 1,412
Equity in Pooled Cash and Investments	2,502,026	940,867	49,747	3,492,640
Inventories	0	66,527	0	66,527
Accounts Receivable	31,800	0	0	31,800
Due from Other Governments	717,971	27,797	94,494	840,262
Due from Other Funds	79,349	0	0	79,349
Due from Primary Government	389,648	0	0	389,648
Property Taxes Receivable	5,299,782	0	0	5,299,782
Allowance for Uncollectible Property Taxes	(336,609)	0	0	(336,609)
Total Assets	$ 8,683,967	$ 1,036,603	$ 144,241	$ 9,864,811
LIABILITIES				
Accounts Payable	$ 227,037	$ 0	$ 0	$ 227,037
Accrued Payroll	21,430	0	0	21,430
Payroll Deductions Payable	737,257	0	64,892	802,149
Contracts Payable	92,656	0	0	92,656
Due to Other Funds	0	0	79,349	79,349
Total Liabilities	$ 1,078,380	$ 0	$ 144,241	$ 1,222,621
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 4,731,415	$ 0	$ 0	$ 4,731,415
Deferred Delinquent Property Taxes	205,458	0	0	205,458
Other Deferred/Unavailable Revenue	270,000	0	0	270,000
Total Deferred Inflows of Resources	$ 5,206,873	$ 0	$ 0	$ 5,206,873

(Continued)

Exhibit J-2

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

	Major Funds		Nonmajor Fund	
	General Purpose School	Central Cafeteria	School Federal Projects	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventory	$ 0	$ 66,527	$ 0	$ 66,527
Restricted:				
Restricted for Education	29,151	970,076	0	999,227
Unassigned	2,369,563	0	0	2,369,563
Total Fund Balances	$ 2,398,714	$ 1,036,603	$ 0	$ 3,435,317
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,683,967	$ 1,036,603	$ 144,241	$ 9,864,811

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, 2014

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)		$ 3,435,317
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,133,836	
Add: construction in progress	368,420	
Add: buildings and improvements net of accumulated depreciation	39,517,444	
Add: other capital assets net of accumulated depreciation	217,559	41,237,259
(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 on the primary government debt for capital lease	$ (155,029)	
Less: other postemployment benefits liability	(387,386)	(542,415)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		475,458
Net position of governmental activities (Exhibit A)		$ 44,605,619

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, 2014

	Major Funds		Nonmajor Fund	
	General Purpose School	Central Cafeteria	School Federal Projects	Total Governmental Funds
Revenues				
Local Taxes	$ 8,268,964	$ 0	$ 0	$ 8,268,964
Licenses and Permits	1,714	0	0	1,714
Charges for Current Services	170,131	659,251	0	829,382
Other Local Revenues	136,894	5,564	0	142,458
State of Tennessee	21,104,876	24,730	0	21,129,606
Federal Government	112,285	1,986,426	2,388,297	4,487,008
Other Governments and Citizens Groups	973,408	0	0	973,408
Total Revenues	$ 30,768,272	$ 2,675,971	$ 2,388,297	$ 35,832,540
Expenditures				
Current:				
Instruction	$ 17,647,149	$ 0	$ 1,512,195	$ 19,159,344
Support Services	11,399,534	0	779,532	12,179,066
Operation of Non-instructional Services	712,375	2,609,210	0	3,321,585
Capital Outlay	907,547	0	0	907,547
Debt Service:				
Principal on Debt	229,784	0	0	229,784
Interest on Debt	4,785	0	0	4,785
Other Debt Service	805,524	0	0	805,524
Total Expenditures	$ 31,706,698	$ 2,609,210	$ 2,291,727	$ 36,607,635
Excess (Deficiency) of Revenues Over Expenditures	$ (938,426)	$ 66,761	$ 96,570	$ (775,095)
Other Financing Sources (Uses)				
Transfers In	$ 96,570	$ 0	$ 0	$ 96,570
Transfers Out	0	0	(96,570)	(96,570)
Total Other Financing Sources (Uses)	$ 96,570	$ 0	$ (96,570)	$ 0
Net Change in Fund Balances	$ (841,856)	$ 66,761	$ 0	$ (775,095)
Fund Balance, July 1, 2013	3,240,570	969,842	0	4,210,412
Fund Balance, June 30, 2014	$ 2,398,714	$ 1,036,603	$ 0	$ 3,435,317

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, 2014

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)		$ (775,095)
(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	$ 956,665	
Less: current-year depreciation expense	(1,563,915)	(607,250)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	$ 475,458	
Less: deferred delinquent property taxes and other deferred June 30, 2013	(498,467)	(23,009)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Less: capital lease proceeds contributed from the primary government	$ (197,958)	
Add: principal contribution on capital lease to the primary government	42,929	
Add: principal contribution on notes to the primary government	186,855	31,826
(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 other postemployment benefits liability		88,697
Change in net position of governmental activities (Exhibit B)		$ (1,284,831)

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 8,268,964	$ 7,954,145	$ 7,954,145	$ 314,819
Licenses and Permits	1,714	2,385	2,385	(671)
Charges for Current Services	170,131	230,578	230,578	(60,447)
Other Local Revenues	136,894	227,760	227,760	(90,866)
State of Tennessee	21,104,876	21,225,615	21,249,955	(145,079)
Federal Government	112,285	121,064	121,064	(8,779)
Other Governments and Citizens Groups	973,408	879,375	1,077,333	(103,925)
Total Revenues	$ 30,768,272	$ 30,640,922	$ 30,863,220	$ (94,948)
Expenditures				
Instruction				
Regular Instruction Program	$ 13,632,576	$ 13,975,418	$ 13,975,418	$ 342,842
Special Education Program	2,606,887	2,692,390	2,692,390	85,503
Vocational Education Program	1,407,686	1,513,144	1,513,144	105,458
Support Services				
Attendance	125,156	133,670	133,670	8,514
Health Services	372,291	402,131	402,131	29,840
Other Student Support	673,664	701,505	701,505	27,841
Regular Instruction Program	980,700	1,014,522	1,014,522	33,822
Special Education Program	154,423	172,405	172,405	17,982
Vocational Education Program	118,209	119,855	119,855	1,646
Other Programs	123,340	99,000	123,340	0
Board of Education	481,951	551,700	551,700	69,749
Director of Schools	328,482	338,085	338,085	9,603
Office of the Principal	2,053,779	2,114,878	2,114,878	61,099
Fiscal Services	290,362	337,114	337,114	46,752
Human Services/Personnel	99,868	106,080	106,080	6,212
Operation of Plant	2,866,361	2,959,625	2,959,625	93,264
Maintenance of Plant	656,705	841,400	841,400	184,695
Transportation	1,091,867	1,134,050	1,134,050	42,183
Central and Other	982,376	900,668	1,055,697	73,321
Operation of Non-instructional Services				
Community Services	336,567	425,611	425,611	89,044
Early Childhood Education	375,808	385,463	385,463	9,655
Capital Outlay				
Regular Capital Outlay	907,547	1,171,882	1,171,882	264,335
Principal on Debt				
Education	229,784	715,922	229,784	0
Interest on Debt				
Education	4,785	283,472	7,015	2,230
Other Debt Service				
Education	805,524	0	805,524	0
Total Expenditures	$ 31,706,698	$ 33,089,990	$ 33,312,288	$ 1,605,590

(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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ (938,426)	$ (2,449,068)	$ (2,449,068)	$ 1,510,642
Other Financing Sources (Uses)				
Transfers In	$ 96,570	$ 110,498	$ 110,498	$ (13,928)
Total Other Financing Sources	$ 96,570	$ 110,498	$ 110,498	$ (13,928)
Net Change in Fund Balance	$ (841,856)	$ (2,338,570)	$ (2,338,570)	$ 1,496,714
Fund Balance, July 1, 2013	3,240,570	3,240,570	3,240,570	0
Fund Balance, June 30, 2014	$ 2,398,714	$ 902,000	$ 902,000	$ 1,496,714

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 2,388,297	$ 2,643,608	$ 2,668,115	$ (279,818)
Total Revenues	$ 2,388,297	$ 2,643,608	$ 2,668,115	$ (279,818)
Expenditures				
Instruction				
Regular Instruction Program	$ 985,243	$ 1,062,732	$ 1,062,977	$ 77,734
Special Education Program	478,451	516,478	517,396	38,945
Vocational Education Program	48,501	45,345	48,509	8
Support Services				
Other Student Support	213,041	305,019	320,249	107,208
Regular Instruction Program	191,465	220,855	225,863	34,398
Special Education Program	331,505	334,907	334,907	3,402
Vocational Education Program	1,850	1,850	1,850	0
Transportation	41,671	51,424	51,424	9,753
Total Expenditures	$ 2,291,727	$ 2,538,610	$ 2,563,175	$ 271,448
Excess (Deficiency) of Revenues Over Expenditures	$ 96,570	$ 104,998	$ 104,940	$ (8,370)
Other Financing Sources (Uses)				
Transfers Out	$ (96,570)	$ (104,998)	$ (104,940)	$ 8,370
Total Other Financing Sources	$ (96,570)	$ (104,998)	$ (104,940)	$ 8,370
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0
Fund Balance, July 1, 2013	0	0	0	0
Fund Balance, June 30, 2014	$ 0	$ 0	$ 0	$ 0

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, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 659,251	$ 730,000	$ 730,000	$ (70,749)
Other Local Revenues	5,564	19,000	19,000	(13,436)
State of Tennessee	24,730	24,400	24,400	330
Federal Government	1,986,426	2,025,735	2,025,735	(39,309)
Total Revenues	$ 2,675,971	$ 2,799,135	$ 2,799,135	$ (123,164)
Expenditures				
Operation of Non-instructional Services				
Food Service	$ 2,609,210	$ 2,919,277	$ 2,919,277	$ 310,067
Total Expenditures	$ 2,609,210	$ 2,919,277	$ 2,919,277	$ 310,067
Excess (Deficiency) of Revenues Over Expenditures	$ 66,761	$ (120,142)	$ (120,142)	$ 186,903
Net Change in Fund Balance	$ 66,761	$ (120,142)	$ (120,142)	$ 186,903
Fund Balance, July 1, 2013	969,842	969,842	969,842	0
Fund Balance, June 30, 2014	$ 1,036,603	$ 849,700	$ 849,700	$ 186,903

Exhibit J-9

Marion County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Marion County School Department
Fiduciary Fund
June 30, 2014

