

**MARION COUNTY, TEXAS  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**MARION COUNTY, TEXAS**  
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# Rod L. Abbott, CPA PLLC

## Certified Public Accountant

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### INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and  
Members of the Commissioners' Court  
County of Marion, Texas  
Jefferson, Texas

#### Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marion, Texas (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marion, Texas, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of the County, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and OPEB schedules on pages 4-8 and 42-47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Marion Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Rod L. Abbott, CPA PLLC  
Tom Bean, Texas  
August 29, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial Report, we, the commissioners of Marion County, Texas (the "County"), discuss and analyze the County's financial performance for the year ended December 31, 2021. Please read it in conjunction with the independent auditor's report on page 1, and the County's Basic Financial Statements which begin on page 9.

### **FINANCIAL HIGHLIGHTS**

- On the government-wide financial statements, the County had an overall increase in net position of \$1,761,370. This is a 10.5% increase from the prior year restated net position balance of \$16,721,131. The prior year increase in net position was \$2,354,517.
- Primary contributors to this increase in net position include the receipt of \$957,012 of federal American Rescue Plan Act grant proceeds and \$343,106 of courthouse restoration grant proceeds.
- The General Fund's total fund balance of \$1,692,227 at December 31, 2021 is a \$38,011 increase from the prior year balance of \$1,654,216.
- The General Fund has a healthy unassigned fund balance of \$1,583,024 and is equal to 4.6 months of the General Fund's 2021 expenditures of \$4,137,254.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the County as a whole and present a longer-term view of the County's financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 11) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the County were sold to departments within the County or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the County.

The notes to the financial statements (starting on page 18) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds (starting on page 48) contain even more information about the County's individual funds.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

### **Reporting the County as a Whole**

#### *The Statement of Net Position and the Statement of Activities*

The analysis of the County's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets, deferred inflows and outflows of resources, liabilities, and equity at the end of the year. The Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who share the costs of some programs and revenues provided by the taxpayers or by other non-grant sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets plus deferred outflows and liabilities plus deferred inflows) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider nonfinancial factors as well, such as changes in the County's property tax base and the condition of the County's capital assets.

In the Statement of Net Position and the Statement of Activities, the County's activities are presented as:

Governmental activities – the County's basic services are reported here. Property taxes, state and federal grants finance most of these activities.

Business-type activities - The County charges a fee to “customers”. The sheriff's department runs a commissary to provide supplies for the inmates of the County to purchase.

### **Reporting the County's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements begin on page 11 and provide detailed information about the most significant funds—not the County as a whole. Laws and contracts require the County to establish some funds. The County's administration establishes many other funds to help it control and manage money for particular purposes (like roads and bridges, jury, etc.). The County has two kinds of funds – governmental, which uses the modified-accrual basis of accounting, and business-type (proprietary), which uses the accrual basis of accounting.



## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Governmental funds—most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary funds—the County reports the activities for which it charges users in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The County's enterprise fund (one category of proprietary funds) is the business-type activity reported in the government-wide statements but containing more detail and additional information, such as cash flows.

### The County as Trustee

#### *Reporting the County's Fiduciary Responsibilities*

The County is the trustee, or fiduciary, for money raised by escrow accounts held by the County Clerk and other monies held temporarily such as taxes and fines. We exclude these resources from the County's financial statements because the County cannot use these assets to finance its operations. The County is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIALS ANALYSIS

Our analysis presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the Net Position (Table I) and changes in Net Position (Table II).

Table I Marion County

|                                | Governmental Activities |               | Business-type Activities |          | Total        |               |
|--------------------------------|-------------------------|---------------|--------------------------|----------|--------------|---------------|
|                                | FY21                    | FY20          | FY21                     | FY20     | FY21         | FY20          |
| Current and other assets       | \$ 11,003,085           | \$ 9,880,753  | \$ 6,399                 | \$ 4,472 | \$11,009,484 | \$ 9,885,225  |
| Capital assets                 | 8,497,999               | 8,074,884     | -                        | -        | 8,497,999    | 8,074,884     |
| Total assets                   | 19,501,084              | 17,955,637    | 6,399                    | 4,472    | 19,507,483   | 17,960,109    |
| Deferred outflows of resources | 716,082                 | 389,021       | -                        | -        | 716,082      | 389,021       |
| Long-term liabilities          | 873,630                 | 744,064       | -                        | -        | 873,630      | 744,064       |
| Other liabilities              | 249,124                 | 1,236,738     | -                        | -        | 249,124      | 1,236,738     |
| Total liabilities              | 1,122,754               | 1,980,802     | -                        | -        | 1,122,754    | 1,980,802     |
| Deferred inflows of resources  | 618,310                 | 429,094       | -                        | -        | 618,310      | 429,094       |
| Net position:                  |                         |               |                          |          |              |               |
| Net investment in cap. assets  | 8,497,999               | 8,074,884     | -                        | -        | 8,497,999    | 8,074,884     |
| Restricted                     | 2,462,784               | 1,701,466     | -                        | -        | 2,462,784    | 1,701,466     |
| Unrestricted                   | 7,515,319               | 6,158,412     | 6,399                    | 4,472    | 7,521,718    | 6,162,884     |
| Total net position             | \$ 18,476,102           | \$ 15,934,762 | \$ 6,399                 | \$ 4,472 | \$18,482,501 | \$ 15,939,234 |

## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Table II Marion County

|   | Governmental Activities |                      | Business-type Activities |                 | Total                |                      |
|---|-------------------------|----------------------|--------------------------|-----------------|----------------------|----------------------|
|   | FY21                    | FY20                 | FY21                     | FY20            | FY21                 | FY20                 |
| Revenues:   |                         |                      |                          |                 |                      |                      |
| Program Revenues:   |                         |                      |                          |                 |                      |                      |
| Charges for services  | \$ 894,407              | \$ 891,905           | \$ 6,381                 | \$ 4,837        | \$ 900,788           | \$ 896,742           |
| Operating grants and contributions                                    | 1,200,497               | 690,152              | -                        | -               | 1,200,497            | 690,152              |
| Capital grants and contributions                                      | 421,971                 | 2,794,212            | -                        | -               | 421,971              | 2,794,212            |
| General Revenues:   |                         |                      |                          |                 |                      |                      |
| Property taxes  | 4,818,007               | 4,078,251            | -                        | -               | 4,818,007            | 4,078,251            |
| Sales and other taxes   | 409,420                 | 468,917              | -                        | -               | 409,420              | 468,917              |
| Investment income   | 19,112                  | 33,275               | 5                        | 6               | 19,117               | 33,281               |
| Gain (loss) on disposed assets  | 24,313                  | (28,390)             | -                        | -               | 24,313               | (28,390)             |
| Other   | 107,501                 | 110,428              | -                        | -               | 107,501              | 110,428              |
|   | <u>7,895,228</u>        | <u>9,038,750</u>     | <u>6,386</u>             | <u>4,843</u>    | <u>7,901,614</u>     | <u>9,043,593</u>     |
| Expenses:   |                         |                      |                          |                 |                      |                      |
| General government  | 2,329,829               | 2,510,017            | -                        | -               | 2,329,829            | 2,510,017            |
| Road and bridge   | 1,248,116               | 1,308,420            | -                        | -               | 1,248,116            | 1,308,420            |
| Corrections   | 193,331                 | 158,084              | -                        | -               | 193,331              | 158,084              |
| Law enforcement   | 1,566,078               | 1,654,504            | 4,459                    | 4,177           | 1,570,537            | 1,658,681            |
| Judicial  | 503,069                 | 476,056              | -                        | -               | 503,069              | 476,056              |
| Community services  | 295,362                 | 577,818              | -                        | -               | 295,362              | 577,818              |
|   | <u>6,135,785</u>        | <u>6,684,899</u>     | <u>4,459</u>             | <u>4,177</u>    | <u>6,140,244</u>     | <u>6,689,076</u>     |
| Excess (deficiency) of revenues<br>over expenditures before transfers | 1,759,443               | 2,353,851            | 1,927                    | 666             | 1,761,370            | 2,354,517            |
| Transfers In (Out)  | -                       | -                    | -                        | -               | -                    | -                    |
| Increase in net position  | 1,759,443               | 2,353,851            | 1,927                    | 666             | 1,761,370            | 2,354,517            |
| Net position - January 1  | 15,934,762              | 14,334,341           | 4,472                    | 3,806           | 15,939,234           | 14,338,147           |
| Prior period adjustments  | 781,897                 | (753,430)            | -                        | -               | 781,897              | (753,430)            |
| Net position - December 31  | <u>\$ 18,476,102</u>    | <u>\$ 15,934,762</u> | <u>\$ 6,399</u>          | <u>\$ 4,472</u> | <u>\$ 18,482,501</u> | <u>\$ 15,939,234</u> |

### CHANGES IN NET POSITION

Net position of the County's governmental activities increased by \$1,759,443 during 2021, for a total of \$18,476,102 at December 31, 2021. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$7,515,319 at December 31, 2021.

### THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of \$4,349,790, which is a \$477,769 increase during 2021. The increase is due to the receipt of \$957,012 of federal grant proceeds in the American Rescue Plan Act Fund. The County's General Fund experienced a \$38,011 increase in fund balance. The County's Road and Bridge Fund also experienced an increase in fund balance totaling \$19,116.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

### **COUNTY BUDGET**

Over the course of the year, the Commissioners Court revised the County's fiscal year 2021 budget. Many amendments involved moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs. The General Fund's amended budget versus actual results show a positive overall variance of \$344,708. General Fund and Road and Bridge Fund budget versus actual results are presented in the *Required Supplementary Information* section.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### *Capital Assets*

At the end of 2021, the County had \$8,497,999 invested in a broad range of capital assets, including infrastructure, facilities and equipment, administration, law enforcement, court and maintenance. There was a net increase in capital assets of \$423,115 in 2021 that is attributable to \$921,658 of capital asset additions, less \$482,567 of 2021 depreciation expense and other less significant asset retirements and sales. More detailed information about the County's capital assets is presented in the footnotes to the financial statements.

#### *Debt*

At year-end, the County had no outstanding long-term debt. Long-term liabilities shown on the Statement of Net Position represent pension and other post-employment benefits funding obligations with the Texas County and District Retirement System.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's elected and appointed officials considered many factors when setting the year 2022 County budgets and tax rates. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2022.

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at 102 West Austin St., Jefferson, Texas 75657.