	Other Trust Fund Private Purpose Trust Fund
ASSETS	
Current Assets:	
Cash in Bank	$ 34,095
Equity in Pooled Cash and Investments	10,215
Investments	608,398
Total Assets	$ 652,708
NET POSITION	
Funds Held in Trust for Scholarships	$ 652,708
Total Net Position	$ 652,708

Exhibit J-10

Marion County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Marion County School Department
Fiduciary Fund
For the Year Ended June 30, 2014

	Other Trust Fund Private Purpose Trust Fund
ADDITIONS	
Investment Income	$ 34,833
Total Additions	$ 34,833
DEDUCTIONS	
Scholarship Disbursements	$ 16,000
Total Deductions	$ 16,000
Change in Net Position	$ 18,833
Net Position, July 1, 2013	633,875
Net Position, June 30, 2014	$ 652,708

MISCELLANEOUS SCHEDULES

Exhibit K-1

Marion County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Lease
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, 2005 Series	$ 4,460,000	3.5 to 4.2 %	7-1-05	4-1-29	$ 3,725,000	$ 0	$ 175,000	$ 3,550,000
General Obligation Bonds, Series 2010	3,675,000	2.5 to 4	3-31-10	4-1-30	3,170,000	0	185,000	2,985,000
Total Payable through General Debt Service Fund					$ 6,895,000	$ 0	$ 360,000	$ 6,535,000
Payable through Education Debt Service Fund								
General Obligation Bonds, 2006 Series	19,500,000	4 to 4.5	5-31-06	6-1-31	$ 16,970,000	$ 0	$ 575,000	$ 16,395,000
Total Payable through Education Debt Service Fund					$ 16,970,000	$ 0	$ 575,000	$ 16,395,000
Payable through Rural Debt Service Fund								
Rural School Refunding Bonds, Series 2005	2,560,000	3.5 to 4.2	7-1-05	4-1-25	$ 2,210,000	$ 0	$ 145,000	$ 2,065,000
Rural School Refunding Bonds, Series 2011	13,130,000	3 to 4.5	1-6-11	4-1-24	11,440,000	0	890,000	10,550,000
Total Payable through Rural Debt Service Fund					$ 13,650,000	$ 0	$ 1,035,000	$ 12,615,000
Total Bonds Payable					$ 37,515,000	$ 0	$ 1,970,000	$ 35,545,000
NOTES PAYABLE								
Payable through General Fund								
Drug Force Vehicle	25,817	3.25	6-30-11	6-30-14	$ 15,989	$ 0	$ 15,989	$ 0
Jasper Public Works Project	(1) 377,000	1.94	12-2-12	4-1-23	377,000		35,000	342,000
Total Payable through General Fund					$ 392,989	$ 0	$ 50,989	$ 342,000
Payable through Rural Debt Service Fund								
School Refunding Capital Outlay Note	1,415,000	1.94	12-2-12	4-1-23	$ 1,405,000	$	$ 120,000	$ 1,285,000
Total Payable through Rural Debt Service Fund					$ 1,405,000	$ 0	$ 120,000	$ 1,285,000
Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund								
South Pittsburg High School HVAC	500,000	4.55	5-16-05	10-24-13	$ 186,855	$ 0	$ 186,855	$ 0
Total Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund					$ 186,855	$ 0	$ 186,855	$ 0
Total Notes Payable					$ 1,984,844	$ 0	$ 357,844	$ 1,627,000

(Continued)

Exhibit K-1

Marion County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Capital Lease (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
CAPITAL LEASE PAYABLE								
Contributions Due by the School Department from the General Purpose School Fund to the Education Debt Service Fund								
Computers	$ 197,958	4.2186 %	9-27-13	6-20-18	$ 0	$ 197,958	$ 42,929	$ 155,029
Total Capital Lease Payable					$ 0	$ 197,958	$ 42,929	$ 155,029

(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.

Exhibit K-2

Marion County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2015	$ 2,025,000	$ 1,472,324	$ 3,497,324
2016	2,100,000	1,404,574	3,504,574
2017	2,160,000	1,333,441	3,493,441
2018	2,250,000	1,259,003	3,509,003
2019	2,310,000	1,170,493	3,480,493
2020	2,400,000	1,078,593	3,478,593
2021	2,495,000	981,318	3,476,318
2022	2,625,000	880,131	3,505,131
2023	2,745,000	766,057	3,511,057
2024	2,865,000	645,872	3,510,872
2025	1,695,000	515,183	2,210,183
2026	1,545,000	436,325	1,981,325
2027	1,640,000	368,600	2,008,600
2028	1,760,000	296,700	2,056,700
2029	1,855,000	219,018	2,074,018
2030	1,625,000	137,125	1,762,125
2031	1,450,000	65,250	1,515,250
Total	$ 35,545,000	$ 13,030,007	$ 48,575,007

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2015	$ 160,000	$ 31,564	$ 191,564
2016	165,000	28,460	193,460
2017	170,000	25,259	195,259
2018	172,000	21,960	193,960
2019	185,000	18,624	203,624
2020	185,000	15,035	200,035
2021	190,000	11,446	201,446
2022	200,000	7,760	207,760
2023	200,000	3,880	203,880
Total	$ 1,627,000	$ 163,988	$ 1,790,988

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Capital Lease Total
2015	$ 36,389	$ 6,540	$ 42,929
2016	37,925	5,004	42,929
2017	39,524	3,405	42,929
2018	41,191	1,738	42,929
Total	$ 155,029	$ 16,687	$ 171,716

Exhibit K-3

Marion County, Tennessee
Schedule of Investments
Discretely Presented Marion County School Department
June 30, 2014

Fund and Type	Amount
Private Purpose Trust Fund	
SunTrust Bank - Certificates of Deposit	$ 65,576
Corporate Bonds - Citigroup	26,377
Corporate Bonds - JP Morgan Chase & Co.	61,726
Corporate Bonds - Verizon Communications	75,428
Corporate Bonds - Morgan Stanley	114,400
Corporate Bonds - Johnson & Johnson	114,034
Corporate Bonds - Dow Chemical	24,348
Corporate Bonds - Caterpillar Financial	47,019
Corporate Bonds - General Electric	39,686
Corporate Bonds - Wells Fargo	39,804
Total Investments	$ 608,398

Exhibit K-4

Marion County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Marion County School Department
For the Year Ended June 30, 2014

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Bridge construction	$ 10,000
"	Solid Waste/Sanitation	Operations	100,000
"	Other Capital Projects	Operations	300,000
Total Transfers Primary Government			$ 410,000
DISCRETELY PRESENTED MARION COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 59,157
"	"	Salary reimbursements	37,413
Total Transfers Discretely Presented Marion County School Department			$ 96,570

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, 2014

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*, and County Commission	$ 85,225	(1)	$ 50,000	RLI Insurance
Highway Supervisor	Section 8-24-102, *TCA*, and County Commission	73,995	(2)	100,000	"
Director of Schools	State Board of Education and County Board of Education	97,906	(3)	50,000	"
Trustee	Section 8-24-102, *TCA*	65,632		1,104,300	"
Assessor of Property	Section 8-24-102, *TCA*	65,632		50,000	"
County Clerk	Section 8-24-102, *TCA*	65,632		50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	65,632		50,000	"
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	65,632	(4)	50,000	"
Register of Deeds	Section 8-24-102, *TCA*	65,632		25,000	"
Sheriff	Section 8-24-102, *TCA*	72,195	(5)	25,000	"
Employee Blanket Bond Coverage:					
Public Employee Dishonesty - County Departments (excluding Highway Department)				250,000	Local Government Property & Casualty Fund
Public Employee Dishonesty - Highway Department				10,000	Western Surety
Public Employee Dishonesty - School Department				150,000	Tennessee Risk Management Trust

(1) Includes a local salary supplement of $9,421.
(2) Includes a local salary supplement of $1,800.
(3) Includes a chief executive officer training supplement of $1,000.
(4) Does not include special commissioner fees of $2,300.
(5) Does not include a law enforcement training supplement of $600.

Exhibit K-6

Marion County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 6,291,373	$ 0	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	375,221	0	0	0	0	0
Circuit/Clerk and Master Collections - Prior Years	302,990	0	0	0	0	0
Interest and Penalty	75,041	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	30,549	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	30,335	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,304	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	0	0	232,229	0	0	0
Litigation Tax - General	98,564	0	0	0	0	0
Litigation Tax - Special Purpose	1,112	8,741	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	18,043	0	0	0	0	0
Business Tax	250,581	0	0	0	0	0
Mixed Drink Tax	1,397	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	3,322
Statutory Local Taxes						
Interstate Telecommunications Tax	2,890	0	0	0	0	0
Total Local Taxes	$ 7,480,400	$ 8,741	$ 232,229	$ 0	$ 0	$ 3,322
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 84,686	$ 0	$ 0	$ 0	$ 0	$ 0
Permits						
Beer Permits	1,860	0	0	0	0	0
Building Permits	77,071	0	0	0	0	0
Total Licenses and Permits	$ 163,617	$ 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
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 11,451	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	6,322	0	0	0	0	0
Drug Control Fines	0	0	0	11,824	0	0
Jail Fees	494	0	0	0	0	0
DUI Treatment Fines	732	0	0	0	0	0
Criminal Court						
Data Entry Fee - Criminal Court	1,088	0	0	0	0	0
General Sessions Court						
Fines	33,152	0	0	0	0	0
Officers Costs	31,230	0	0	0	0	0
Game and Fish Fines	529	0	0	0	0	0
Drug Court Fees	5,477	0	0	0	0	0
Jail Fees	4,007	0	0	0	0	0
DUI Treatment Fines	9,560	0	0	0	0	0
Data Entry Fee - General Sessions Court	15,302	0	0	0	0	0
Juvenile Court						
Fines	369	0	0	0	0	0
Chancery Court						
Data Entry Fee - Chancery Court	3,667	0	0	0	0	0
Other Courts - In-county						
Officers Costs	1,282	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	11,700	0	0
Other Fines, Forfeitures, and Penalties	54,388	0	0	11,111	0	0
Total Fines, Forfeitures, and Penalties	$ 179,050	$ 0	$ 0	$ 34,635	$ 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
Charges for Current Services						
General Service Charges						
Work Release Charges for Board	$ 773	$ 0	$ 0	$ 0	$ 0	$ 0
Other General Service Charges	28	0	0	0	0	39,448
Fees						
Airport Fees	57,813	0	0	0	0	0
Copy Fees	1,610	0	0	0	0	0
Greenbelt Late Application Fee	500	0	0	0	0	0
Telephone Commissions	37,385	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	407,329	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	2,300	0
Data Processing Fee - Register	8,978	0	0	0	0	0
Data Processing Fee - Sheriff	2,812	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,980	0	0	0	0	0
Data Processing Fee - County Clerk	284	0	0	0	0	0
Other Charges for Services						
Other Charges for Services	0	0	20,896	0	0	0
Total Charges for Current Services	$ 114,163	$ 0	$ 20,896	$ 0	$ 409,629	$ 39,448
Other Local Revenues						
Recurring Items						
Investment Income	$ 80,773	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	146,570	0	0	0	0	0
Commissary Sales	20,285	0	0	0	0	0
Sale of Gasoline	136,095	0	0	0	0	54,900
Miscellaneous Refunds	887	0	0	0	0	259