**Marion County, Texas**  
**Statement of Net Position**  
**December 31, 2021**

|  | Primary Government   |                 |                      |
|--|----------------------|-----------------|----------------------|
|  | Governmental         | Business-type   |                      |
|  | Activities           | Activities      | Total                |
| <b>Assets</b>                            |                      |                 |                      |
| Cash and cash equivalents                | \$ 4,485,321         | \$ 1,002        | \$ 4,486,323         |
| Investments                              | 600,000              | -               | 600,000              |
| Accounts receivables - net               | 142,012              | 5,397           | 147,409              |
| Due from other governments               | 405,924              | -               | 405,924              |
| Current property taxes receivable - net  | 3,485,503            | -               | 3,485,503            |
| Past due property taxes receivable - net | 1,884,325            | -               | 1,884,325            |
| Capital assets:                          |                      |                 |                      |
| Non-depreciable capital assets           | 558,584              | -               | 558,584              |
| Depreciable capital assets (net)         | 7,939,415            | -               | 7,939,415            |
| Total assets                             | <u>19,501,084</u>    | <u>6,399</u>    | <u>19,507,483</u>    |
| <b>Deferred outflows of resources</b>    |                      |                 |                      |
| Deferred outflows of resources - OPEB    | 48,920               | -               | 48,920               |
| Deferred outflows of resources - Pension | 667,162              | -               | 667,162              |
| Total deferred outflows of resources     | <u>716,082</u>       | <u>-</u>        | <u>716,082</u>       |
| <b>Liabilities</b>                       |                      |                 |                      |
| Accounts payable                         | 140,947              | -               | 140,947              |
| Other accrued liabilities                | 64,760               | -               | 64,760               |
| Due to other governments                 | 43,417               | -               | 43,417               |
| Non-current liabilities:                 |                      |                 |                      |
| Due within one year                      | -                    | -               | -                    |
| Due in more than one year:               |                      |                 |                      |
| Total OPEB liability                     | 273,002              | -               | 273,002              |
| Net pension liability                    | 600,628              | -               | 600,628              |
| Total liabilities                        | <u>1,122,754</u>     | <u>-</u>        | <u>1,122,754</u>     |
| <b>Deferred inflows of resources</b>     |                      |                 |                      |
| Deferred inflows of resources - OPEB     | 9,786                | -               | 9,786                |
| Deferred inflows of resources - Pension  | 608,524              | -               | 608,524              |
| Total deferred inflows of resources      | <u>618,310</u>       | <u>-</u>        | <u>618,310</u>       |
| <b>Net Position</b>                      |                      |                 |                      |
| Net investment in capital assets         | 8,497,999            | -               | 8,497,999            |
| Restricted                               | 2,462,784            | -               | 2,462,784            |
| Unrestricted                             | 7,515,319            | 6,399           | 7,521,718            |
| Total net position                       | <u>\$ 18,476,102</u> | <u>\$ 6,399</u> | <u>\$ 18,482,501</u> |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

| Functions/Programs                 |                     |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                     |
|------------------------------------|---------------------|-------------------------|--|--|--|-----------------------------|---------------------|
|                                    | Expenses            | Program Revenues        |  |  | Primary Government                                   |                             | Total               |
|                                    |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities |                     |
| <b>Primary government:</b>         |                     |                         |  |  |  |                             |                     |
| Governmental activities:           |                     |                         |  |  |  |                             |                     |
| General government                 | \$ 2,329,829        | \$ 104,011              | \$ 1,143,122                             | \$ -                                   | \$ (1,082,696)                                       | \$ -                        | \$(1,082,696)       |
| Roads and public works             | 1,248,116           | 457,391                 | 17,156                                   | -                                      | (773,569)  | -                           | (773,569)           |
| Corrections                        | 193,331             | -                       | -  | -                                      | (193,331)  | -                           | (193,331)           |
| Law enforcement                    | 1,566,078           | 7,458                   | 29,903                                   | -                                      | (1,528,717)  | -                           | (1,528,717)         |
| Judicial                           | 503,069             | 292,899                 | 5,814                                    | 421,971                                | 217,615  | -                           | 217,615             |
| Community services                 | 295,362             | 32,648                  | 4,502                                    | -                                      | (258,212)  | -                           | (258,212)           |
| Total governmental activities      | 6,135,785           | 894,407                 | 1,200,497                                | 421,971                                | (3,618,910)  | -                           | (3,618,910)         |
| Business-type activities:          |                     |                         |  |  |  |                             |                     |
| Sheriff Commissary Fund            | 4,459               | 6,381                   | -  | -                                      | -  | 1,922                       | 1,922               |
| Total business-type activities     | 4,459               | 6,381                   | -  | -                                      | -  | 1,922                       | 1,922               |
| Total primary government           | <u>\$ 6,140,244</u> | <u>\$ 900,788</u>       | <u>\$ 1,200,497</u>                      | <u>\$ 421,971</u>                      | (3,618,910)  | 1,922                       | (3,616,988)         |
| General revenues:                  |                     |                         |  |  |  |                             |                     |
| Property taxes                     |                     |                         |  |  | 4,818,007  | -                           | 4,818,007           |
| Sales taxes                        |                     |                         |  |  | 409,420  | -                           | 409,420             |
| Investment interest                |                     |                         |  |  | 19,112   | 5                           | 19,117              |
| Miscellaneous                      |                     |                         |  |  | 107,501  | -                           | 107,501             |
| Gain on sold assets                |                     |                         |  |  | 24,313   | -                           | 24,313              |
| Total general revenues & transfers |                     |                         |  |  | <u>5,378,353</u>                                     | <u>5</u>                    | <u>5,378,358</u>    |
| Change in net position             |                     |                         |  |  | 1,759,443  | 1,927                       | 1,761,370           |
| Net position - beginning           |                     |                         |  |  | 15,934,762   | 4,472                       | 15,939,234          |
| Prior period adjustments           |                     |                         |  |  | 781,897  | -                           | 781,897             |
| Net position - ending              |                     |                         |  |  | <u>\$ 18,476,102</u>                                 | <u>\$ 6,399</u>             | <u>\$18,482,501</u> |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Balance Sheet - Governmental Type Funds**  
**December 31, 2021**

|  | General<br>Fund     | Road and<br>Bridge<br>Fund | Capital<br>Projects<br>Fund<br>(non-major) | American<br>Rescue Plan<br>Act Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|--|-------------------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                     |                            |  |                                     |                                |                                |
| Cash   | \$ 1,703,103        | \$ 1,398,491               | \$ (301,106)                               | \$ 822,526                          | \$ 862,307                     | \$ 4,485,321                   |
| Certificates of deposit  | 600,000             | -                          | -  | -                                   | -                              | 600,000                        |
| Accounts receivable - net  | 128,371             | 4,957                      | -  | -                                   | 8,684                          | 142,012                        |
| Due from other governments   | 62,818              | -                          | 343,106                                    | -                                   | -                              | 405,924                        |
| Current property taxes receivable - net                                | 2,832,403           | 653,100                    | -  | -                                   | -                              | 3,485,503                      |
| Past due property taxes receivable - net                               | 1,535,724           | 348,601                    | -  | -                                   | -                              | 1,884,325                      |
| Total assets   | <u>\$ 6,862,419</u> | <u>\$ 2,405,149</u>        | <u>\$ 42,000</u>                           | <u>\$ 822,526</u>                   | <u>\$ 870,991</u>              | <u>\$ 11,003,085</u>           |
| <b>Liabilities</b>   |                     |                            |  |                                     |                                |                                |
| Current liabilities:   |                     |                            |  |                                     |                                |                                |
| Accounts payable   | \$ 87,592           | \$ 30,427                  | \$ -                                       | \$ -                                | \$ 22,928                      | \$ 140,947                     |
| Other accrued liabilities  | 31,263              | 8,920                      | -  | 24,915                              | (338)                          | 64,760                         |
| Due to other governments   | 43,417              | -                          | -  | -                                   | -                              | 43,417                         |
| Unearned property tax revenue  | 452,006             | 134,079                    | -  | -                                   | -                              | 586,085                        |
| Total current liabilities  | <u>614,278</u>      | <u>173,426</u>             | <u>-</u>                                   | <u>24,915</u>                       | <u>22,590</u>                  | <u>835,209</u>                 |
| <b>Deferred Inflows of Resources</b>                                   |                     |                            |  |                                     |                                |                                |
| Unavailable revenue - Taxes and grants                                 | 4,555,914           | 919,066                    | 343,106                                    | -                                   | -                              | 5,818,086                      |
| Total deferred inflows of resources                                    | <u>4,555,914</u>    | <u>919,066</u>             | <u>343,106</u>                             | <u>-</u>                            | <u>-</u>                       | <u>5,818,086</u>               |
| <b>Fund Balances</b>   |                     |                            |  |                                     |                                |                                |
| Non-spendable fund balance   | -                   | -                          | -  | -                                   | -                              | -                              |
| Restricted fund balance  | -                   | 1,312,657                  | -  | 797,611                             | 352,516                        | 2,462,784                      |
| Committed fund balance   | 109,203             | -                          | -  | -                                   | 47,967                         | 157,170                        |
| Assigned fund balance  | -                   | -                          | -  | -                                   | 447,918                        | 447,918                        |
| Unassigned   | 1,583,024           | -                          | (301,106)                                  | -                                   | -                              | 1,281,918                      |
| Total fund balances  | <u>1,692,227</u>    | <u>1,312,657</u>           | <u>(301,106)</u>                           | <u>797,611</u>                      | <u>848,401</u>                 | <u>4,349,790</u>               |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 6,862,419</u> | <u>\$ 2,405,149</u>        | <u>\$ 42,000</u>                           | <u>\$ 822,526</u>                   | <u>\$ 870,991</u>              | <u>\$ 11,003,085</u>           |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**at December 31, 2021**

|                                     |    |           |
|-------------------------------------|----|-----------|
| Fund balances of governmental funds | \$ | 4,349,790 |
|-------------------------------------|----|-----------|

**Amounts reported for governmental activities in the statement of net position are different because:**

|   |  |           |
|---|--|-----------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. |  | 8,497,999 |
|---|--|-----------|

|  |  |         |
|--|--|---------|
| Deferred outflows of resources related to pension and OPEB balances do not provide current financial resources and, therefore, are not reported in the governmental funds. |  | 716,082 |
|--|--|---------|

|  |  |           |
|--|--|-----------|
| Deferred inflows of resources related to pension and OPEB balances do not require the use of current financial resources and, therefore, are not reported in the governmental funds. |  | (618,310) |
|--|--|-----------|

|   |  |           |
|---|--|-----------|
| Long-term pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds. |  | (873,630) |
|---|--|-----------|

|   |  |           |
|---|--|-----------|
| Property taxes not received at year-end and unearned revenues are shown as deferred income on the fund financial statements, but the amount should not be shown as deferred on the statement of net position. |  | 6,404,171 |
|---|--|-----------|

|   |    |   |
|---|----|---|
| Net position of governmental activities | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">18,476,102</div> |
|---|----|---|

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended December 31, 2021**

|  | General<br>Fund | Road and<br>Bridge<br>Fund | Capital<br>Projects<br>Fund<br>(non-major) | American<br>Rescue Plan<br>Act Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|----------------------------|--|-------------------------------------|--------------------------------|--------------------------------|
| Revenues   |                 |                            |  |                                     |                                |                                |
| Taxes  | \$ 3,934,599    | \$ 785,656                 | \$ -                                       | \$ -                                | \$ -                           | \$ 4,720,255                   |
| Intergovernmental  | 185,710         | 17,156                     | 78,864                                     | 957,012                             | 40,620                         | 1,279,362                      |
| Charges for services   | 317,053         | 457,391                    | -  | -                                   | 119,963                        | 894,407                        |
| Other revenue  | 76,466          | 19,361                     | -  | -                                   | 11,674                         | 107,501                        |
| Investment earnings  | 19,107          | -                          | -  | -                                   | 5                              | 19,112                         |
| Total revenues   | 4,532,935       | 1,279,564                  | 78,864                                     | 957,012                             | 172,262                        | 7,020,637                      |
| Expenditures   |                 |                            |  |                                     |                                |                                |
| Current:   |                 |                            |  |                                     |                                |                                |
| General government   | 1,742,831       | -                          | -  | 159,401                             | 71,966                         | 1,974,198                      |
| Roads and public works                                       | -               | 1,199,437                  | -  | -                                   | -                              | 1,199,437                      |
| Corrections  | 165,714         | -                          | -  | -                                   | -                              | 165,714                        |
| Law enforcement  | 1,501,078       | -                          | -  | -                                   | 29,126                         | 1,530,204                      |
| Judicial   | 400,378         | -                          | -  | -                                   | 102,691                        | 503,069                        |
| Community services   | 189,552         | -                          | -  | -                                   | 99,323                         | 288,875                        |
| Capital outlays  | 137,701         | 59,300                     | 450,206                                    | -                                   | 274,451                        | 921,658                        |
| Total expenditures   | 4,137,254       | 1,258,737                  | 450,206                                    | 159,401                             | 577,557                        | 6,583,155                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | 395,681         | 20,827                     | (371,342)                                  | 797,611                             | (405,295)                      | 437,482                        |
| Other financing sources (uses)                               |                 |                            |  |                                     |                                |                                |
| Proceeds from sold assets                                    | -               | 40,289                     | -  | -                                   | -                              | 40,289                         |
| Transfers in   | -               | -                          | 64,221                                     | -                                   | 335,449                        | 399,670                        |
| Transfers (out)  | (357,670)       | (42,000)                   | -  | -                                   | -                              | (399,670)                      |
| Total other financing sources (uses)                         | (357,670)       | (1,711)                    | 64,221                                     | -                                   | 335,449                        | 40,289                         |
| Net changes in fund balances                                 | 38,011          | 19,116                     | (307,121)                                  | 797,611                             | (69,848)                       | 477,769                        |
| Fund balances - beginning                                    | 1,654,216       | 1,293,541                  | 6,015                                      | -                                   | 918,249                        | 3,872,021                      |
| Fund balances - ending                                       | \$ 1,692,227    | \$ 1,312,657               | \$ (301,106)                               | \$ 797,611                          | \$ 848,401                     | \$ 4,349,790                   |

The accompanying notes are an integral part of these financial statements.