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds				
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	$ 2,763	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions and Gifts	0	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	62	0	0	0	0	0
Total Other Local Revenues	$ 387,435	$ 0	$ 0	$ 0	$ 0	$ 55,159
Fees Received from County Officials						
Excess Fees						
County Clerk	$ 45,216	$ 0	$ 0	$ 0	$ 0	$ 0
Trustee	307,843	0	0	0	0	0
Fees in-Lieu-of Salary						
Circuit Court Clerk	139,092	0	0	0	0	0
General Sessions Court Clerk	222,624	0	0	0	0	0
Clerk and Master	131,107	0	0	0	0	0
Register	108,626	0	0	0	0	0
Sheriff	11,752	0	0	0	0	0
Total Fees Received from County Officials	$ 966,260	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 2,168	$ 0	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	13,254	0	0	0	0	0
On-behalf Contributions for OPEB	312	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	13,200	0	0	0	0	0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds				
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Health and Welfare Grants						
Health Department Programs	$ 103,812	$ 0	$ 0	$ 0	$ 0	$ 0
Public Works Grants						
State Aid Program	0	0	0	0	0	260,063
Litter Program	34,100	0	0	0	0	0
Other State Revenues						
Income Tax	55,339	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0
Alcoholic Beverage Tax	58,068	0	0	0	0	0
State Revenue Sharing - T.V.A.	319,027	0	159,514	0	0	0
Contracted Prisoner Boarding	351,426	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,734,090
Petroleum Special Tax	0	0	0	0	0	20,374
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	262,439	0	1,495	0	0	0
Other State Revenues	49,497	0	0	0	0	0
Total State of Tennessee	$ 1,295,612	$ 0	$ 161,009	$ 0	$ 0	$ 2,014,527
Federal Government						
Federal Through State						
Homeland Security Grants	$ 8,448	$ 0	$ 0	$ 0	$ 0	$ 0
Other Federal through State	10,482	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	3,600	0	0	0	0	0
Total Federal Government	$ 22,530	$ 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
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 16,102	$ 0	$ 0	$ 7,000	$ 0	$ 0
Contracted Services	253,512	0	0	0	0	0
Citizens Groups						
Donations	543	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 270,157	$ 0	$ 0	$ 7,000	$ 0	$ 0
Total	$ 10,879,224	$ 8,741	$ 414,134	$ 41,635	$ 409,629	$ 2,112,456

(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
Local Taxes						
County Property Taxes						
Current Property Tax	$ 547,152	$ 1,213,724	$ 0	$ 0	$ 303,309	$ 8,355,558
Trustee's Collections - Prior Year	30,992	65,834	0	0	0	472,047
Circuit/Clerk and Master Collections - Prior Years	25,034	56,508	0	0	0	384,532
Interest and Penalty	6,312	13,621	0	0	706	95,680
Payments in-Lieu-of Taxes - T.V.A.	2,788	6,294	0	0	258	39,889
Payments in-Lieu-of Taxes - Local Utilities	2,523	5,695	0	0	73	38,626
Payments in-Lieu-of Taxes - Other	196	443	0	0	0	2,943
County Local Option Taxes						
Local Option Sales Tax	0	0	1,484,615	0	0	1,716,844
Litigation Tax - General	0	0	0	0	0	98,564
Litigation Tax - Special Purpose	0	0	0	0	0	9,853
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	18,043
Business Tax	0	0	0	0	0	250,581
Mixed Drink Tax	0	0	0	0	0	1,397
Mineral Severance Tax	0	0	0	0	0	3,322
Statutory Local Taxes						
Interstate Telecommunications Tax	0	0	0	0	0	2,890
Total Local Taxes	$ 614,997	$ 1,362,119	$ 1,484,615	$ 0	$ 304,346	$ 11,490,769
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 0	$ 84,686
Permits						
Beer Permits	0	0	0	0	0	1,860
Building Permits	0	0	0	0	0	77,071
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 163,617

(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
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 11,451
Officers Costs	0	0	0	0	0	6,322
Drug Control Fines	0	0	0	0	0	11,824
Jail Fees	0	0	0	0	0	494
DUI Treatment Fines	0	0	0	0	0	732
Criminal Court						
Data Entry Fee - Criminal Court	0	0	0	0	0	1,088
General Sessions Court						
Fines	0	0	0	0	0	33,152
Officers Costs	0	0	0	0	0	31,230
Game and Fish Fines	0	0	0	0	0	529
Drug Court Fees	0	0	0	0	0	5,477
Jail Fees	0	0	0	0	0	4,007
DUI Treatment Fines	0	0	0	0	0	9,560
Data Entry Fee - General Sessions Court	0	0	0	0	0	15,302
Juvenile Court						
Fines	0	0	0	0	0	369
Chancery Court						
Data Entry Fee - Chancery Court	0	0	0	0	0	3,667
Other Courts - In-county						
Officers Costs	0	0	0	0	0	1,282
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	11,700
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	65,499
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 213,685

(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
Charges for Current Services						
General Service Charges						
Work Release Charges for Board	$ 0	$ 0	$ 0	$ 0	$ 0	$ 773
Other General Service Charges	0	0	0	0	0	39,476
Fees						
Airport Fees	0	0	0	0	0	57,813
Copy Fees	0	0	0	0	0	1,610
Greenbelt Late Application Fee	0	0	0	0	0	500
Telephone Commissions	0	0	0	0	0	37,385
Constitutional Officers' Fees and Commissions	0	0	0	0	0	407,329
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	2,300
Data Processing Fee - Register	0	0	0	0	0	8,978
Data Processing Fee - Sheriff	0	0	0	0	0	2,812
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,980
Data Processing Fee - County Clerk	0	0	0	0	0	284
Other Charges for Services						
Other Charges for Services	0	0	0	0	0	20,896
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 0	$ 584,136
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 6,581	$ 1,609	$ 0	$ 88,963
Lease/Rentals	0	0	0	0	0	146,570
Commissary Sales	0	0	0	0	0	20,285
Sale of Gasoline	0	0	0	0	0	190,995
Miscellaneous Refunds	0	0	0	0	0	1,146

(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
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,763
Contributions and Gifts	0	0	0	428,355	0	428,355
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	62
Total Other Local Revenues	$ 0	$ 0	$ 6,581	$ 429,964	$ 0	$ 879,139
Fees Received from County Officials						
Excess Fees						
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 45,216
Trustee	0	0	0	0	0	307,843
Fees in-Lieu-of Salary						
Circuit Court Clerk	0	0	0	0	0	139,092
General Sessions Court Clerk	0	0	0	0	0	222,624
Clerk and Master	0	0	0	0	0	131,107
Register	0	0	0	0	0	108,626
Sheriff	0	0	0	0	0	11,752
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 966,260
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,168
Airport Maintenance Program	0	0	0	0	0	13,254
On-behalf Contributions for OPEB	0	0	0	0	0	312
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	13,200

(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
State of Tennessee (Cont.)						
Health and Welfare Grants						
Health Department Programs	$ 0	$ 0	$ 0	$ 0	$ 0	$ 103,812
Public Works Grants						
State Aid Program	0	0	0	0	0	260,063
Litter Program	0	0	0	0	0	34,100
Other State Revenues						
Income Tax	0	0	0	0	0	55,339
Beer Tax	0	0	0	0	0	17,806
Alcoholic Beverage Tax	0	0	0	0	0	58,068
State Revenue Sharing - T.V.A.	0	0	0	0	0	478,541
Contracted Prisoner Boarding	0	0	0	0	0	351,426
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,734,090
Petroleum Special Tax	0	0	0	0	0	20,374
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	215,199	0	479,133
Other State Revenues	0	0	0	0	0	49,497
Total State of Tennessee	$ 0	$ 0	$ 0	$ 215,199	$ 0	$ 3,686,347
Federal Government						
Federal Through State						
Homeland Security Grants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,448
Other Federal through State	0	0	0	0	0	10,482
Direct Federal Revenue						
Other Direct Federal Revenue	0	0	0	1,169,441	0	1,173,041
Total Federal Government	$ 0	$ 0	$ 0	$ 1,169,441	$ 0	$ 1,191,971

(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
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 805,524	$ 234,569	$ 0	$ 0	$ 1,063,195
Contracted Services	0	0	0	0	0	253,512
Citizens Groups						
Donations	0	0	0	0	0	543
Total Other Governments and Citizens Groups	$ 0	$ 805,524	$ 234,569	$ 0	$ 0	$ 1,317,250
Total	$ 614,997	$ 2,167,643	$ 1,725,765	$ 1,814,604	$ 304,346	$ 20,493,174

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, 2014

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 4,483,619	$ 0	$ 0	$ 4,483,619
Trustee's Collections - Prior Year	245,002	0	0	245,002
Circuit/Clerk and Master Collections - Prior Years	173,091	0	0	173,091
Interest and Penalty	51,482	0	0	51,482
Payments in-Lieu-of Taxes - T.V.A.	24,743	0	0	24,743
Payments in-Lieu-of Taxes - Local Utilities	20,674	0	0	20,674
Payments in-Lieu-of Taxes - Other	1,567	0	0	1,567
County Local Option Taxes				
Local Option Sales Tax	3,127,745	0	0	3,127,745
Hotel/Motel Tax	4,881	0	0	4,881
Mixed Drink Tax	8,000	0	0	8,000
Statutory Local Taxes				
Bank Excise Tax	43,256	0	0	43,256
Wholesale Beer Tax	83,225	0	0	83,225
Interstate Telecommunications Tax	1,679	0	0	1,679
Total Local Taxes	$ 8,268,964	$ 0	$ 0	$ 8,268,964
Licenses and Permits				
Licenses				
Marriage Licenses	$ 1,714	$ 0	$ 0	$ 1,714
Total Licenses and Permits	$ 1,714	$ 0	$ 0	$ 1,714
Charges for Current Services				
Education Charges				
Tuition - Summer School	$ 2,025	$ 0	$ 0	$ 2,025
Lunch Payments - Children	0	0	274,339	274,339
Lunch Payments - Adults	0	0	43,975	43,975
Income from Breakfast	0	0	43	43
A la carte Sales	0	0	340,894	340,894
Receipts from Individual Schools	6,471	0	0	6,471
Community Service Fees - Children	155,215	0	0	155,215
TBI Criminal Background Fee	6,420	0	0	6,420
Total Charges for Current Services	$ 170,131	$ 0	$ 659,251	$ 829,382
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 4,623	$ 4,623
Miscellaneous Refunds	59,918	0	941	60,859
Nonrecurring Items				
Sale of Property	25	0	0	25
Other Local Revenues				
Other Local Revenues	76,951	0	0	76,951
Total Other Local Revenues	$ 136,894	$ 0	$ 5,564	$ 142,458