**Marion County, Texas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2021**

**Amounts reported for governmental activities in the statement of activities are different because:**

|  |            |
|--|------------|
| Net change in fund balances - total governmental funds | \$ 477,769 |
|--|------------|

|   |         |
|---|---------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which \$921,658 of capital outlays exceeded the \$482,567 depreciation expense in the current period. | 439,091 |
|---|---------|

|  |         |
|--|---------|
| Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes recognizing the \$507,172 change in deferred property tax revenue, recognizing \$343,106 of deferred grant income, and various other items. The net effect of these reclassifications is to increase net position. | 834,304 |
|--|---------|

|   |   |
|---|---|
| Modifications are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting for pension and OPEB expenses. The net effect of these adjustments is to increase net position. | 8,279   |
| Change in net position of governmental activities:  | <div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 1,759,443</div> |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Statement of Net Position - Proprietary Fund**  
**December 31, 2021**

|                           | <b>Sheriff's<br/>Commissary<br/>Fund</b> |
|---------------------------|--|
| <b>Assets</b>             |  |
| Cash and cash equivalents | \$ 1,002                                 |
| Accounts receivable - net | <u>5,397</u>                             |
| Total assets              | <u><u>6,399</u></u>                      |
| <br><b>Liabilities</b>    |  |
| Accounts payable          | <u>-</u>                                 |
| Total liabilities         | <u><u>-</u></u>                          |
| <br><b>Net position</b>   |  |
| Unrestricted              | <u>6,399</u>                             |
| Total net position        | <u><u>\$ 6,399</u></u>                   |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Statement of Revenues, Expenses, and Changes in**  
**Net Position - Proprietary Fund**  
**For the Year Ended December 31, 2021**

|  | <b>Sheriff's<br/>Commissary<br/>Fund</b> |
|--|--|
| Operating revenues:                              |  |
| Inmate sales                                     | \$ 2,334                                 |
| N.C.I.C. video                                   | 4,012                                    |
| Phone card sales                                 | 35                                       |
| Total operating revenues                         | <u>6,381</u>                             |
| Operating expenses:                              |  |
| Equipment and supplies                           | 1,075                                    |
| Education  | 315                                      |
| Recreational                                     | 2,246                                    |
| Other operating expenses                         | 823                                      |
| Total operating expenses                         | <u>4,459</u>                             |
| Operating income                                 | <u>1,922</u>                             |
| Non-operating revenues (expenses):               |  |
| Interest income                                  | 5  |
| Total non-operating revenues (expenses)          | <u>5</u>                                 |
| Income (loss) before contributions and transfers | <u>1,927</u>                             |
| Transfers in                                     | -  |
| Capital contributions                            | <u>-</u>                                 |
| Change in net position                           | 1,927                                    |
| Total net position - beginning                   | 4,472                                    |
| Total net position - ending                      | <u><u>\$ 6,399</u></u>                   |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year Ended December 31, 2021**

|  | <b>Sheriff's<br/>Commissary<br/>Fund</b> |
|--|--|
| <b>Operating Activities:</b>   |  |
| Receipts from customers and users  | \$ 3,318                                 |
| Payments to vendors  | (4,459)                                  |
| Net cash provided (used) by operating activities   | (1,141)                                  |
| <b>Capital and Related Financing Activities:</b>   |  |
| Cash paid for acquisition and construction of capital assets                                       | -  |
| Net cash provided (used) by capital and related financing activities                               | -  |
| <b>Non-capital and Related Financing Activities</b>  |  |
| Transfers (to) from other funds  | -  |
| Net cash provided (used) by non-capital and related financing activities                           | -  |
| <b>Investing Activities:</b>   |  |
| Interest received  | 5  |
| Net cash provided (used) by investing activities   | 5  |
| Net increase (decrease) in cash and cash equivalents   | (1,136)                                  |
| Cash and cash equivalents, January 1   | 2,138                                    |
| Cash and cash equivalents, December 31   | \$ 1,002                                 |
| <b>Reconciliation of Operating Income to Net Cash Provided<br/>(Used) by Operating Activities:</b> |  |
| Operating income (loss)  | \$ 1,922                                 |
| Adjustments to reconcile operating income to net cash provided (used)<br>by operating activities:  |  |
| Decrease (increase) in accounts receivable   | (3,063)                                  |
| Net cash provided by operating activities  | \$ (1,141)                               |

The accompanying notes are an integral part of these financial statements.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

Marion County (the "County"), is a political subdivision of the State of Texas. The County is governed by an elected four-member Commissioners' Court and an elected County Judge in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: justice, administration, courts, juries, constables, district attorney, clerks, investigators, sheriff, jail, tax collection, road and bridge maintenance, juvenile services and assistance to indigents.

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in Governmental Accounting and Financial Reporting Standards. The financial report has been prepared in accordance with GASB. The most significant accounting and reporting policies of the County are described in the notes to the financial statements as required by GASB Statement Number 34.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units met the above criteria; therefore, none were included in the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Marion County, Texas' nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, grants and other intergovernmental revenues.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activities are offset by program revenues. Direct expenses, including depreciation, are those clearly identifiable with a specific function or identifiable activity. Program revenues are directly associated with the function and include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due from on the Governmental Funds Balance Sheet and as other resources and other uses on the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances. All interfund transactions between various governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements.

**Fund Financial Statements** - The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, fiduciary and business-type. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as do fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. All assets and deferred outflows, all liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The Statement of Activities reports revenues and expenses.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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.

All governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year-end.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues – Non-exchange Transactions** – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. On the government-wide financial statements, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the County on a reimbursement basis. On modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

Revenues from local sources consist primarily of property taxes. On the fund based financial statements, property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The County applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

**Expenditures/Expenses** – On the accrual basis of accounting (government-wide financial statements), expenses are recognized at the time they are incurred. On the modified accrual basis (fund based financial statements), expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**D. FUND ACCOUNTING**

The County reports its financial activities through the use of “fund accounting.” The activities of the County are organized on the basis of funds. The operations of each fund are accounted for within a separated set of self-balancing accounts to reflect results of activities. Fund accounting segregate funds according to their intended purpose and is used to assist management in demonstrating compliance with finance-related legal and contractual provisions.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

**Road And Bridge Special Revenue Fund** – This fund has the primary purpose of allocating revenues to the various precincts of the County where each elected commissioner is responsible for maintenance of County infrastructure.

**American Rescue Plan Act Special Revenue Fund** – This fund’s primary purpose is recording transactions related to this Federal grant.



**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Additionally, the County reports the following types of funds:

Fiduciary Funds:

1. **Trust and Agency Funds** – These custodial funds are used to account for organizational activities requiring clearing accounts. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus, they are transferred to the General Fund with a recommendation to the Commissioners’ Court for an appropriate utilization through a budgeted program.

Business Type:

2. **Proprietary Funds:** This fund is used to account for business-type activities of the County. The Sheriff’s Commissary Fund is the sole fund Marion County accounts for in this manner.

**E. OTHER ACCOUNTING POLICIES**

**1. Cash Equivalents**

The County’s Cash Management and Investment Policy requires all deposits to be fully collateralized with depository insurance; obligations of the United States of America or its agencies and instrumentalities (excluding those mortgaged backed securities prohibited by the Public Funds Investments Act); public fund investment pools; or in any manner and amount provided by law for deposits of the County. At all times, such securities are to have a fair value of not less than 110 percent of the amount of the deposits collateralized, adjusted by at amount of applicable depository insurance.

The County considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased. All other monetary assets are treated as investments including certificates of deposit, investment pools, money market investments, and other securities defined under the Public Funds Investment Act.

**2. Investments**

The County applies Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The County’s investments are accounted for using the cost amortization method.

**3. Receivables**

All trade and property tax receivables are reported with an allowance for uncollectible monies, where applicable. The property tax receivable allowance is shown at 10.00 percent of past due property tax receivables at December 31, 2021.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**4. Long-term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**5. Compensated Absences**

Vacations are granted to all full-time permanent employees of the County. The number of days range from five (5) to fifteen (15) days, depending upon length of continuous service. No vacation may be carried over at the end of any calendar year, and at termination, all accrued vacation must be used. Therefore, no liability has been accrued in the accompanying general-purpose financial statements.

All full-time permanent employees of the County are eligible to accrue up to a maximum of forty (40) days of compensated sick leave at a rate of six days per year. Employees are not entitled to payment for unused sick leave upon termination. Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying general-purpose financial statements.

**6. General Fixed Assets**

Capital assets, which include land, buildings, infrastructure, vehicles, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 when constructed.

Buildings, furniture and equipment of the County are depreciated using the straight-line method over the following estimated useful lives:

|                              |               |
|------------------------------|---------------|
| Buildings and Infrastructure | 20 - 50 years |
| Vehicles and Equipment       | 5 - 8 years   |
| Furniture                    | 5 - 8 years   |
| Computer Equipment           | 3 - 5 years   |

The County has no restrictions on any capital assets.

**7. Due From (To) Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**8. Fund Equity**

Fund equity at the governmental fund reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

**Governmental Fund Balance** – Generally, governmental fund balances represent the difference between the current assets and deferred outflow of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

*Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

*Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body.

*Unassigned*—all other spendable amounts.

**Net Position**— Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflows of resources. Net investments in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. This net investment in capital assets is also adjusted by any bond issuance deferred amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

**9. Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows or a section for deferred inflows of resources. These separate financial statement elements, deferred inflows/outflows of resources, represent the acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) or outflow of resources (expenditure) until that time.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

The County has one type of deferred inflow of resources that arises only under a modified accrual basis of accounting. Unavailable revenue is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The County has pension and OPEB deferred inflows and outflows of resources that are recognized on the accrual basis of accounting. The result is an accrual of pension and other postemployment benefit activities relating to the County's allocation of TCDRS information. Accordingly, these items are reported only in the government-wide statement of net position.

**10. Risk Management**

The County 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. During fiscal year 2021, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there are no settlements exceeding insurance coverage for each of the past three fiscal years.

**11. Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**12. Application of Restricted or Unrestricted Resources**

During the budgeting process, allocation of expenses are determined as to whether they originated following specific guidelines related to restricted assets retained in the fund or whether for other purposes (non-restricted). Restricted assets will be used before unrestricted assets when payments are budgeted for an expenditure, which meets the specific guidelines, set forth by the granting agency.

**NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Commissioner's Court adopts an "appropriated budget" for the General Fund, the Road and Bridge Fund, and many other County funds. The County compares the final amended budgeted to actual revenues and expenditures. The General Fund and all major special revenue funds for which a budget was legally adopted present budget versus actual results in the *Required Supplementary Information* section.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED**

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to September 30<sup>th</sup>, the County prepares a budget for the next succeeding fiscal year beginning January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to January 1, the Court legally enacts the budget through passage of a resolution. Once a budget is approved, it can only be amended at the fund level by approval of a majority of the members of the Court. Amendments are presented to the Court at its regular meetings. Each amendment must have Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Court, and are not made after fiscal year end. Because the County has a policy of careful budgetary control, budget amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Court. All budget appropriations lapse at year-end.
5. The County does not employ encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase order and contracts. An encumbrance represents a commitment of Court appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources.

**NOTE III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The funds of the County must be deposited and invested under terms of a contract, contents of which are set out in the *Depository Contract Law*. The depository bank, VeraBank, places approved pledged securities for safekeeping and trust in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

At December 31, 2021, the County's primary government deposits, (cash, certificates of deposit, and interest-bearing savings accounts) are as follows:

Summary of deposits with financial institutions:

|  |                     |
|--|---------------------|
| Primary government cash and investments                  | \$ 5,086,323        |
| Less: petty cash   | (50)                |
| Deposits with financial institutions (carrying balances) | <u>\$ 5,086,273</u> |

At-risk deposits with financial institutions

|   |              |
|---|--------------|
| Primary government cash and investments (bank balances) | \$ 5,194,491 |
| Deposits insured by the F.D.I.C                         | 500,000      |
| Securities pledged by the bank depository               | 4,694,491    |
| Bank deposits at-risk at December 31, 2021:             | <u>\$ -</u>  |

The County's combined deposits were fully insured at all times by federal depository insurance or collateralized with securities pledged to the County and held by the County's agent.