(Continued)

Exhibit K-7

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	$ 123,340	$ 0	$ 0	$ 123,340
State Education Funds				
Basic Education Program	19,225,000	0	0	19,225,000
School Food Service	0	0	24,730	24,730
Energy Efficient School Initiative	18,273	0	0	18,273
Driver Education	17,060	0	0	17,060
Other State Education Funds	900,957	0	0	900,957
Career Ladder Program	125,584	0	0	125,584
Career Ladder - Extended Contract	33,070	0	0	33,070
Other State Revenues				
State Revenue Sharing - T.V.A.	660,842	0	0	660,842
Other State Grants	750	0	0	750
Total State of Tennessee	$ 21,104,876	$ 0	$ 24,730	$ 21,129,606
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,257,628	$ 1,257,628
USDA - Commodities	0	0	168,735	168,735
Breakfast	0	0	542,141	542,141
USDA - Other	0	0	17,922	17,922
Vocational Education - Basic Grants to States	0	61,970	0	61,970
Title I Grants to Local Education Agencies	0	1,101,146	0	1,101,146
Special Education - Grants to States	0	877,561	0	877,561
Special Education Preschool Grants	0	34,539	0	34,539
Safe and Drug-free Schools - State Grants	87,326	0	0	87,326
Education for Homeless Children and Youth	0	18,408	0	18,408
Eisenhower Professional Development State Grants	0	231,829	0	231,829
Race-to-the-Top - ARRA	0	62,844	0	62,844
Other Federal through State	24,959	0	0	24,959
Total Federal Government	$ 112,285	$ 2,388,297	$ 1,986,426	$ 4,487,008
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 973,408	$ 0	$ 0	$ 973,408
Total Other Governments and Citizens Groups	$ 973,408	$ 0	$ 0	$ 973,408
Total	$ 30,768,272	$ 2,388,297	$ 2,675,971	$ 35,832,540

Exhibit K-8

Marion County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	42,075		
Social Security		3,219		
Dues and Memberships		7,466		
Legal Services		54,466		
Legal Notices, Recording, and Court Costs		677		
Maintenance and Repair Services - Equipment		1,050		
Other Supplies and Materials		1,500		
Total County Commission			$	110,453
Board of Equalization				
Board and Committee Members Fees	$	2,690		
Total Board of Equalization				2,690
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	$	5,550		
Social Security		425		
Total Budget and Finance Committee				5,975
County Mayor/Executive				
County Official/Administrative Officer	$	85,225		
Accountants/Bookkeepers		35,601		
Secretary(ies)		29,917		
Other Salaries and Wages		2,280		
Social Security		13,469		
State Retirement		11,288		
Employee and Dependent Insurance		15,329		
Unemployment Compensation		193		
Communication		1,250		
Dues and Memberships		1,700		
Legal Notices, Recording, and Court Costs		23		
Maintenance and Repair Services - Equipment		6,268		
Maintenance and Repair Services - Vehicles		958		
Postal Charges		1,429		
Travel		1,875		
Gasoline		1,746		
Instructional Supplies and Materials		3,510		
Office Supplies		4,968		
Office Equipment		2,686		
Total County Mayor/Executive				219,715
Election Commission				
County Official/Administrative Officer	$	59,068		

(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.)				
Part-time Personnel	$	10,885		
Election Commission		7,100		
Election Workers		19,727		
Social Security		5,068		
State Retirement		3,845		
Employee and Dependent Insurance		5,112		
Unemployment Compensation		115		
Contracts with Private Agencies		14,839		
Dues and Memberships		150		
Legal Notices, Recording, and Court Costs		2,529		
Postal Charges		3,581		
Rentals		900		
Travel		6,091		
Office Supplies		4,696		
Other Supplies and Materials		7,871		
Office Equipment		3,415		
Total Election Commission			$	154,992
Register of Deeds				
County Official/Administrative Officer	$	65,632		
Deputy(ies)		30,998		
Clerical Personnel		29,917		
Other Salaries and Wages		29,917		
Social Security		11,209		
State Retirement		10,186		
Employee and Dependent Insurance		10,224		
Unemployment Compensation		216		
Data Processing Services		7,358		
Dues and Memberships		603		
Maintenance and Repair Services - Equipment		762		
Postal Charges		182		
Office Supplies		1,722		
Total Register of Deeds				198,926
Development				
Contracts with Government Agencies	$	20,000		
Total Development				20,000
Building				
Supervisor/Director	$	54,140		
Clerical Personnel		36,714		
Part-time Personnel		3,000		
Other Salaries and Wages		160		
In-service Training		154		
Social Security		6,870		
State Retirement		5,915		
Unemployment Compensation		144		

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
General Government (Cont.)				
Building (Cont.)				
Advertising	$	720		
Communication		1,588		
Contracts with Government Agencies		9,250		
Dues and Memberships		358		
Legal Notices, Recording, and Court Costs		16		
Postal Charges		173		
Travel		8,741		
Library Books/Media		3,186		
Office Supplies		1,501		
Premiums on Corporate Surety Bonds		263		
Office Equipment		450		
Total Building			$	133,343
County Buildings				
Custodial Personnel	$	19,446		
Other Salaries and Wages		3,835		
Social Security		2,334		
State Retirement		2,197		
Employee and Dependent Insurance		5,112		
Unemployment Compensation		72		
Janitorial Services		26,682		
Maintenance and Repair Services - Equipment		10,929		
Other Contracted Services		27,144		
Utilities		219,012		
Other Supplies and Materials		142,969		
Building Improvements		101,099		
Communication Equipment		57,935		
Heating and Air Conditioning Equipment		35,258		
Other Construction		13,357		
Total County Buildings				667,381
Other General Administration				
Maintenance Personnel	$	39,440		
Overtime Pay		370		
Other Salaries and Wages		35,140		
Social Security		5,154		
State Retirement		4,879		
Employee and Dependent Insurance		10,224		
Unemployment Compensation		144		
On-behalf Payments to OPEB		312		
Communication		1,226		
Travel		6,238		
Gasoline		981		
Total Other General Administration				104,108

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Finance				
Property Assessor's Office				
County Official/Administrative Officer	$	65,632		
Secretary(ies)		29,917		
Clerical Personnel		31,384		
Other Salaries and Wages		29,917		
Social Security		11,860		
State Retirement		10,211		
Employee and Dependent Insurance		12,914		
Unemployment Compensation		229		
Audit Services		5,625		
Legal Notices, Recording, and Court Costs		65		
Maintenance and Repair Services - Equipment		4,579		
Postal Charges		1,370		
Travel		1,305		
Office Supplies		3,099		
Total Property Assessor's Office			$	208,107
Reappraisal Program				
Clerical Personnel	$	13,805		
Other Salaries and Wages		29,687		
Social Security		3,323		
State Retirement		1,933		
Employee and Dependent Insurance		2,705		
Unemployment Compensation		147		
Communication		720		
Travel		1,459		
Other Contracted Services		15,138		
Total Reappraisal Program				68,917
County Trustee's Office				
State Retirement	$	10,776		
Employee and Dependent Insurance		20,433		
Dues and Memberships		478		
Legal Notices, Recording, and Court Costs		36		
Maintenance and Repair Services - Equipment		15,170		
Postal Charges		11,363		
Office Supplies		3,181		
Total County Trustee's Office				61,437
County Clerk's Office				
State Retirement	$	12,847		
Employee and Dependent Insurance		5,105		
Dues and Memberships		478		
Maintenance and Repair Services - Equipment		19,119		
Postal Charges		9,830		
Office Supplies		8,425		
Total County Clerk's Office				55,804

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	65,632		
Deputy(ies)		245,048		
Other Salaries and Wages		25,599		
Jury and Witness Expense		8,984		
Social Security		24,517		
State Retirement		21,058		
Employee and Dependent Insurance		30,673		
Unemployment Compensation		664		
Data Processing Services		26,400		
Dues and Memberships		478		
Maintenance and Repair Services - Equipment		3,980		
Postal Charges		3,331		
Office Supplies		9,243		
Other Charges		2,675		
Office Equipment		2,910		
Total Circuit Court			$	471,192
General Sessions Court				
Judge(s)	$	103,234		
Social Security		7,897		
State Retirement		6,721		
Travel		2,926		
Library Books/Media		3,392		
Office Supplies		124		
Total General Sessions Court				124,294
Drug Court				
Drug Treatment	$	60,890		
Total Drug Court				60,890
Chancery Court				
County Official/Administrative Officer	$	65,632		
Accountants/Bookkeepers		29,917		
Clerical Personnel		15,304		
Part-time Personnel		2,200		
Other Salaries and Wages		29,917		
Social Security		10,301		
State Retirement		9,164		
Employee and Dependent Insurance		17,793		
Unemployment Compensation		240		
Dues and Memberships		478		
Legal Notices, Recording, and Court Costs		1,308		
Maintenance and Repair Services - Equipment		8,867		
Postal Charges		4,874		
Office Supplies		3,930		
Total Chancery Court				199,925

(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		
Judge(s)	$ 61,961	
Assistant(s)	32,035	
Probation Officer(s)	29,917	
Overtime Pay	8,074	
Other Salaries and Wages	21,254	
Social Security	11,468	
State Retirement	9,553	
Employee and Dependent Insurance	7,315	
Unemployment Compensation	216	
Postal Charges	111	
Travel	2,118	
Other Contracted Services	4,233	
Office Supplies	1,227	
Office Equipment	4,242	
Total Juvenile Court		$ 193,724
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 72,195	
Deputy(ies)	640,972	
Investigator(s)	34,602	
Accountants/Bookkeepers	7,009	
Salary Supplements	13,200	
Dispatchers/Radio Operators	299,782	
Clerical Personnel	41,196	
Attendants	71,472	
Part-time Personnel	41,687	
Overtime Pay	146,972	
Other Salaries and Wages	56,632	
In-service Training	555	
Social Security	104,671	
State Retirement	83,936	
Employee and Dependent Insurance	142,525	
Unemployment Compensation	2,993	
Data Processing Services	29,808	
Dues and Memberships	2,150	
Maintenance and Repair Services - Equipment	6,428	
Postal Charges	643	
Rentals	2,680	
Travel	4,181	
Other Contracted Services	175	
Gasoline	123,769	
Office Supplies	10,541	
Tires and Tubes	2,448	
Uniforms	2,269	
Vehicle Parts	40,300	
Other Charges	5,923	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Communication Equipment	$ 13,541	
Law Enforcement Equipment	19,339	
Motor Vehicles	352,529	
Total Sheriff's Department		$ 2,377,123
Drug Enforcement		
Principal on Notes	$ 15,989	
Interest on Notes	113	
Total Drug Enforcement		16,102
Administration of the Sexual Offender Registry		
Overtime Pay	$ 701	
Social Security	51	
State Retirement	46	
Employee and Dependent Insurance	85	
Other Charges	800	
Total Administration of the Sexual Offender Registry		1,683
Jail		
Guards	$ 375,229	
Cafeteria Personnel	51,719	
Part-time Personnel	44,697	
Overtime Pay	38,386	
Other Salaries and Wages	15,977	
In-service Training	100	
Social Security	38,670	
State Retirement	32,503	
Employee and Dependent Insurance	54,313	
Unemployment Compensation	1,471	
Medical and Dental Services	281,222	
Transportation - Other than Students	1,094	
Food Supplies	162,175	
Office Supplies	4,776	
Prisoners Clothing	2,697	
Uniforms	636	
Other Charges	45,804	
Total Jail		1,151,469
Fire Prevention and Control		
Contributions	$ 2,000	
Other Contracted Services	175,291	
Total Fire Prevention and Control		177,291
Civil Defense		
Contributions	$ 7,000	
Equipment and Machinery Parts	8,466	
Total Civil Defense		15,466

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Rescue Squad		
Contributions	$ 10,000	
Total Rescue Squad		$ 10,000
Other Emergency Management		
Other Contracted Services	$ 2,749	
Total Other Emergency Management		2,749
County Coroner/Medical Examiner		
Medical Personnel	$ 9,000	
Total County Coroner/Medical Examiner		9,000
Public Health and Welfare		
Local Health Center		
Contributions	$ 78,478	
Other Contracted Services	106,309	
Instructional Supplies and Materials	15,989	
Total Local Health Center		200,776
Ambulance/Emergency Medical Services		
Ambulance Services	$ 150,000	
Equipment and Machinery Parts	13,340	
Total Ambulance/Emergency Medical Services		163,340
Alcohol and Drug Programs		
Accountants/Bookkeepers	$ 2,400	
Total Alcohol and Drug Programs		2,400
Other Local Health Services		
Contracts with Other Public Agencies	$ 15,000	
Pauper Burials	1,500	
Other Contracted Services	38,750	
Total Other Local Health Services		55,250
Sanitation Education/Information		
Accountants/Bookkeepers	$ 11,141	
Guards	11,011	
Secretary(ies)	9,107	
Travel	2,820	
Instructional Supplies and Materials	5,800	
Library Books/Media	1,000	
Total Sanitation Education/Information		40,879
Social, Cultural, and Recreational Services		
Libraries		
Contributions	$ 140,066	
Total Libraries		140,066

(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	$	9,000		
Total Other Social, Cultural, and Recreational			$	9,000
Agriculture and Natural Resources				
Agricultural Extension Service				
Part-time Personnel	$	3,815		
Social Security		292		
Unemployment Compensation		31		
Contributions		36,174		
Maintenance and Repair Services - Equipment		900		
Office Equipment		600		
Total Agricultural Extension Service				41,812
Soil Conservation				
Clerical Personnel	$	29,917		
Social Security		2,289		
State Retirement		1,948		
Unemployment Compensation		72		
Office Supplies		126		
Other Charges		275		
Total Soil Conservation				34,627
Other Operations				
Industrial Development				
Dues and Memberships	$	9,096		
Total Industrial Development				9,096
Other Economic and Community Development				
Contracts with Government Agencies	$	597,058		
Principal on Notes		35,000		
Interest on Notes		7,314		
Total Other Economic and Community Development				639,372
Airport				
Supervisor/Director	$	31,098		
Temporary Personnel		8,355		
Social Security		2,789		
State Retirement		2,024		
Employee and Dependent Insurance		5,112		
Unemployment Compensation		139		
Postal Charges		378		
Travel		814		
Fuel Oil		92,840		
Office Supplies		590		
Utilities		11,058		
Liability Insurance		2,120		
Other Charges		5,010		

(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	$ 28,507		
Other Construction	24,075		
Total Airport		$ 214,909	
Veterans' Services			
Supervisor/Director	$ 13,620		
Social Security	1,042		
Unemployment Compensation	92		
Communication	582		
Contributions	6,000		
Postal Charges	144		
Travel	1,287		
Library Books/Media	399		
Office Supplies	889		
Total Veterans' Services		24,055	
Other Charges			
Audit Services	$ 8,471		
Contributions	775,450		
Building and Contents Insurance	31,880		
Liability Insurance	52,397		
Premiums on Corporate Surety Bonds	154		
Refunds	6,701		
Trustee's Commission	166,449		
Vehicle and Equipment Insurance	24,903		
Workers' Compensation Insurance	58,020		
Total Other Charges		1,124,425	
Total General Fund			$ 9,525,670
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 7,381		
Total County Buildings		$ 7,381	
Other Operations			
Other Charges			
Trustee's Commission	$ 87		
Total Other Charges		87	
Total Courthouse and Jail Maintenance Fund			7,468
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Convenience Centers			
Truck Drivers	$ 36,937		

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Convenience Centers (Cont.)			
Part-time Personnel	$ 150,673		
Other Salaries and Wages	6,468		
Social Security	14,843		
State Retirement	2,826		
Employee and Dependent Insurance	4,985		
Unemployment Compensation	1,242		
Maintenance and Repair Services - Equipment	20,502		
Travel	876		
Disposal Fees	213,248		
Diesel Fuel	19,421		
Tires and Tubes	9,296		
Utilities	16,633		
Gravel and Chert	896		
Other Supplies and Materials	2,189		
Other Charges	1,668		
Total Convenience Centers		$ 502,703	
Other Operations			
Other Charges			
Trustee's Commission	$ 3,985		
Total Other Charges		3,985	
Total Solid Waste/Sanitation Fund			$ 506,688
Drug Control Fund			
Public Safety			
Drug Enforcement			
Accountants/Bookkeepers	$ 3,000		
Secretary(ies)	3,000		
Overtime Pay	7,271		
Social Security	1,015		
State Retirement	864		
Unemployment Compensation	24		
Confidential Drug Enforcement Payments	10,000		
Law Enforcement Supplies	8,350		
Vehicle Parts	830		
Law Enforcement Equipment	31,818		
Motor Vehicles	12,610		
Total Drug Enforcement		$ 78,782	
Other Operations			
Other Charges			
Trustee's Commission	$ 554		
Total Other Charges		554	
Total Drug Control Fund			79,336

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 179,045		
Total County Trustee's Office		$ 179,045	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 232,891		
Total County Clerk's Office		232,891	
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 2,300		
Total Chancery Court		2,300	
Total Constitutional Officers - Fees Fund			$ 414,236
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 72,195		
Assistant(s)	95,946		
Accountants/Bookkeepers	74,054		
Salary Supplements	1,800		
Social Security	15,161		
State Retirement	15,884		
Employer Medicare	3,546		
Communication	7,779		
Data Processing Services	5,671		
Dues and Memberships	3,664		
Evaluation and Testing	1,625		
Legal Notices, Recording, and Court Costs	69		
Postal Charges	267		
Travel	895		
Other Contracted Services	2,760		
Office Supplies	726		
Other Charges	6,070		
Total Administration		$ 308,112	
Highway and Bridge Maintenance			
Foremen	$ 65,038		
Equipment Operators	71,772		
Truck Drivers	254,731		
Laborers	172,648		
Social Security	34,864		
State Retirement	33,810		
Employer Medicare	8,154		
Operating Lease Payments	1,000		
Rentals	1,008		
Other Contracted Services	4,000		

(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	$	11,695		
Asphalt - Hot Mix		88,515		
Asphalt - Liquid		16,862		
Crushed Stone		44,521		
Pipe - Metal		15,777		
Road Signs		4,110		
Salt		11,941		
Wood Products		2,491		
Other Supplies and Materials		11,706		
Total Highway and Bridge Maintenance			$	854,643
Operation and Maintenance of Equipment				
Mechanic(s)	$	70,615		
Nightwatchmen		4,416		
Social Security		4,535		
State Retirement		4,597		
Employer Medicare		1,061		
Diesel Fuel		75,772		
Equipment and Machinery Parts		56,325		
Garage Supplies		12,718		
Gasoline		51,368		
Lubricants		6,380		
Propane Gas		518		
Tires and Tubes		14,705		
Total Operation and Maintenance of Equipment				303,010
Other Charges				
Electricity	$	9,244		
Water and Sewer		114		
Building and Contents Insurance		996		
Liability Insurance		4,177		
Trustee's Commission		17,642		
Vehicle and Equipment Insurance		30,785		
Total Other Charges				62,958
Employee Benefits				
Employee and Dependent Insurance	$	181,328		
Workers' Compensation Insurance		81,404		
Total Employee Benefits				262,732
Capital Outlay				
Building Improvements	$	695		
Communication Equipment		630		
Highway Construction		216,469		
Motor Vehicles		26,598		
Office Equipment		59		
State Aid Projects		187,147		

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Capital Outlay (Cont.)			
Other Equipment	$ 79,137		
Other Capital Outlay	12,704		
Total Capital Outlay		$ 523,439	
Total Highway/Public Works Fund			$ 2,314,894
General Debt Service Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 12,180		
Total Other Charges		$ 12,180	
Principal on Debt			
General Government			
Principal on Bonds	$ 360,000		
Total General Government		360,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 257,445		
Total General Government		257,445	
Other Debt Service			
General Government			
Other Charges	$ 850		
Total General Government		850	
Total General Debt Service Fund			630,475
Rural Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 1,035,000		
Principal on Notes	120,000		
Total Education		$ 1,155,000	
Interest on Debt			
Education			
Interest on Bonds	$ 524,954		
Interest on Notes	27,257		
Total Education		552,211	
Other Debt Service			
Education			
Trustee's Commission	$ 26,991		
Other Charges	600		
Total Education		27,591	
Total Rural Debt Service Fund			1,734,802