County Policies Governing Deposits and Investments

Custodial Credit Risk for Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the County complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk - The County does not invest in securities relating to foreign currencies.

**Investments**

**Compliance with the *Public Funds Investment Act***

The *Public Funds Investment Act* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) no load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investments only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act.

Additional policies and contractual provisions governing investments for the County are specified below:

*Credit Risk* - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the County limits investments to those allowed by the *Public Funds Investment Act* (Government Code Chapter 2256).

*Custodial Credit Risk for Investments* - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the County requires counterparties to register the securities in the name of the County and hand them over to the County or its designated agent. This includes securities in securities lending transactions. All of the securities are in the County's name and held by the County or its agent.

*Concentration of Credit Risk* - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the County diversifies its investments. The County further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually, this limitation is 20%.

*Interest Rate Risk* - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the County shall use final and weighted-average-maturity limits and diversification. The County monitors interest rate risk using weighted-average-maturity and specific identification.

*Foreign Currency Risk for Investments* - The County does not engage in any deposit or investment in transactions involving foreign currency.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment.

As of December 31, 2021, all County investments were in certificates of deposits with VeraBank. Certificates of deposit are considered Level 2 investments in the fair value hierarchy.

**B. PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus a 15% - 20% delinquent collection fee for attorney costs.

The tax rates assessed (approved September 2020) for the year ended December 31, 2021, to finance General Fund operations were \$0.511252 per \$100 valuation, and Road and Bridge assessments totaled \$0.066815 per \$100 valuation, for a total of \$0.578067 per \$100 valuation.

Allowances for uncollectible taxes within the General Fund and Road and Bridge Fund are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.



**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**C. INTERFUND PAYABLES AND RECEIVABLES AND TRANSFERS**

There were no interfund receivable and payable balances at December 31, 2021.

All interfund transfers out to other funds were made to support the respective operations of each receiving fund. Interfund transfers at December 31, 2021, consisted of the following individual funds:

| <u>Fund</u>              | <u>Transfers to<br/>Other Funds</u> | <u>Transfers<br/>from Other<br/>Funds</u> |
|--------------------------|-------------------------------------|---|
| General Fund             | \$ 357,670                          | \$ -                                      |
| Capital Projects Fund    | -                                   | 64,221                                    |
| Special Revenue Funds:   |                                     |   |
| Road and Bridge          | 42,000                              | -   |
| Pre-trial Intervention   | -                                   | 600                                       |
| Jury                     | -                                   | 10,000                                    |
| H.A.V.A. Election        | -                                   | 113,623                                   |
| Self Insurance           | -                                   | 49,600                                    |
| Law Library              | -                                   | 37,000                                    |
| Technology               | -                                   | 35,000                                    |
| Kelly Park               | -                                   | 30,000                                    |
| Walcott Building         | -                                   | 16,000                                    |
| Justice Assistance Grant | -                                   | 3,626                                     |
| Court Security           | -                                   | 40,000                                    |
|                          | <u>\$ 399,670</u>                   | <u>\$ 399,670</u>                         |

**D. DISAGGREGATION OF RECEIVABLES**

Receivables at December 31, 2021, were as follows:

|   | <u>Primary Government</u> |                                 |                                      |  |                             |
|---|---------------------------|---------------------------------|--------------------------------------|--|-----------------------------|
|   | <u>General<br/>Fund</u>   | <u>Road and<br/>Bridge Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Non-major<br/>Special<br/>Revenue<br/>Funds</u> | <u>Proprietary<br/>Fund</u> |
| Property tax - current                              | \$ 2,832,403              | \$ 653,100                      | \$ -                                 | \$ -   | \$ -                        |
| Property tax - delinquent                           | 1,706,362                 | 387,334                         | -                                    | -  | -                           |
| Intergovernmental                                   | 62,818                    | -                               | 343,106                              | -  | -                           |
| Other receivables                                   | 128,371                   | 4,957                           | -                                    | 8,684  | 5,397                       |
| Gross receivables                                   | 4,729,954                 | 1,045,391                       | 343,106                              | 8,684  | 5,397                       |
| Less: Allowance for<br>uncollectable property taxes | (170,637)                 | (38,733)                        | -                                    | -  | -                           |
| Net receivables                                     | <u>\$ 4,559,317</u>       | <u>\$ 1,006,658</u>             | <u>\$ 343,106</u>                    | <u>\$ 8,684</u>                                    | <u>\$ 5,397</u>             |

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**E. CAPITAL ASSET ACTIVITY**

A summary of fiscal year 2021 changes in general fixed assets is as follows:

|  | Beginning<br>Balance | Additions  | Retirements<br>and Reclases | Ending<br>Balance |
|--|----------------------|------------|-----------------------------|-------------------|
| Nondepreciable assets:                 |                      |            |                             |                   |
| Land                                   | \$ 540,409           | \$ -       | \$ -                        | \$ 540,409        |
| Construction in progress               | 5,774,349            | 468,381    | (6,224,555)                 | 18,175            |
| Depreciable assets:                    |                      |            |                             |                   |
| Buildings and infrastructure           | 4,796,324            | 64,280     | 6,224,555                   | 11,085,159        |
| Machinery and equipment                | 2,386,243            | 388,997    | (419,744)                   | 2,355,496         |
| Total assets being depreciated         | 7,182,567            | 453,277    | 5,804,811                   | 13,440,655        |
| Less accumulated depreciation for:     |                      |            |                             |                   |
| Buildings and infrastructure           | 3,294,389            | 343,342    | -                           | 3,637,731         |
| Machinery and equipment                | 2,128,052            | 139,226    | (403,768)                   | 1,863,510         |
| Total accumulated depreciation:        | 5,422,441            | 482,568    | (403,768)                   | 5,501,241         |
| Net assets being depreciated           | 1,760,126            | (29,291)   | 6,208,579                   | 7,939,414         |
| Total governmental capital assets, net | \$ 8,074,884         | \$ 439,090 | \$ (15,976)                 | \$ 8,497,999      |

Depreciation expense was charged to governmental functions as follows:

*Governmental activities:*

|  |                   |
|--|-------------------|
| General government                                   | \$ 357,287        |
| Road and Bridge                                      | 50,335            |
| Corrections  | 27,617            |
| Community Service                                    | 6,487             |
| Law Enforcement                                      | 40,842            |
| Total depreciation expense - governmental activities | <u>\$ 482,568</u> |

**F. LITIGATION AND CONTINGENCIES**

As of December 31, 2021, the County had one unresolved lawsuit with the County as the defendant. In the opinion of the County, the case does not pose a substantial risk of exposure or liability. The Texas Association of Counties is paying for the County's defense in this lawsuit.

The County participates in numerous Federal and State grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at December 31, 2021, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the financial statements for such contingencies.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**G. PENSION PLAN OBLIGATION**

**Plan Description:**

The County provides retirement, disability and death benefits for all of its full-time employees through a non-traditional, joint contributory, defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS), administered by TCDRS, an agent multiple-employee public employee retirement system. The system provides service retirement and disability retirement benefits, and death benefits to plan members and their beneficiaries. The System's annual financial report and other required disclosure information is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, with the options available in the Texas state statutes governing TCDRS (TCDRS Act).

**Benefits:**

Plan benefits depend upon the sum of the employee's contributions to the plan, the interest, and the County-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Members can retire, with full benefits, when their age and years of service total 75, at ages 60 and above with 8 or more years of service, or with 30 years of service regardless of age. A member is vested after 8 years, but must leave their accumulated contributions in the plan to receive any employer-financed benefits. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

**Employees Covered by Benefit Terms**

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

|   |           |
|---|-----------|
| Inactive employees or beneficiaries currently receiving benefits: | 71        |
| Inactive employees entitled, but not yet receiving benefits:      | 58        |
| Active employees:   | <u>81</u> |
| Total:  | 210       |

**Contributions:**

A combination of three elements funds each employee's portion of the plan: employee deposits, employer contributions and investment income.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Funding Policy:**

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both the employee and the employer based on the covered payroll of the employee member. The 2021 contribution rate for the employees is 7% and the County's is 11.96%, both as adopted by the governing body of the County. Under the TCDRS Act, the actuary annually determines the County contribution rate. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The TCDRS Act allows and the employer may elect to make an additional optional contribution to its account during the year, in addition to its regular monthly contributions.

**Other Key Actuarial Assumptions:**

The required contribution was determined as part of the December 31, 2020 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2020 included (a) 7.5 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 3 percent. Both (a) and (b) included an inflation component of 2.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

The actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 to December 31, 2016, except where required to be different by GASB 68.

Mortality rates are as follows:

| Mortality  |   |
|--|---|
| Depositing members   | 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.              |
| Service retirees, beneficiaries and non-depositing members | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.   |
| Disabled retirees  | 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. |

**Rate of Return / GASB Discount Rate:**

The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and, (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1) were calculated using the municipal bond rate.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer, TCDRS used the following method:

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as level percent of pay over 20 year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. The long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Summary of TCDRS investment allocations:**

| Asset Class                        | Benchmark  | Target Allocation | Geometric Real Rate of Return |
|------------------------------------|--|-------------------|-------------------------------|
| U.S. Equities                      | Dow Jones U.S. Total Stock Market Index                                  | 11.50%            | 4.25%                         |
| Private Equity                     | Cambridge Associates Global Private Equity & Venture Capital Index       | 25.00%            | 7.25%                         |
| Global Equities                    | MSCI World (net) Index   | 2.50%             | 4.55%                         |
| Int'l Equities - Developed Markets | MSCI World Ex USA (net) Index  | 5.00%             | 4.25%                         |
| Int'l Equities - Emerging Markets  | MSCI Emerging Markets (net) Index  | 6.00%             | 4.75%                         |
| Investment Grade Bonds             | Bloomberg Barclays U.S. Aggregate Bond Index                             | 3.00%             | -0.85%                        |
| Strategic Credit                   | FTSE High-Yield Cash-Pay Capped Index                                    | 9.00%             | 2.11%                         |
| Direct Lending                     | S&P/LSTA Leveraged Loan Index  | 16.00%            | 6.70%                         |
| Distressed Debt                    | Cambridge Associates Distressed Securities Index                         | 4.00%             | 5.70%                         |
| REIT Equities                      | 67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index | 2.00%             | 3.45%                         |
| Master Limited Partnerships        | Alerian MLP Index  | 2.00%             | 5.10%                         |
| Private Real Estate Partnerships   | Cambridge Associates Real Estate Index                                   | 6.00%             | 4.90%                         |
| Hedge Funds                        | Hedge Fund Research, Inc. Fund of Funds Composite Index                  | 6.00%             | 1.85%                         |
| Cash Equivalents                   | 90-Day U.S. Treasury   | 2.00%             | -0.70%                        |

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

|  | Increase (Decrease)         |                                 |                                     |
|--|-----------------------------|---------------------------------|-------------------------------------|
|  | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liab./(Asset) (a) - (b) |
| Balances at 12/31/2019:                        | \$ 11,787,584               | \$ 11,286,495                   | \$ 501,089                          |
| Changes for the year:                          |                             |                                 |                                     |
| Service cost                                   | 287,349                     |                                 | 287,349                             |
| Interest                                       | 951,796                     |                                 | 951,796                             |
| Effect of plan changes                         | -                           |                                 | -                                   |
| Effect of economic/demographic gains or losses | (196,199)                   |                                 | (196,199)                           |
| Effect of assumptions changes or inputs        | 606,749                     |                                 | 606,749                             |
| Refund of contributions                        | (18,369)                    | (18,369)                        | -                                   |
| Benefit payments                               | (643,228)                   | (643,228)                       | -                                   |
| Administrative expenses                        |                             | (8,909)                         | 8,909                               |
| Member contributions                           |                             | 147,769                         | (147,769)                           |
| Net investment income                          |                             | 1,165,436                       | (1,165,436)                         |
| Employer contributions                         |                             | 252,474                         | (252,474)                           |
| Other changes                                  |                             | (6,614)                         | 6,614                               |
| Balances at 12/31/2020:                        | \$ 12,775,682               | \$ 12,175,054                   | \$ 600,628                          |

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Sensitivity Analysis:**

The following presents the net pension liability/asset of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate:

|                               | 1% Decrease<br>6.60% | Current<br>Discount Rate<br>7.60% | 1% Increase<br>8.60% |
|-------------------------------|----------------------|-----------------------------------|----------------------|
| Net pension liability (asset) | \$ 1,977,238         | \$ 600,628                        | \$ (576,228)         |

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

For the year ended December 31, 2021, the County recognized a pension expense of \$235,493.