(Continued)

Exhibit K-8

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

Education Debt Service Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 14,900		
Total Other Charges		$ 14,900	
Principal on Debt			
Education			
Principal on Bonds	$ 575,000		
Principal on Notes	186,855		
Principal on Capital Leases	42,929		
Total Education		804,784	
Interest on Debt			
Education			
Interest on Bonds	$ 761,200		
Interest on Notes	4,785		
Total Education		765,985	
Total Education Debt Service Fund			$ 1,585,669
Education Capital Projects Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 16		
Total Other Charges		$ 16	
Capital Projects			
Education Capital Projects			
Architects	$ 77,701		
Contracts with Government Agencies	111,520		
Building Construction	2,527,414		
Site Development	6,417		
Total Education Capital Projects		2,723,052	
Capital Projects - Donated			
Capital Projects Donated to School Department			
Contributions	$ 197,958		
Total Capital Projects Donated to School Department		197,958	
Total Education Capital Projects Fund			2,921,026
Other Capital Projects Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 6,050		
Total Other Charges		$ 6,050	
Total Other Capital Projects Fund			6,050
Total Governmental Funds - Primary Government			$ 19,726,314

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, 2014

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 9,213,048	
Career Ladder Program	69,470	
Career Ladder Extended Contracts	26,943	
Homebound Teachers	29,387	
Educational Assistants	311,488	
Other Salaries and Wages	26,915	
Certified Substitute Teachers	30,725	
Non-certified Substitute Teachers	258,685	
Social Security	585,069	
State Retirement	839,178	
Medical Insurance	1,609,344	
Employer Medicare	138,870	
Other Contracted Services	17,247	
Instructional Supplies and Materials	45,400	
Textbooks	333,466	
Other Supplies and Materials	89,006	
Other Charges	3,300	
Regular Instruction Equipment	5,035	
Total Regular Instruction Program		$ 13,632,576
Special Education Program		
Teachers	$ 1,238,156	
Career Ladder Program	10,000	
Homebound Teachers	6,753	
Educational Assistants	212,040	
Speech Pathologist	249,066	
Other Salaries and Wages	20,110	
Certified Substitute Teachers	12,619	
Non-certified Substitute Teachers	42,986	
Social Security	104,120	
State Retirement	147,744	
Medical Insurance	361,046	
Employer Medicare	24,474	
Other Contracted Services	157,202	
Instructional Supplies and Materials	6,200	
Other Supplies and Materials	10,416	
Special Education Equipment	3,955	
Total Special Education Program		2,606,887
Vocational Education Program		
Teachers	$ 941,279	
Career Ladder Program	5,000	
Certified Substitute Teachers	4,536	
Non-certified Substitute Teachers	16,132	
Social Security	57,197	
State Retirement	83,002	

(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.)		
Vocational Education Program (Cont.)		
Medical Insurance	$ 157,249	
Employer Medicare	13,530	
Maintenance and Repair Services - Equipment	1,915	
Other Contracted Services	6,515	
Instructional Supplies and Materials	13,957	
Textbooks	27,692	
Other Supplies and Materials	23,646	
Vocational Instruction Equipment	56,036	
Total Vocational Education Program		$ 1,407,686
Support Services		
Attendance		
Supervisor/Director	$ 62,587	
Career Ladder Program	850	
Social Workers	29,414	
Social Security	5,665	
State Retirement	7,548	
Medical Insurance	11,287	
Employer Medicare	1,325	
Travel	3,849	
Other Contracted Services	719	
Other Supplies and Materials	467	
Attendance Equipment	1,445	
Total Attendance		125,156
Health Services		
Medical Personnel	$ 125,140	
Other Salaries and Wages	124,912	
Social Security	14,663	
State Retirement	13,848	
Medical Insurance	45,178	
Employer Medicare	3,429	
Maintenance and Repair Services - Equipment	6,342	
Travel	3,423	
Other Contracted Services	9,848	
Drugs and Medical Supplies	4,961	
Other Supplies and Materials	4,790	
In Service/Staff Development	4,263	
Other Charges	6,224	
Health Equipment	5,270	
Total Health Services		372,291
Other Student Support		
Career Ladder Program	$ 2,000	
Guidance Personnel	434,351	
Clerical Personnel	24,981	

(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.)				
Social Security	$	27,277		
State Retirement		40,330		
Medical Insurance		78,108		
Employer Medicare		6,379		
Evaluation and Testing		51,518		
Travel		2,601		
Other Contracted Services		1,756		
Other Supplies and Materials		86		
In Service/Staff Development		4,277		
Total Other Student Support			$	673,664
Regular Instruction Program				
Supervisor/Director	$	149,528		
Career Ladder Program		5,000		
Librarians		429,946		
Secretary(ies)		14,762		
Other Salaries and Wages		52,132		
Social Security		38,918		
State Retirement		57,453		
Medical Insurance		82,993		
Employer Medicare		9,107		
Travel		6,203		
Other Contracted Services		6,617		
Library Books/Media		66,395		
Other Supplies and Materials		545		
In Service/Staff Development		52,455		
Other Charges		8,646		
Total Regular Instruction Program				980,700
Special Education Program				
Supervisor/Director	$	71,904		
Career Ladder Program		4,000		
Secretary(ies)		26,016		
Social Security		6,284		
State Retirement		8,434		
Medical Insurance		10,030		
Employer Medicare		1,470		
Maintenance and Repair Services - Equipment		622		
Travel		8,340		
Other Contracted Services		786		
Other Supplies and Materials		5,012		
In Service/Staff Development		11,335		
Other Charges		190		
Total Special Education Program				154,423

(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.)				
Vocational Education Program				
Supervisor/Director	$	76,536		
Career Ladder Program		1,000		
Other Salaries and Wages		14,786		
Social Security		4,708		
State Retirement		6,885		
Medical Insurance		8,330		
Employer Medicare		1,316		
Travel		1,264		
Other Contracted Services		2,000		
Other Supplies and Materials		830		
In Service/Staff Development		531		
Other Charges		23		
Total Vocational Education Program			$	118,209
Other Programs				
On-behalf Payments to OPEB	$	123,340		
Total Other Programs				123,340
Board of Education				
Board and Committee Members Fees	$	16,425		
Social Security		1,018		
Unemployment Compensation		31,504		
Employer Medicare		238		
Other Fringe Benefits		652		
Audit Services		15,600		
Dues and Memberships		11,720		
Legal Services		76,268		
Travel		9,315		
Trustee's Commission		191,830		
Workers' Compensation Insurance		117,185		
Criminal Investigation of Applicants - TBI		7,156		
Other Charges		3,040		
Total Board of Education				481,951
Director of Schools				
County Official/Administrative Officer	$	96,906		
Career Ladder Program		1,000		
Secretary(ies)		35,796		
Clerical Personnel		28,488		
Social Security		10,131		
State Retirement		12,879		
Medical Insurance		9,805		
Employer Medicare		2,369		
Communication		50,981		
Dues and Memberships		4,378		
Maintenance and Repair Services - Equipment		8,448		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Postal Charges	$ 3,733	
Travel	15,463	
Other Contracted Services	16,989	
Office Supplies	5,026	
In Service/Staff Development	4,456	
Other Charges	16,766	
Administration Equipment	4,868	
Total Director of Schools		$ 328,482
Office of the Principal		
Principals	$ 659,484	
Career Ladder Program	11,000	
Assistant Principals	391,353	
Secretary(ies)	382,206	
Other Salaries and Wages	2,750	
Social Security	85,782	
State Retirement	119,336	
Medical Insurance	258,339	
Employer Medicare	20,062	
Other Contracted Services	42,143	
Other Charges	73,324	
Administration Equipment	8,000	
Total Office of the Principal		2,053,779
Fiscal Services		
Supervisor/Director	$ 79,908	
Accountants/Bookkeepers	90,734	
Other Salaries and Wages	34,539	
Social Security	12,695	
State Retirement	13,454	
Medical Insurance	21,602	
Employer Medicare	2,969	
Data Processing Services	13,500	
Dues and Memberships	575	
Maintenance and Repair Services - Equipment	358	
Travel	5,208	
Other Contracted Services	3,218	
Data Processing Supplies	4,162	
Office Supplies	2,690	
Other Charges	276	
Administration Equipment	4,474	
Total Fiscal Services		290,362
Human Services/Personnel		
Other Salaries and Wages	$ 70,838	
Social Security	4,190	

(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 (Cont.)		
State Retirement	$ 4,612	
Medical Insurance	8,680	
Employer Medicare	980	
Travel	1,032	
Office Supplies	5,682	
Other Charges	684	
Other Equipment	3,170	
Total Human Services/Personnel		$ 99,868
Operation of Plant		
Custodial Personnel	$ 587,726	
Social Security	35,740	
State Retirement	33,084	
Medical Insurance	152,491	
Employer Medicare	8,359	
Disposal Fees	25,438	
Other Contracted Services	50,460	
Custodial Supplies	218,921	
Electricity	1,125,061	
Natural Gas	178,774	
Water and Sewer	145,236	
Other Supplies and Materials	25,918	
Building and Contents Insurance	224,900	
Other Charges	1,495	
Plant Operation Equipment	52,758	
Total Operation of Plant		2,866,361
Maintenance of Plant		
Maintenance Personnel	$ 207,496	
Social Security	11,692	
State Retirement	11,618	
Medical Insurance	35,585	
Employer Medicare	3,005	
Maintenance and Repair Services - Buildings	47,091	
Maintenance and Repair Services - Equipment	49,220	
Maintenance and Repair Services - Vehicles	8,095	
Other Contracted Services	62,492	
Other Supplies and Materials	171,730	
Other Charges	1,562	
Administration Equipment	35,019	
Maintenance Equipment	12,100	
Total Maintenance of Plant		656,705
Transportation		
Supervisor/Director	$ 11,045	
Bus Drivers	9,364	

(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 (Cont.)		
Other Salaries and Wages	$ 12,988	
Social Security	2,048	
State Retirement	1,779	
Medical Insurance	878	
Employer Medicare	479	
Contracts with Parents	5,999	
Contracts with Vehicle Owners	1,037,319	
Maintenance and Repair Services - Vehicles	406	
Travel	1,522	
Other Contracted Services	1,086	
Other Supplies and Materials	1,184	
In Service/Staff Development	650	
Transportation Equipment	5,120	
Total Transportation		$ 1,091,867
Central and Other		
Supervisor/Director	$ 60,912	
Other Salaries and Wages	156,390	
Social Security	12,832	
State Retirement	14,070	
Medical Insurance	25,675	
Employer Medicare	3,001	
Travel	1,581	
Other Contracted Services	571,009	
Office Supplies	412	
Other Supplies and Materials	42,861	
In Service/Staff Development	311	
Other Equipment	93,322	
Total Central and Other		982,376
Operation of Non-instructional Services		
Community Services		
Supervisor/Director	$ 15,812	
Teachers	79,870	
Part-time Personnel	2,534	
Other Salaries and Wages	171,572	
Social Security	14,850	
State Retirement	19,434	
Medical Insurance	4,664	
Employer Medicare	3,814	
Travel	2,423	
Other Contracted Services	2,750	
Instructional Supplies and Materials	2,935	
Other Supplies and Materials	14,013	
Other Charges	1,896	
Total Community Services		336,567

(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.)			
Operation of Non-instructional Services (Cont.)			
Early Childhood Education			
Teachers	$ 184,230		
Educational Assistants	61,222		
Non-certified Substitute Teachers	8,168		
Social Security	14,258		
State Retirement	20,345		
Medical Insurance	60,620		
Employer Medicare	3,335		
Other Contracted Services	4,197		
Instructional Supplies and Materials	10,381		
In Service/Staff Development	2,394		
Other Equipment	6,658		
Total Early Childhood Education		$ 375,808	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 7,456		
Building Construction	460,656		
Building Improvements	419,850		
Other Capital Outlay	19,585		
Total Regular Capital Outlay		907,547	
Principal on Debt			
Education			
Debt Service Contribution to Primary Government	$ 229,784		
Total Education		229,784	
Interest on Debt			
Education			
Debt Service Contribution to Primary Government	$ 4,785		
Total Education		4,785	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 805,524		
Total Education		805,524	
Total General Purpose School Fund			$ 31,706,698
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 342,090		
Educational Assistants	240,026		
Social Security	33,635		
State Retirement	44,833		
Medical Insurance	137,515		

(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.)				
Regular Instruction Program (Cont.)				
Employer Medicare	$	8,046		
Other Fringe Benefits		2,616		
Other Contracted Services		17,663		
Instructional Supplies and Materials		22,783		
Regular Instruction Equipment		136,036		
Total Regular Instruction Program			$	985,243
Special Education Program				
Educational Assistants	$	238,476		
Other Salaries and Wages		27,230		
Social Security		16,067		
State Retirement		17,297		
Medical Insurance		81,914		
Employer Medicare		3,758		
Instructional Supplies and Materials		25,644		
Other Supplies and Materials		31,909		
Other Charges		610		
Special Education Equipment		35,546		
Total Special Education Program				478,451
Vocational Education Program				
Other Contracted Services	$	8,250		
Other Supplies and Materials		827		
Vocational Instruction Equipment		39,424		
Total Vocational Education Program				48,501
Support Services				
Other Student Support				
Other Salaries and Wages	$	141,773		
Social Security		8,436		
State Retirement		12,590		
Medical Insurance		18,002		
Employer Medicare		1,973		
Other Fringe Benefits		642		
Travel		7,225		
Other Contracted Services		3,635		
Other Supplies and Materials		6,563		
In Service/Staff Development		151		
Other Charges		4,986		
Other Equipment		7,065		
Total Other Student Support				213,041
Regular Instruction Program				
Supervisor/Director	$	100,530		
Secretary(ies)		24,480		
Social Security		7,696		

(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.)			
Regular Instruction Program (Cont.)			
State Retirement	$ 10,515		
Medical Insurance	8,305		
Employer Medicare	1,794		
Other Fringe Benefits	416		
Travel	2,151		
Other Contracted Services	1,240		
Other Supplies and Materials	2,878		
In Service/Staff Development	30,020		
Other Equipment	1,440		
Total Regular Instruction Program		$ 191,465	
Special Education Program			
Psychological Personnel	$ 176,451		
Other Salaries and Wages	80,670		
Social Security	15,521		
State Retirement	22,035		
Medical Insurance	31,198		
Employer Medicare	3,630		
In Service/Staff Development	2,000		
Total Special Education Program		331,505	
Vocational Education Program			
In Service/Staff Development	$ 1,750		
Other Charges	100		
Total Vocational Education Program		1,850	
Transportation			
Other Salaries and Wages	$ 18,695		
Social Security	1,159		
State Retirement	1,217		
Medical Insurance	14,735		
Employer Medicare	271		
Gasoline	5,334		
Lubricants	260		
Total Transportation		41,671	
Total School Federal Projects Fund			$ 2,291,727
Central Cafeteria Fund			
Operation of Non-instructional Services			
Food Service			
Supervisor/Director	$ 59,140		
Accountants/Bookkeepers	36,194		
Cafeteria Personnel	771,237		
Other Salaries and Wages	28,776		
Social Security	53,826		

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)			
Operation of Non-instructional Services (Cont.)			
Food Service (Cont.)			
State Retirement	$ 47,165		
Medical Insurance	214,062		
Employer Medicare	12,588		
Other Fringe Benefits	27,030		
Communication	3,721		
Travel	5,701		
Other Contracted Services	73,477		
Food Preparation Supplies	77,890		
Food Supplies	952,075		
USDA - Commodities	168,735		
Other Supplies and Materials	5,709		
Trustee's Commission	46		
In Service/Staff Development	14,147		
Other Charges	11,293		
Food Service Equipment	46,398		
Total Food Service		$ 2,609,210	
Total Central Cafeteria Fund			$ 2,609,210
Total Governmental Funds - Marion County School Department			$ 36,607,635

Exhibit K-10

Marion County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2014

	Cities Sales Tax Fund	Special School District Fund	City School ADA - Richard City Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 20,645	$ 292,979	$ 313,624
Trustee's Collections - Prior Years	0	3,925	18,470	22,395
Circuit/Clerk and Master Collections - Prior Years	0	0	13,822	13,822
Interest and Penalty	0	587	3,384	3,971
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,638	1,638
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,359	1,359
Payments in-Lieu-of Taxes - Other	0	0	103	103
Local Option Sales Tax	3,097,577	0	205,851	3,303,428
Hotel/Motel Tax	0	0	359	359
Mixed Drink Tax	0	0	99	99
Bank Excise Tax	0	0	2,843	2,843
Wholesale Beer Tax	0	0	6,268	6,268
Interstate Telecommunications Tax	0	0	116	116
Marriage Licenses	0	0	131	131
Total Cash Receipts	$ 3,097,577	$ 25,157	$ 547,422	$ 3,670,156
Cash Disbursements				
Remittance of Revenues Collected	$ 3,066,601	$ 24,408	$ 533,375	$ 3,624,384
Trustee's Commission	30,976	497	8,714	40,187
Total Cash Disbursements	$ 3,097,577	$ 24,905	$ 542,089	$ 3,664,571
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ 252	$ 5,333	$ 5,585
Cash Balance, July 1, 2013	0	52	0	52
Cash Balance, June 30, 2014	$ 0	$ 304	$ 5,333	$ 5,637

SINGLE AUDIT SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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, 2014, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements, and have issued our report thereon dated December 16, 2014. Our report includes a reference to other auditors who audited the financial statements of the Marion County Conservation Commission and the Marion County Emergency Communications District, as described in our report on Marion County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-001(A,C), 2014-005, 2014-006, 2014-007, 2014-008, 2014-009, 2014-012, and 2014-013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001(B), 2014-002, 2014-003, 2014-004, 2014-010, and 2014-011.

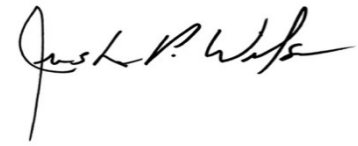
Marion County's Response to Findings

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2014

JPW/sb

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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 OMB Circular A-133

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 Circular A-133 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, 2014. 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 requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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's 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, 2014.

Report on Internal Control Over Compliance

Management of Marion County's 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 OMB Circular A-133, 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.

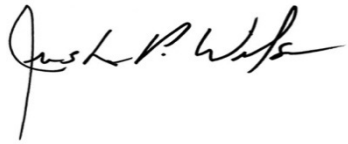
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2014-014 that we consider to be a significant deficiency.

Marion County's response to the internal control over the compliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, and the related notes to the financial statements, which collectively comprise Marion County's basic financial statements. We issued our report thereon dated December 16, 2014, 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 OMB Circular A-133 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 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2014

JPW/sb

Marion County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 168,735	(3)
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	542,141	
National School Lunch Program	10.555	N/A	1,275,550	(3)
Total U.S. Department of Agriculture			$ 1,986,426	
U.S. Department of Commerce:				
Direct Program:				
Investments for Public Works and Economic Development Facilities	11.300	N/A	$ 757,320	
Total U.S. Department of Commerce			$ 757,320	
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program	12.Unknown	N/A	$ 46,983	
Total U.S. Department of Defense			$ 46,983	
U.S. Department of Justice:				
Passed-through State Office of Criminal Justice Programs:				
Edward Byrne Memorial Justice Assistance Grants Program	16.738	(2)	$ 44,816	
Total U.S. Department of Justice			$ 44,816	
U.S. Department of Labor:				
Passed-through Southeast Tennessee Development District:				
WIA Youth Activities	17.259	(2)	$ 24,959	
Total U.S. Department of Labor			$ 24,959	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	(2)	$ 4,798	
Total U.S. Department of Transportation			$ 4,798	
Appalachian Regional Commission:				
Passed-through State Department of Economic and Community Development:				
Appalachian Area Development	23.002	(2)	$ 412,121	
Total Appalachian Regional Commission			$ 412,121	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Education Agencies	84.010	N/A	$ 1,101,146	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	877,561	
Special Education - Preschool Grants	84.173	N/A	34,539	
Career and Technical Education - Basic Grants to States	84.048	N/A	61,970	
Education for Homeless Children and Youth	84.196	N/A	18,408	
Twenty-first Century Community Learning Centers	84.287	N/A	87,326	
Improving Teacher Quality State Grants	84.367	(2)	231,829	
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	62,844	
Total U.S. Department of Education			$ 2,475,623	

(Continued)

Marion County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	$ 3,415
Total U.S. Election Assistance Commission			$ 3,415
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	N/A	$ 2,269
Homeland Security Grant Program	97.067	N/A	8,448
Total U.S. Department of Homeland Security			$ 10,717
Total Expenditures of Federal Awards			$ 5,767,178
		Contract Number	
State Grants			
Statewide Student Management System - State Department of Education	N/A	(2)	$ 11,073
Internet Connectivity - State Department of Education	N/A	(2)	12,226
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	750
Coordinated School Health - State Department of Education	N/A	(2)	95,000
Energy Efficient Schools Initiative - State Department of Energy Efficient Schools Initiative	N/A	(2)	18,273
Safe Schools Act - State Department of Education	N/A	(2)	23,400
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	375,807
Juvenile Services Program - State Department of Children's Services	N/A	(2)	2,168
Lottery for Education After School Programs - State Department Education	N/A	(2)	101,124
Airport Maintenance Program - State Department of Transportation	N/A	(2)	13,254
Local Health Services Grant - State Department of Health	N/A	(2)	103,812
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	3,509
Airport Obstruction - State Department of Transportation	N/A	(2)	16,825
Fast Track Economic Development Program - State Department of Economic and Community Development	N/A	(2)	242,105
Fast Track Infrastructure Development Program - State Department of Economic and Community Development	N/A	(2)	215,199
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	1,495
Litter Program - State Department of Transportation	N/A	Z-13-LIT058-00	34,100
Total State Grants			$ 1,270,120

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) Information not available.
(3) Total for CFDA No. 10.555 is $1,444,285.