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Deferred Inflows / Outflows of Resources</b>      | <b>Deferred Inflows<br/>of Resources</b> | <b>Deferred Outflows<br/>of Resources</b> |
|--|--|---|
| Difference between expected and actual experience    | \$ 185,463                               | \$ -                                      |
| Changes of assumptions                               | -  | 404,499                                   |
| Net difference between projected and actual earnings | 423,061                                  | -   |
| Contributions subsequent to the measurement date     | N/A                                      | 262,663                                   |
| Totals:  | \$ 608,524                               | \$ 667,162                                |

\$262,663 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending:</u> |                     |
|----------------------------|---------------------|
| 2022                       | \$ (53,365)         |
| 2023                       | 122,042             |
| 2024                       | (220,256)           |
| 2025                       | (52,446)            |
| 2026                       | -                   |
| Thereafter                 | -                   |
|                            | <u>\$ (204,025)</u> |

**H. OTHER POST EMPLOYMENT BENEFITS OBLIGATIONS**

**General** – For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

GASB 75 governs the specifics of reporting public OPEB plan obligations for employers. Note that in general the requirements of GASB 75 are parallel to those of GASB 68 which relates to pensions.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The TCDRS Group Term Life program has been determined to be an unfunded OPEB plan as the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, because the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB 75 purposes, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer's actual retiree GTL contributions for the year.

**GASB 75 Plan Description for Marion County**

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

- a. Marion County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
  - 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
  - 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
  - 4) No future increases are assumed in the \$5,000 benefit amount.
  - 5) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.



**MARION COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

**Other Key Actuarial Assumptions**

All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

See Appendix B of the County's Milliman GASB 75 report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total OPEB liability and other GASB 75 metrics. Both the GASB 75 valuation dates and measurement dates had December 31, 2019 beginning dates and December 31, 2020 ending dates, while the County's fiscal year for which the GASB 75 information is reported is January 1, 2021 to December 31, 2021.

**GASB Discount Rate**

The TCDRS GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.12% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

**Employees Covered by OPEB Benefit Terms**

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

|   |     |
|---|-----|
| Inactive employees or beneficiaries currently receiving benefits: | 49  |
| Inactive employees entitled, but not yet receiving benefits:      | 9   |
| Active employees:   | 81  |
| Total:  | 139 |

**2020 Employer OPEB Contributions and Benefit Payments**

For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with the retirees covered are included under GASB 75.

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2020. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so there should be no change in how these amounts are reported.

| Coverage Type             | 2020 GTL Rate | Amount  | Financial Reporting       |
|---------------------------|---------------|---------|---------------------------|
| Active Member GTL Benefit | 0.29%         | \$6,122 | No change from prior year |
| Retiree GTL Benefit       | 0.35%         | \$7,388 | GASB 75                   |

**Employer OPEB Contributions made Subsequent to Measurement Date**

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2020 should be reflected as a deferred outflow as outlined in Appendix C of the County's Milliman GASB 75 report. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is allocated as follows:

| Coverage Type             | 2021 GTL Rate | Proportion | Financial Reporting       |
|---------------------------|---------------|------------|---------------------------|
| Active Member GTL Benefit | 0.30%         | 49.18033%  | No change from prior year |
| Retiree GTL Benefit       | 0.31%         | 50.81967%  | GASB 75                   |

**Sensitivity Analysis**

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.12%, as well as what the Marion County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate.

|                         | 1% Decrease<br>1.12% | Current<br>Discount Rate<br>2.12% | 1% Increase<br>3.12% |
|-------------------------|----------------------|-----------------------------------|----------------------|
| Total OPEB liability \$ | 322,378              | \$ 273,002                        | \$ 233,932           |

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS – CONTINUED**

| Changes in the Total OPEB Liability            | Increase (Decrease)            |  |                                      |
|--|--------------------------------|--|--------------------------------------|
|  | Total<br>OPEB<br>Liability (a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Total OPEB<br>Liability<br>(a) - (b) |
| Balances at 12/31/2019:                        | \$ 242,975                     | \$ -                                     | \$ 242,975                           |
| Changes for the year:                          |                                |  |                                      |
| Service cost                                   | 10,676                         |  | 10,676                               |
| Interest                                       | 6,850                          |  | 6,850                                |
| Effect of plan changes                         | -                              |  | -                                    |
| Effect of economic/demographic gains or losses | (5,373)                        |  | (5,373)                              |
| Effect of assumptions changes or inputs        | 25,262                         |  | 25,262                               |
| Refund of contributions                        | -                              |  | -                                    |
| Benefit payments                               | (7,388)                        |  | (7,388)                              |
| Administrative expenses                        |                                | -  | -                                    |
| Member contributions                           |                                | -  | -                                    |
| Net investment income                          |                                | -  | -                                    |
| Employer contributions                         |                                | -  | -                                    |
| Other changes                                  |                                | -  | -                                    |
| Balances at 12/31/2020:                        | \$ 273,002                     | \$ -                                     | \$ 273,002                           |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2021, the County recognized an OPEB expense of \$26,279.

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Deferred Inflows / Outflows of Resources          | Deferred Inflows | Deferred Outflows |
|---|------------------|-------------------|
|   | of Resources     | of Resources      |
| Difference between expected and actual experience | \$ 11,185        | \$ 1,399          |
| Changes of assumptions                            | 7,668            | 43,078            |
| Contributions subsequent to the measurement date  | N/A              | 13,448            |
| Totals:   | \$ 18,853        | \$ 57,925         |

\$13,448 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year.

**MARION COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE III. DETAILED NOTES ON ALL FUNDS - CONTINUED**

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Fiscal Year Ending:</u> |    |               |
|----------------------------|----|---------------|
| 2022                       | \$ | 8,752         |
| 2023                       |    | 8,914         |
| 2024                       |    | 3,977         |
| 2025                       |    | 3,981         |
| 2026                       |    | -             |
| Thereafter                 |    | -             |
|                            | \$ | <u>25,624</u> |

**I. PRIOR PERIOD ADJUSTMENTS**

The following is a summary of the adjustments made to the County's equity balances at the beginning of fiscal year 2021:

| <u>Governmental-Type Activities Net Position</u>        |                      |
|---|----------------------|
| Net position - beginning                                | \$ 15,934,762        |
| Prior period adjustment to realize unearned tax revenue | 781,897              |
| Net position - beginning as restated                    | <u>\$ 16,716,659</u> |

**J. SUBSEQUENT EVENTS**

As of the August 29, 2022 independent auditor's report date, no reportable subsequent events have been identified by the County.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Texas**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - General Fund**  
**For the Year Ended December 31, 2021**

|   | Original<br>Budget         | Final Budget               | Actual<br>Amounts          | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|----------------------------|----------------------------|----------------------------|---|
| <b>Revenues</b>                                 |                            |                            |                            |   |
| Taxes   | \$ 3,575,863               | \$ 3,575,863               | \$ 3,934,599               | \$ 358,736  |
| Intergovernmental                               | 185,700                    | 185,700                    | 185,710                    | 10  |
| Charges for services                            | 397,000                    | 397,000                    | 317,053                    | (79,947)  |
| Other revenue                                   | 44,000                     | 87,177                     | 76,466                     | (10,711)  |
| Investment earnings                             | 25,000                     | 25,000                     | 19,107                     | (5,893)   |
| Total revenues                                  | <u>4,227,563</u>           | <u>4,270,740</u>           | <u>4,532,935</u>           | <u>262,195</u>  |
| <b>Expenditures</b>                             |                            |                            |                            |   |
| Current:  |                            |                            |                            |   |
| General government                              | 1,654,776                  | 1,779,144                  | 1,742,831                  | 36,313  |
| Corrections                                     | 90,000                     | 168,500                    | 165,714                    | 2,786   |
| Law enforcement                                 | 1,603,146                  | 1,505,839                  | 1,501,078                  | 4,761   |
| Judicial  | 448,543                    | 413,008                    | 400,378                    | 12,630  |
| Community services                              | 206,715                    | 212,065                    | 189,552                    | 22,513  |
| Capital outlays                                 | 75,000                     | 141,134                    | 137,701                    | 3,433   |
| Total expenditures                              | <u>4,078,180</u>           | <u>4,219,690</u>           | <u>4,137,254</u>           | <u>82,436</u>   |
| Excess of revenues over<br>(under) expenditures | 149,383                    | 51,050                     | 395,681                    | 344,631   |
| Other financing sources (uses)                  |                            |                            |                            |   |
| Transfers in (out)                              | <u>(385,600)</u>           | <u>(357,747)</u>           | <u>(357,670)</u>           | <u>77</u>   |
| Total other financing sources(uses)             | <u>(385,600)</u>           | <u>(357,747)</u>           | <u>(357,670)</u>           | <u>77</u>   |
| Net changes in fund balances                    | (236,217)                  | (306,697)                  | 38,011                     | \$ 344,708  |
| Fund balances - beginning                       | <u>1,654,216</u>           | <u>1,654,216</u>           | <u>1,654,216</u>           |   |
| Fund balances - ending                          | <u><u>\$ 1,417,999</u></u> | <u><u>\$ 1,347,519</u></u> | <u><u>\$ 1,692,227</u></u> |   |

The accompanying notes are an integral part of these financial statements.

**Marion County, Texas**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - Road and Bridge Fund**  
**For the Year Ended December 31, 2021**

|   | Original<br>Budget  | Final Budget        | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues  |                     |                     |                     |   |
| Taxes   | \$ 730,000          | \$ 730,000          | \$ 785,656          | \$ 55,656   |
| Intergovernmental                               | 19,500              | 19,500              | 17,156              | (2,344)   |
| Charges for services                            | 501,600             | 501,600             | 457,391             | (44,209)  |
| Other revenue                                   | 1,000               | 16,394              | 19,361              | 2,967   |
| Investment earnings                             | 1,500               | 1,500               | -                   | (1,500)   |
| Total revenues                                  | <u>1,253,600</u>    | <u>1,268,994</u>    | <u>1,279,564</u>    | <u>10,570</u>   |
| Expenditures                                    |                     |                     |                     |   |
| Current:  |                     |                     |                     |   |
| Roads and public works                          | 1,308,488           | 1,262,345           | 1,199,437           | 62,908  |
| Capital outlays                                 | -                   | 59,537              | 59,300              | 237   |
| Total expenditures                              | <u>1,308,488</u>    | <u>1,321,882</u>    | <u>1,258,737</u>    | <u>63,145</u>   |
| Excess of revenues over<br>(under) expenditures | (54,888)            | (52,888)            | 20,827              | 73,715  |
| Other financing sources (uses)                  |                     |                     |                     |   |
| Proceeds from sold assets                       | -                   | 40,000              | 40,289              | 289   |
| Transfers in (out)                              | -                   | (42,000)            | (42,000)            | -   |
| Total other financing sources(uses)             | <u>-</u>            | <u>(2,000)</u>      | <u>(1,711)</u>      | <u>289</u>  |
| Net changes in fund balances                    | (54,888)            | (54,888)            | 19,116              | \$ 74,004   |
| Fund balances - beginning                       | <u>1,293,541</u>    | <u>1,293,541</u>    | <u>1,293,541</u>    |   |
| Fund balances - ending                          | <u>\$ 1,238,653</u> | <u>\$ 1,238,653</u> | <u>\$ 1,312,657</u> |   |

The accompanying notes are an integral part of these financial statements.