Marion County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Marion County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
2013-001(A,B,D)	161	The airport had operating deficiencies

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
2013-002	162	The office did not document some charges for credit card transactions

OFFICE OF COUNTY CLERK

Finding Number	Page Number	Subject
2013-007	165	Users processed transactions utilizing the same username

OFFICES OF COUNTY CLERK AND REGISTER OF DEEDS

Finding Number	Page Number	Subject
2013-008	166	Multiple employees operated from the same cash drawer

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
2013-009	166	The office did not deposit some funds within three days of collection
2013-010	167	The office had deficiencies in the administration of drug control funds

SCHOOL FOOD SERVICE DEPARTMENT, AIRPORT, AND THE OFFICES OF COUNTY MAYOR, HIGHWAY SUPERVISOR, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

Finding Number	Page Number	Subject
2013-011	167	Duties were not segregated adequately

MARION COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Marion County is unmodified.

2. The audit of the financial statements of Marion County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.

3. The audit disclosed no instance of noncompliance that was material to the financial statements.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Investments for Public Works and Economic Development Facilities (CFDA No. 11.300), and the Appalachian Area Development (CFDA No. 23.002) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Marion County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of schools provided a written response to one finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2014-001 **THE AIRPORT HAD OPERATING DEFICIENCIES**
(A. and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

Marion County operates an airport, and its financial transactions are channeled through the county's General Fund. Our examination revealed the following deficiencies, which can be attributed to a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

A. As part of our audit procedures for determining whether the receipting process was operating as designed, we selected a sample of 206 receipts totaling $65,706. Officials issued prenumbered receipts for collections as required by state statutes; however, our sample revealed that information such as the date of collection was not on seven receipts, and the name of the employee issuing the receipts was not on two receipts.

B. As part of our audit procedures for obtaining reasonable assurance that funds were deposited with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the months of July and August 2013 and April and May 2014, to examine receipts and deposits. The office did not deposit some funds with the county trustee within three days of collection in ten of 20 deposits made during these months.

C. Gasoline and diesel fuel are sold from pumps located at the airport. However, employees did not maintain inventory records documenting the receipt, usage, and storage of fuel. Generally accepted accounting principles require accountability for all consumable assets. The failure to maintain adequate records of a consumable asset such as fuel weakens controls over assets and increases the risk of inventory loss.

RECOMMENDATION

Receipts should include all pertinent information, including the date of collection and signature of the employee issuing the receipt. All receipts should be deposited with the county trustee within three days of collection as required by state statute. The office should maintain inventory records documenting the receipt, usage, and storage of fuel. Furthermore, personnel independent of maintaining the inventory should periodically verify these records.

FINDING 2014-002 **APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING IN THE DRUG CONTROL FUND**
(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by $18,385. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

FINDING 2014-003 **THE OFFICE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER'S OFFICE**
(Noncompliance Under *Government Auditing Standards*)

The office did not file a Report on Debt Obligation with the state Comptroller's Office for a $197,958 capital lease that was issued during the year for the School Department. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

OFFICE OF HIGHWAY SUPERVISOR

FINDING 2014-004 **THE VEHICLE ASSIGNED TO THE HIGHWAY SUPERVISOR WAS NOT PLAINLY MARKED AS PROPERTY OF THE HIGHWAY DEPARTMENT**
(Noncompliance Under *Government Auditing Standards*)

The department-owned vehicle assigned to the highway supervisor was not plainly marked as property of the Highway Department. The County Uniform Road Law, Section 54-7-112(b), *Tennessee Code Annotated*, requires that "all machinery, equipment, and tools shall be plainly marked as property of the county road department and each item shall be numbered …"

RECOMMENDATION

The department-owned vehicle assigned to the highway supervisor should be plainly marked and identified as property of the Highway Department as required by state statute.

FINDING 2014-005 **AN INSURANCE CLAIM WAS NOT FILED FOR THE REPAIR OF A DEPARTMENT VEHICLE DAMAGED IN AN ACCIDENT**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

On July 11, 2013, the highway supervisor was involved in an accident while driving a department-owned vehicle. Subsequently, the supervisor had a local body shop repair the vehicle at a cost of $9,917 in lieu of filing a claim with the department's insurance carrier. The department's insurance provides for a $1,000 deductible per occurrence for damages to vehicles; therefore, county funds of $8,917 were expended by the Highway Department that could have been paid by their insurance carrier. The highway supervisor advised us that he thought the insurance premiums would increase if he filed a claim but in hindsight he wished he had filed a claim.

RECOMMENDATION

Officials should file claims with their insurance provider when applicable.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-006 **THE OFFICE DID NOT DOCUMENT SOME CREDIT CARD CHARGES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Officials could not provide us with documentation to support 31 credit card charges totaling $8,981. Most of these credit card transactions appear to be travel related expenses for hotels and restaurants. These deficiencies are the result of management's failure to implement adequate internal control procedures over credit card transactions and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The School Department should require documentation for all credit card charges.

FINDING 2014-007 **THE OFFICE HAD PAYROLL DEFICIENCIES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards* and OMB Circular A-133)

Some employees submitted separate time sheets for their various duties. However, in some instances employees showed working the same day and time on two different time sheets. This resulted in overpayments of $3,755 and $3,234 for the Federal Twenty-first Century Community Learning Centers Grant and the State Lottery for Education After School Programs Grant, respectively. This deficiency was the result of a lack of management oversight and supervisory review.

RECOMMENDATION

Time sheets should be accurately completed by employees for all duties performed. Hours reported on separate time sheets should be reconciled. The School Department should take steps to collect any overpayments.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

In the future, these grants will be under the Curriculum Department's supervision. We are requesting the funds be reimbursed to the Marion County School System.

OFFICE OF COUNTY CLERK

FINDING 2014-008 **EMPLOYEES PROCESSED TRANSACTIONS UTILIZING THE SAME USERNAME**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username for accessing the office's accounting software, all employees processed transactions using the official's login at the counter workstation. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees shared this user account. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee.

OFFICES OF COUNTY CLERK AND REGISTER OF DEEDS

FINDING 2014-009 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of County Clerk and Register of Deeds. Sound internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of each day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets. This deficiency is also the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 2014-010 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited to the bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected the months of October, November, and February for the sheriff's checking account and the months of December and January for the commissary checking account to examine receipts and deposits. The office did not deposit some funds to the bank accounts within three days of collection in seven of 38 deposits made during these months. This deficiency exists because only one person in the office makes deposits, and if that employee is away from the office for any reason, deposits are not always made within three days. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The delay in depositing the funds increases the risks of fraud and abuse.

RECOMMENDATION

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

FINDING 2014-011 **THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF DRUG CONTROL FUNDS**
(Noncompliance Under *Government Auditing Standards*)

Forms required by the Comptroller of the Treasury documenting the use of confidential funds were not properly completed. Only 27 of 31 forms sampled documenting payments to confidential informants had the required signatures of two officers. The signature of the first officer is necessary to document the officer made the payment, and the signature of the second officer is necessary to document witnessing the payment. These deficiencies exist because management failed to provide proper oversight, which results in increased risks of fraud and abuse, and because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Payments to informants should be documented by the signatures of two officers.

FINDING 2014-012 **THE OFFICE HAD NUMEROUS ACCOUNTING DEFICIENCIES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies can be attributed to a lack of understanding of internal controls, generally accepted accounting principles, and sound business practices.

A. The annual financial report did not properly reflect the operations of the office. Receipts from commissary ($57,853) and vending ($1,916) operations, and disbursements from commissary ($134,293) and vending ($1,916) operations were not included on the annual financial report. Receipts from inmate phone ($54,377) usage and disbursements for inmate phone ($45,122) usage were overstated on the annual financial report. These amounts were determined by substantive testing and alternative auditing procedures and have been properly included in the financial statements of this report.

B. The annual financial report prepared by the Sheriff's Department was not mathematically accurate. Two of the eight columns on the report were not totaled correctly. Operations and year-end balances were determined by substantive testing and alternative audit procedures and have been correctly reflected in the financial statements of this report.

RECOMMENDATION

The annual financial report should accurately reflect all operations of the Sheriff's Department.

SCHOOL FOOD SERVICE DEPARTMENT, AIRPORT, AND THE OFFICES OF COUNTY MAYOR, HIGHWAY SUPERVISOR, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

FINDING 2014-013 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees of the School Food Service Department, Airport, and the Offices of County Mayor, Highway Supervisor, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education					
Passed-through State Department of Education:					
Twenty-first Century Community Learning Centers	2014-014	84.287	Circular A-133, Section 500(c)(3)	Significant Deficiency in Internal Control See Finding 2014-007 - Some employees submitted separate time sheets for their various duties. However, the specific days' time reflected on some of the separate time sheets overlapped.	$ 3,755

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.

MARION COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014

There were audit findings relative to federal awards presented in the prior- and current-year's Schedules of Findings and Questioned Costs.

Director of School – Summary Schedule of Prior-year's Finding

FINDING 2013-012

School Department management prepared a risk assessment and action plan for the one ARRA grant awarded during the 2013-14 fiscal year.

Director of School – Corrective Action Plan for Current-year's Finding

FINDING 2014-014

Contact person:	Mark Griffith, Director of Schools
Corrective action planned:	In the future, these grants will be under the Curriculum Department's supervision. We are requesting the funds be reimbursed to the Marion County School System
Anticipated completion date:	2014-15