**MARION COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | December<br>31, 2020 | December<br>31, 2019 | December<br>31, 2018 | December<br>31, 2017 | December<br>31, 2016 | December<br>31, 2015 | December<br>31, 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                    |                      |                      |                      |                      |                      |                      |                      |
| Service cost  | \$ 287,349           | \$ 293,414           | \$ 281,206           | \$ 270,583           | \$ 275,738           | \$ 245,175           | \$ 255,497           |
| Interest on total pension liability                               | 951,796              | 919,954              | 857,876              | 815,937              | 774,047              | 741,257              | 708,244              |
| Effect of plan changes  | -                    | -                    | -                    | -                    | -                    | (20,587)             | -                    |
| Effect of assumptions changes or inputs                           | 606,749              | -                    | -                    | 86,831               | -                    | 110,024              | -                    |
| Effect of economic/demographic (gains) or losses                  | (196,199)            | (163,992)            | 233,848              | (100,110)            | (117,566)            | (94,044)             | (111,984)            |
| Benefit payments/Refund of contributions                          | (661,597)            | (639,229)            | (599,038)            | (534,422)            | (565,875)            | (531,088)            | (436,718)            |
| Net Change in Total Pension Liability                             | 988,098              | 410,147              | 773,892              | 538,819              | 366,344              | 450,737              | 415,039              |
| Total pension liability, beginning                                | 11,787,583           | 11,377,436           | 10,603,544           | 10,064,725           | 9,698,381            | 9,247,644            | 8,832,605            |
| Total pension liability, ending                                   | <u>\$ 12,775,681</u> | <u>\$ 11,787,583</u> | <u>\$ 11,377,436</u> | <u>\$ 10,603,544</u> | <u>\$ 10,064,725</u> | <u>\$ 9,698,381</u>  | <u>\$ 9,247,644</u>  |
| <b>Fiduciary Net Position</b>                                     |                      |                      |                      |                      |                      |                      |                      |
| Employer contributions  | 252,474              | 220,757              | 225,356              | 217,129              | 204,522              | 191,034              | 196,838              |
| Member contributions  | 147,769              | 146,752              | 143,019              | 142,066              | 135,702              | 126,393              | 129,013              |
| Investment income (net of expenses)                               | 1,165,436            | 1,632,893            | (195,993)            | 1,343,450            | 653,918              | (37,200)             | 601,722              |
| Benefit payments/Refund of contributions                          | (661,597)            | (639,229)            | (599,038)            | (534,422)            | (565,875)            | (531,088)            | (436,718)            |
| Administrative expenses   | (8,909)              | (8,601)              | (7,985)              | (6,904)              | (7,116)              | (6,471)              | (6,895)              |
| Other   | (6,614)              | (7,731)              | (5,829)              | (2,415)              | (69,518)             | (26,508)             | (95,359)             |
| Net Change in Fiduciary Net Position                              | 888,559              | 1,344,841            | (440,470)            | 1,158,904            | 351,633              | (283,840)            | 388,601              |
| Fiduciary Net Position, beginning                                 | 11,286,494           | 9,941,653            | 10,382,123           | 9,223,219            | 8,871,586            | 9,155,426            | 8,766,825            |
| Fiduciary Net Position, ending                                    | <u>12,175,053</u>    | <u>11,286,494</u>    | <u>9,941,653</u>     | <u>10,382,123</u>    | <u>9,223,219</u>     | <u>8,871,586</u>     | <u>9,155,426</u>     |
| Net pension liability / (asset), ending                           | <u>\$ 600,628</u>    | <u>\$ 501,089</u>    | <u>\$ 1,435,783</u>  | <u>\$ 221,421</u>    | <u>\$ 841,506</u>    | <u>\$ 826,795</u>    | <u>\$ 92,218</u>     |
| Fiduciary net position as a percentage of total pension liability | 95.30%               | 95.75%               | 87.38%               | 97.91%               | 91.64%               | 91.47%               | 99.00%               |
| Covered-employee payroll  | \$ 2,110,988         | \$ 2,096,455         | \$ 2,043,123         | \$ 2,010,452         | \$ 1,938,594         | \$ 1,805,614         | \$ 1,843,048         |
| Net pension liability as a percentage of covered payroll          | 28.45%               | 23.90%               | 70.27%               | 11.01%               | 43.41%               | 45.79%               | 5.00%                |

Note 1 - GASB 68 requires that information on this schedule be presented on the measurement date basis, which is on a calendar year basis. This schedule will also ultimately present the last ten years of information. The measurement year 2014 is the first year for which this information is available.

Note 2 - There was no change in benefit terms, but there was one change in assumptions that affects the measurement of the total pension liability as follows: For the 2020 measurement period, the discount rate for which the pension liability is calculated was reduced from 8.1% to 7.6%.



**MARION COUNTY, TEXAS**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions                                  | \$ 262,663   | \$ 252,474   | \$ 220,758   | \$ 225,356   | \$ 217,129   | \$ 204,522   | \$ 191,034   |
| Contributions in relation to the contractually required contributions | 262,663      | 252,474      | 220,758      | 225,356      | 217,129      | 204,522      | 191,034      |
| Contribution deficiency (excess)                                      | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| County's covered-employee payroll                                     | \$ 2,196,179 | \$ 2,110,987 | \$ 2,096,467 | \$ 2,043,123 | \$ 2,010,452 | \$ 1,938,594 | \$ 1,805,614 |
| Contributions as a percentage of covered employee payroll             | 11.96%       | 11.96%       | 10.53%       | 11.03%       | 10.80%       | 10.55%       | 10.58%       |

GASB 68 requires that information on this schedule be presented on the County's fiscal year basis. This schedule will also ultimately present the last ten years of information. 2015 is the first year for which this information is available.

**Valuation Date:**

Actuarial determined contribution rates are calculated as of December 31st, two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period 20.0 years (based on contribution rate calculated in the 12/31/20 valuation)

Asset Valuation Method 5 Year smoothed market

Inflation 2.5%

Salary Increases: Varies by age and service. 4.6% average over career including inflation

Investment Rate of Return 7.5% (net of investment expenses)

Retirement Age: Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age for recent retirees is 61.

Mortality: 130% of the RP-2014 Health Annuitant Mortality Table for males and 110% for the RP-2014 Health Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.

Other Information: There were no benefit changes during the year.

**MARION COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | December<br>31, 2020 | December<br>31, 2019 | December<br>31, 2018 | December<br>31, 2017 |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability</b>                             |                      |                      |                      |                      |
| Service cost  | \$ 10,676            | \$ 8,069             | \$ 7,313             | \$ 7,736             |
| Interest on total pension liability                     | 6,850                | 8,431                | 7,322                | 7,774                |
| Effect of plan changes                                  | -                    | -                    | -                    | -                    |
| Effect of economic/demographic (gains) or losses        | (5,373)              | (11,135)             | 3,499                | (6,600)              |
| Effect of assumptions changes or inputs                 | 25,262               | 43,427               | (19,167)             | 5,779                |
| Benefit payments/Refund of contributions                | (7,388)              | (6,709)              | (7,151)              | (7,037)              |
| Net Change in Total OPEB Liability                      | 30,027               | 42,083               | (8,184)              | 7,652                |
| Total OPEB liability, beginning                         | 242,975              | 200,892              | 209,076              | 201,424              |
| Total OPEB liability, ending                            | \$ 273,002           | \$ 242,975           | \$ 200,892           | \$ 209,076           |
| Covered payroll   | \$ 2,110,988         | \$ 2,096,455         | \$ 2,043,123         | \$ 2,010,452         |
| Total OPEB liability as a percentage of covered payroll | 12.93%               | 11.59%               | 9.83%                | 10.40%               |

Note 1 - GASB 75 requires that information on this schedule be presented on the measurement date basis, which is on a calendar year basis. This schedule will also ultimately present the last ten years of information. The measurement year 2017 is the first year for which this information is available.

Note 2 - There was no change in benefit terms, but there was one change in assumptions that affects the measurement of the total OPEB liability as follows: For the 2020 measurement period, the discount rate for which the OPEB liability is calculated was reduced from 2.74% to 2.12%.

**MARION COUNTY, TEXAS**  
**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually required contributions                                  | \$ 13,448     | \$ 13,510     | \$ 12,997     | \$ 13,689     | \$ 13,068     |
| Contributions in relation to the contractually required contributions | <u>13,448</u> | <u>13,510</u> | <u>12,997</u> | <u>13,689</u> | <u>13,068</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| County's covered-employee payroll                                     | \$ 2,196,179  | \$ 2,110,987  | \$ 2,096,290  | \$ 2,043,123  | \$ 2,010,452  |
| Contributions as a percentage of covered employee payroll             | 0.61%         | 0.64%         | 0.62%         | 0.67%         | 0.65%         |

Note 1 - GASB 75 requires that information on this schedule be presented on the County's fiscal year basis. This schedule will also ultimately present the last ten years of information. 2017 is the first year for which this information is available.

## **SUPPLEMENTARY INFORMATION**

**MARION COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 1 OF 3)**

|  | JURY             | CIVIL FEES<br>FUND | RIGHT<br>OF<br>WAY | SELF<br>INSURANCE<br>FUND | LAW<br>LIBRARY<br>FUND | TECHNOLOGY<br>FUND | KELLY<br>PARK    | AIRPORT<br>FUND   | WALCOTT<br>BUILDING<br>FUND | LAKE<br>PATROL<br>FUND | JUSTICE<br>ASSISTANCE<br>GRANT<br>FUND | COUNTY<br>ATTORNEY<br>FORFEITURE<br>FUND |
|--|------------------|--------------------|--------------------|---------------------------|------------------------|--------------------|------------------|-------------------|-----------------------------|------------------------|--|--|
| <b>ASSETS:</b>                         |                  |                    |                    |                           |                        |                    |                  |                   |                             |                        |  |  |
| Cash                                   | \$ 47,191        | \$ -               | \$ 1,527           | \$ 200,683                | \$ 16,619              | \$ 27,405          | \$ 20,024        | \$ 168,286        | \$ 19,299                   | \$ -                   | \$ 3,626                               | \$ 13,888                                |
| Certificates of deposit                | -                | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Accounts receivable                    | 2,021            | 48                 | -                  | -                         | 250                    | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Total assets:                          | <u>\$ 49,212</u> | <u>\$ 48</u>       | <u>\$ 1,527</u>    | <u>\$ 200,683</u>         | <u>\$ 16,869</u>       | <u>\$ 27,405</u>   | <u>\$ 20,024</u> | <u>\$ 168,286</u> | <u>\$ 19,299</u>            | <u>\$ -</u>            | <u>\$ 3,626</u>                        | <u>\$ 13,888</u>                         |
| <b>LIABILITIES &amp; FUND BALANCES</b> |                  |                    |                    |                           |                        |                    |                  |                   |                             |                        |  |  |
| <b>LIABILITIES:</b>                    |                  |                    |                    |                           |                        |                    |                  |                   |                             |                        |  |  |
| Accounts payable                       | \$ 1,245         | \$ -               | \$ -               | \$ -                      | \$ 2,706               | \$ 4,302           | \$ 1,038         | \$ 468            | \$ 286                      | \$ -                   | \$ -                                   | \$ 10,397                                |
| Other accrued liabilities              | -                | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Deferred revenues                      | -                | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Total liabilities:                     | <u>1,245</u>     | <u>-</u>           | <u>-</u>           | <u>-</u>                  | <u>2,706</u>           | <u>4,302</u>       | <u>1,038</u>     | <u>468</u>        | <u>286</u>                  | <u>-</u>               | <u>-</u>                               | <u>10,397</u>                            |
| <b>FUND BALANCES:</b>                  |                  |                    |                    |                           |                        |                    |                  |                   |                             |                        |  |  |
| Non-spendable                          | -                | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Restricted                             | -                | 48                 | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | 3,626                                  | 3,491                                    |
| Committed                              | 47,967           | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Assigned                               | -                | -                  | 1,527              | 200,683                   | 14,163                 | 23,103             | 18,986           | 167,818           | 19,013                      | -                      | -                                      | -  |
| Unassigned                             | -                | -                  | -                  | -                         | -                      | -                  | -                | -                 | -                           | -                      | -                                      | -  |
| Total fund balances:                   | <u>47,967</u>    | <u>48</u>          | <u>1,527</u>       | <u>200,683</u>            | <u>14,163</u>          | <u>23,103</u>      | <u>18,986</u>    | <u>167,818</u>    | <u>19,013</u>               | <u>-</u>               | <u>3,626</u>                           | <u>3,491</u>                             |
| Total liabilities and fund balances:   | <u>\$ 49,212</u> | <u>\$ 48</u>       | <u>\$ 1,527</u>    | <u>\$ 200,683</u>         | <u>\$ 16,869</u>       | <u>\$ 27,405</u>   | <u>\$ 20,024</u> | <u>\$ 168,286</u> | <u>\$ 19,299</u>            | <u>\$ -</u>            | <u>\$ 3,626</u>                        | <u>\$ 13,888</u>                         |

**MARION COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 2 OF 3)**

|  | COUNTY<br>ATTORNEY<br>HOT CHECK<br>FUND | COUNTY<br>RECORD<br>PRESERV.<br>FUND | SHERIFF<br>DRUG<br>FORFEITURE<br>FUND | PRETRIAL<br>INTERVENTION<br>PROGRAM | COURTHOUSE<br>SECURITY<br>FUND | COURTHOUSE<br>RECORD<br>MANAGEMENT<br>FUND | VITAL<br>STATISTICS | SHERIFF<br>CONSTABLE<br>ATTORNEY<br>LEOSE | SPECIALTY<br>COURT<br>FUND | TIME<br>PAYMENT<br>FUND | TRUANCY<br>PREVENTION<br>FUND |
|--|---|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--|---------------------|---|----------------------------|-------------------------|-------------------------------|
| <b>ASSETS:</b>                         |   |                                      |                                       |                                     |                                |  |                     |   |                            |                         |                               |
| Cash                                   | \$ 2,179                                | \$ 245,237                           | \$ 1,655                              | \$ 26,941                           | \$ 25,220                      | \$ 2,866                                   | \$ 1,091            | \$ 14,554                                 | \$ 1,395                   | \$ 1,969                | \$ 3,678                      |
| Certificates of deposit                | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Accounts receivable                    | -                                       | 4,763                                | -                                     | -                                   | 604                            | 274  | 32                  | -   | 29                         | 115                     | 192                           |
| Total assets:                          | <u>\$ 2,179</u>                         | <u>\$ 250,000</u>                    | <u>\$ 1,655</u>                       | <u>\$ 26,941</u>                    | <u>\$ 25,824</u>               | <u>\$ 3,140</u>                            | <u>\$ 1,123</u>     | <u>\$ 14,554</u>                          | <u>\$ 1,424</u>            | <u>\$ 2,084</u>         | <u>\$ 3,870</u>               |
| <b>LIABILITIES &amp; FUND BALANCES</b> |   |                                      |                                       |                                     |                                |  |                     |   |                            |                         |                               |
| <b>LIABILITIES:</b>                    |   |                                      |                                       |                                     |                                |  |                     |   |                            |                         |                               |
| Accounts payable                       | \$ -                                    | \$ -                                 | \$ 1,632                              | \$ -                                | \$ 34                          | \$ 334                                     | \$ -                | \$ 486                                    | \$ -                       | \$ -                    | \$ -                          |
| Other accrued liabilities              | -                                       | -                                    | -                                     | 94                                  | (432)                          | -  | -                   | -   | -                          | -                       | -                             |
| Deferred revenues                      | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Total liabilities:                     | <u>-</u>                                | <u>-</u>                             | <u>1,632</u>                          | <u>94</u>                           | <u>(398)</u>                   | <u>334</u>                                 | <u>-</u>            | <u>486</u>                                | <u>-</u>                   | <u>-</u>                | <u>-</u>                      |
| <b>FUND BALANCES:</b>                  |   |                                      |                                       |                                     |                                |  |                     |   |                            |                         |                               |
| Non-spendable                          | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Restricted                             | 2,179                                   | 250,000                              | 23                                    | 26,847                              | 26,222                         | 2,806                                      | 1,123               | 14,068                                    | 1,424                      | 2,084                   | 3,870                         |
| Committed                              | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Assigned                               | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Unassigned                             | -                                       | -                                    | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       | -                             |
| Total fund balances:                   | <u>2,179</u>                            | <u>250,000</u>                       | <u>23</u>                             | <u>26,847</u>                       | <u>26,222</u>                  | <u>2,806</u>                               | <u>1,123</u>        | <u>14,068</u>                             | <u>1,424</u>               | <u>2,084</u>            | <u>3,870</u>                  |
| Total liabilities and fund balances:   | <u>\$ 2,179</u>                         | <u>\$ 250,000</u>                    | <u>\$ 1,655</u>                       | <u>\$ 26,941</u>                    | <u>\$ 25,824</u>               | <u>\$ 3,140</u>                            | <u>\$ 1,123</u>     | <u>\$ 14,554</u>                          | <u>\$ 1,424</u>            | <u>\$ 2,084</u>         | <u>\$ 3,870</u>               |

**MARION COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 3 OF 3)**

|  | H.A.V.A.<br>ELECTION<br>SECURITY | COUNTY<br>CLERK<br>TECH FUND | DISTRICT<br>CLERK<br>TECH FUND | JP #1<br>TECH<br>FUND | JP #2<br>TECH<br>FUND | HEALTHY<br>COUNTY<br>FUND | TOTALS<br>DECEMBER 31,<br>2021 |
|--|----------------------------------|------------------------------|--------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|
| <b>ASSETS:</b>                         |                                  |                              |                                |                       |                       |                           |                                |
| Cash                                   | \$ -                             | \$ 613                       | \$ 8,536                       | \$ 4,128              | \$ 1,072              | \$ 2,625                  | \$ 862,307                     |
| Certificates of deposit                | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Accounts receivable                    | -                                | 6                            | 180                            | 170                   | -                     | -                         | 8,684                          |
| Total assets:                          | <u>\$ -</u>                      | <u>\$ 619</u>                | <u>\$ 8,716</u>                | <u>\$ 4,298</u>       | <u>\$ 1,072</u>       | <u>\$ 2,625</u>           | <u>\$ 870,991</u>              |
| <b>LIABILITIES &amp; FUND BALANCES</b> |                                  |                              |                                |                       |                       |                           |                                |
| <b>LIABILITIES:</b>                    |                                  |                              |                                |                       |                       |                           |                                |
| Accounts payable                       | \$ -                             | \$ -                         | \$ -                           | \$ -                  | \$ -                  | \$ -                      | \$ 22,928                      |
| Other accrued liabilities              | -                                | -                            | -                              | -                     | -                     | -                         | (338)                          |
| Deferred revenues                      | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Total liabilities:                     | <u>-</u>                         | <u>-</u>                     | <u>-</u>                       | <u>-</u>              | <u>-</u>              | <u>-</u>                  | <u>22,590</u>                  |
| <b>FUND BALANCES:</b>                  |                                  |                              |                                |                       |                       |                           |                                |
| Non-spendable                          | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Restricted                             | -                                | 619                          | 8,716                          | 4,298                 | 1,072                 | -                         | 352,516                        |
| Committed                              | -                                | -                            | -                              | -                     | -                     | -                         | 47,967                         |
| Assigned                               | -                                | -                            | -                              | -                     | -                     | 2,625                     | 447,918                        |
| Unassigned                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Total fund balances:                   | <u>-</u>                         | <u>619</u>                   | <u>8,716</u>                   | <u>4,298</u>          | <u>1,072</u>          | <u>2,625</u>              | <u>848,401</u>                 |
| Total liabilities and fund balances:   | <u>\$ -</u>                      | <u>\$ 619</u>                | <u>\$ 8,716</u>                | <u>\$ 4,298</u>       | <u>\$ 1,072</u>       | <u>\$ 2,625</u>           | <u>\$ 870,991</u>              |

**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 1 OF 3)**

|  | JURY      | CIVIL FEES<br>FUND | RIGHT<br>OF<br>WAY | SELF<br>INSURANCE<br>FUND | LAW<br>LIBRARY<br>FUND | TECHNOLOGY<br>FUND | KELLY<br>PARK | AIPORT<br>FUND | WALCOTT<br>BUILDING<br>FUND | LAKE<br>PATROL<br>FUND | JUSTICE<br>ASSISTANCE<br>GRANT<br>FUND |
|--|-----------|--------------------|--------------------|---------------------------|------------------------|--------------------|---------------|----------------|-----------------------------|------------------------|--|
| REVENUES:                                    |           |                    |                    |                           |                        |                    |               |                |                             |                        |  |
| Intergovernmental revenues                   | \$ 5,814  | \$ -               | \$ -               | \$ -                      | \$ -                   | \$ -               | \$ -          | \$ 4,502       | \$ -                        | \$ 27,532              | \$ -                                   |
| Charges for services                         | 147       | 48                 | -                  | -                         | 4,310                  | -                  | 900           | 31,748         | -                           | -                      | -                                      |
| Investment earnings                          | -         | -                  | -                  | -                         | -                      | -                  | 2             | 3              | -                           | -                      | -                                      |
| Miscellaneous revenues                       | -         | -                  | -                  | -                         | -                      | -                  | -             | 11,672         | -                           | -                      | -                                      |
| Total revenue:                               | 5,961     | 48                 | -                  | -                         | 4,310                  | -                  | 902           | 47,925         | -                           | 27,532                 | -                                      |
| EXPENDITURES:                                |           |                    |                    |                           |                        |                    |               |                |                             |                        |  |
| Current:                                     |           |                    |                    |                           |                        |                    |               |                |                             |                        |  |
| General government                           | -         | -                  | -                  | -                         | -                      | 67,124             | -             | -              | -                           | -                      | -                                      |
| Roads and public works                       | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | -                      | -                                      |
| Corrections                                  | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | -                      | -                                      |
| Law enforcement                              | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | 27,532                 | -                                      |
| Judicial                                     | 13,131    | -                  | -                  | -                         | 37,144                 | -                  | -             | -              | -                           | -                      | -                                      |
| Community services                           | -         | -                  | -                  | -                         | -                      | -                  | 22,375        | 63,937         | 13,011                      | -                      | -                                      |
| Debt service:                                |           |                    |                    |                           |                        |                    |               |                |                             |                        |  |
| Principal                                    | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | -                      | -                                      |
| Interest                                     | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | -                      | -                                      |
| Capital outlay                               | -         | -                  | -                  | 31,200                    | -                      | -                  | -             | 9,628          | -                           | -                      | -                                      |
| Total expenditures:                          | 13,131    | -                  | -                  | 31,200                    | 37,144                 | 67,124             | 22,375        | 73,565         | 13,011                      | 27,532                 | -                                      |
| Excess of revenue over (under) expenditures: | (7,170)   | 48                 | -                  | (31,200)                  | (32,834)               | (67,124)           | (21,473)      | (25,640)       | (13,011)                    | -                      | -                                      |
| OTHER FINANCING SOURCES & (USES):            |           |                    |                    |                           |                        |                    |               |                |                             |                        |  |
| Transfers in                                 | 10,000    | -                  | -                  | 49,600                    | 37,000                 | 35,000             | 30,000        | -              | 16,000                      | -                      | 3,626                                  |
| Transfers (out)                              | -         | -                  | -                  | -                         | -                      | -                  | -             | -              | -                           | -                      | -                                      |
| Total other financing sources (uses)         | 10,000    | -                  | -                  | 49,600                    | 37,000                 | 35,000             | 30,000        | -              | 16,000                      | -                      | 3,626                                  |
| Net change in fund balances:                 | 2,830     | 48                 | -                  | 18,400                    | 4,166                  | (32,124)           | 8,527         | (25,640)       | 2,989                       | -                      | 3,626                                  |
| Fund balances - Beginning of year            | 45,137    | -                  | 1,527              | 182,283                   | 9,997                  | 55,227             | 10,459        | 193,458        | 16,024                      | -                      | -                                      |
| Fund balances - End of year                  | \$ 47,967 | \$ 48              | \$ 1,527           | \$ 200,683                | \$ 14,163              | \$ 23,103          | \$ 18,986     | \$ 167,818     | \$ 19,013                   | \$ -                   | \$ 3,626                               |



**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 2 OF 3)**

|  | COUNTY<br>ATTORNEY<br>FORFEITURE<br>FUND | COUNTY<br>ATTORNEY<br>HOT CHECK<br>FUND | RECORD<br>PRESERV.<br>FUND | SHERIFF<br>DRUG<br>FORFEITURE<br>FUND | PRETRIAL<br>INTERVENTION<br>PROGRAM | COURTHOUSE<br>SECURITY<br>FUND | COURTHOUSE<br>RECORD<br>MANAGEMENT<br>FUND | VITAL<br>STATISTICS | SHERIFF<br>CONSTABLE<br>ATTORNEY<br>LEOSE | SPECIALTY<br>COURT<br>FUND | TIME<br>PAYMENT<br>FUND |
|--|--|---|----------------------------|---------------------------------------|-------------------------------------|--------------------------------|--|---------------------|---|----------------------------|-------------------------|
| REVENUES:                                    |  |   |                            |                                       |                                     |                                |  |                     |   |                            |                         |
| Intergovernmental revenues                   | \$ -                                     | \$ -                                    | \$ -                       | \$ -                                  | \$ -                                | \$ -                           | \$ -                                       | \$ -                | \$ 2,372                                  | \$ -                       | \$ -                    |
| Charges for services                         | -  | 165                                     | 58,055                     | -                                     | 5,000                               | 7,646                          | 2,833                                      | 381                 | -   | 1,076                      | 1,333                   |
| Investment earnings                          | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Miscellaneous revenues                       | -  | -                                       | -                          | -                                     | -                                   | 2                              | -  | -                   | -   | -                          | -                       |
| Total revenue:                               | -  | 165                                     | 58,055                     | -                                     | 5,000                               | 7,648                          | 2,833                                      | 381                 | 2,372                                     | 1,076                      | 1,333                   |
| EXPENDITURES:                                |  |   |                            |                                       |                                     |                                |  |                     |   |                            |                         |
| Current:                                     |  |   |                            |                                       |                                     |                                |  |                     |   |                            |                         |
| General government                           | -  | -                                       | -                          | -                                     | -                                   | -                              | 3,649                                      | -                   | -   | -                          | -                       |
| Roads and public works                       | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Corrections                                  | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Law enforcement                              | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | 1,594                                     | -                          | -                       |
| Judicial                                     | -  | 181                                     | -                          | -                                     | 3,026                               | 43,425                         | -  | -                   | -   | -                          | -                       |
| Community services                           | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Debt service:                                |  |   |                            |                                       |                                     |                                |  |                     |   |                            |                         |
| Principal                                    | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Interest                                     | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Capital outlay                               | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Total expenditures:                          | -  | 181                                     | -                          | -                                     | 3,026                               | 43,425                         | 3,649                                      | -                   | 1,594                                     | -                          | -                       |
| Excess of revenue over (under) expenditures: | -  | (16)                                    | 58,055                     | -                                     | 1,974                               | (35,777)                       | (816)                                      | 381                 | 778                                       | 1,076                      | 1,333                   |
| OTHER FINANCING SOURCES & (USES):            |  |   |                            |                                       |                                     |                                |  |                     |   |                            |                         |
| Transfers in                                 | -  | -                                       | -                          | -                                     | 600                                 | 40,000                         | -  | -                   | -   | -                          | -                       |
| Transfers (out)                              | -  | -                                       | -                          | -                                     | -                                   | -                              | -  | -                   | -   | -                          | -                       |
| Total other financing sources (uses)         | -  | -                                       | -                          | -                                     | 600                                 | 40,000                         | -  | -                   | -   | -                          | -                       |
| Net change in fund balances:                 | -  | (16)                                    | 58,055                     | -                                     | 2,574                               | 4,223                          | (816)                                      | 381                 | 778                                       | 1,076                      | 1,333                   |
| Fund balances - Beginning of year            | 3,491                                    | 2,195                                   | 191,945                    | 23                                    | 24,273                              | 21,999                         | 3,622                                      | 742                 | 13,290                                    | 348                        | 751                     |
| Fund balances - End of year                  | \$ 3,491                                 | \$ 2,179                                | \$ 250,000                 | \$ 23                                 | \$ 26,847                           | \$ 26,222                      | \$ 2,806                                   | \$ 1,123            | \$ 14,068                                 | \$ 1,424                   | \$ 2,084                |

**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021 (PAGE 3 OF 3)**

|   | TRUANCY<br>PREVENTION<br>FUND | H.A.V.A.<br>ELECTION<br>SECURITY | COUNTY<br>CLERK<br>TECH FUND | DISTRICT<br>CLERK<br>TECH FUND | JP #1<br>TECH<br>FUND | JP #2<br>TECH<br>FUND | HEALTHY<br>COUNTY<br>FUND | TOTALS<br>DECEMBER 31,<br>2021 |
|---|-------------------------------|----------------------------------|------------------------------|--------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|
| REVENUES:                                       |                               |                                  |                              |                                |                       |                       |                           |                                |
| Intergovernmental revenues                      | \$ -                          | \$ -                             | \$ -                         | \$ -                           | \$ -                  | \$ -                  | \$ 400                    | \$ 40,620                      |
| Charges for services                            | 2,110                         | -                                | 104                          | 1,576                          | 2,055                 | 476                   | -                         | 119,963                        |
| Investment earnings                             | -                             | -                                | -                            | -                              | -                     | -                     | -                         | 5                              |
| Miscellaneous revenues                          | -                             | -                                | -                            | -                              | -                     | -                     | -                         | 11,674                         |
| Total revenue:                                  | 2,110                         | -                                | 104                          | 1,576                          | 2,055                 | 476                   | 400                       | 172,262                        |
| EXPENDITURES:                                   |                               |                                  |                              |                                |                       |                       |                           |                                |
| Current:  |                               |                                  |                              |                                |                       |                       |                           |                                |
| General government                              | -                             | -                                | -                            | 1,193                          | -                     | -                     | -                         | 71,966                         |
| Roads and public works                          | -                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Corrections                                     | -                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Law enforcement                                 | -                             | -                                | -                            | -                              | -                     | -                     | -                         | 29,126                         |
| Judicial  | -                             | -                                | -                            | -                              | 5,784                 | -                     | -                         | 102,691                        |
| Community services                              | -                             | -                                | -                            | -                              | -                     | -                     | -                         | 99,323                         |
| Debt service:                                   | -                             |                                  |                              |                                |                       |                       |                           |                                |
| Principal                                       | -                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Interest  | -                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Capital outlay                                  | -                             | 233,623                          | -                            | -                              | -                     | -                     | -                         | 274,451                        |
| Total expenditures:                             | -                             | 233,623                          | -                            | 1,193                          | 5,784                 | -                     | -                         | 577,557                        |
| Excess of revenue over (under)<br>expenditures: | 2,110                         | (233,623)                        | 104                          | 383                            | (3,729)               | 476                   | 400                       | (405,295)                      |
| OTHER FINANCING SOURCES & (USES):               |                               |                                  |                              |                                |                       |                       |                           |                                |
| Transfers in                                    | -                             | 113,623                          | -                            | -                              | -                     | -                     | -                         | 335,449                        |
| Transfers (out)                                 | -                             | -                                | -                            | -                              | -                     | -                     | -                         | -                              |
| Total other financing sources (uses)            | -                             | 113,623                          | -                            | -                              | -                     | -                     | -                         | 335,449                        |
| Net change in fund balances:                    | 2,110                         | (120,000)                        | 104                          | 383                            | (3,729)               | 476                   | 400                       | (69,848)                       |
| Fund balances - Beginning of year               | 1,760                         | 120,000                          | 515                          | 8,333                          | 8,027                 | 596                   | 2,225                     | 918,249                        |
| Fund balances - End of year                     | \$ 3,870                      | \$ -                             | \$ 619                       | \$ 8,716                       | \$ 4,298              | \$ 1,072              | \$ 2,625                  | \$ 848,401                     |

**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF TRUST NET POSITION**  
**DECEMBER 31, 2021**

|                                     | MARION CO.<br>HISTORICAL<br>COMMISSION | SEDBERRY<br>CEMETERY | TOTALS<br>DECEMBER 31,<br>2021 |
|-------------------------------------|--|----------------------|--------------------------------|
| ASSETS:                             |  |                      |                                |
| Cash                                | \$ 10,896                              | \$ 3,039             | \$ 13,935                      |
| Certificates of deposit             | 15,000                                 | 12,000               | 27,000                         |
| Total assets:                       | <u>\$ 25,896</u>                       | <u>\$ 15,039</u>     | <u>\$ 40,935</u>               |
| LIABILITIES & NET POSITION          |  |                      |                                |
| LIABILITIES:                        |  |                      |                                |
| Accounts payable                    | \$ -                                   | \$ -                 | \$ -                           |
| Total liabilities:                  | <u>-</u>                               | <u>-</u>             | <u>-</u>                       |
| NET POSITION:                       |  |                      |                                |
| Restricted for other purposes       | 25,896                                 | 15,039               | 40,935                         |
| Total net position:                 | <u>25,896</u>                          | <u>15,039</u>        | <u>40,935</u>                  |
| Total liabilities and net position: | <u>\$ 25,896</u>                       | <u>\$ 15,039</u>     | <u>\$ 40,935</u>               |

**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF TRUST NET POSITION**  
**DECEMBER 31, 2021**

|                                  | MARION CO.<br>HISTORICAL<br>COMMISSION | SEDBERRY<br>CEMETERY | TOTALS    |
|----------------------------------|--|----------------------|-----------|
| REVENUES:                        |  |                      |           |
| Local revenues                   | \$ 2,000                               | \$ -                 | \$ 2,000  |
| Investment earnings              | 12                                     | 12                   | 24        |
| Total revenues:                  | 2,012                                  | 12                   | 2,024     |
| EXPENDITURES:                    |  |                      |           |
| Current:                         |  |                      |           |
| Community services               | 1,118                                  | -                    | 1,118     |
| Total deductions:                | 1,118                                  | -                    | 1,118     |
| Changes in net position:         | 894                                    | 12                   | 906       |
| Net position, beginning of year: | 25,002                                 | 15,027               | 40,029    |
| Net position, beginning of year: | \$ 25,896                              | \$ 15,039            | \$ 40,935 |

**MARION COUNTY, TEXAS**  
**COMBINING STATEMENT OF TRUST NET POSITION**  
**DECEMBER 31, 2021**

|                          | COUNTY<br>CLERK  | DISTRICT<br>CLERK | DISTRICT<br>ATTORNEY | SHERIFF         | JUSTICE<br>OF THE<br>PEACE #1 | TAX<br>ASSESSOR     | TOTALS              |
|--------------------------|------------------|-------------------|----------------------|-----------------|-------------------------------|---------------------|---------------------|
| <b>ASSETS:</b>           |                  |                   |                      |                 |                               |                     |                     |
| Cash                     | \$ 31,337        | \$ 651,969        | \$ 3,610             | \$ 1,002        | \$ 13,913                     | \$ 3,419,110        | \$ 4,120,941        |
| Certificates of deposit  | -                | 55,236            | -                    | -               | -                             | -                   | 55,236              |
| Total assets:            | <u>\$ 31,337</u> | <u>\$ 707,205</u> | <u>\$ 3,610</u>      | <u>\$ 1,002</u> | <u>\$ 13,913</u>              | <u>\$ 3,419,110</u> | <u>\$ 4,176,177</u> |
| <b>LIABILITIES:</b>      |                  |                   |                      |                 |                               |                     |                     |
| Due to individuals       | \$ 15,600        | \$ 55,236         | \$ -                 | \$ -            | \$ -                          | \$ 123,823          | \$ 194,659          |
| Due to other governments | 15,737           | 651,969           | 3,610                | 1,002           | 13,913                        | 3,295,287           | 3,981,518           |
| Total liabilities:       | <u>\$ 31,337</u> | <u>\$ 707,205</u> | <u>\$ 3,610</u>      | <u>\$ 1,002</u> | <u>\$ 13,913</u>              | <u>\$ 3,419,110</u> | <u>\$ 4,176,177</u> |