



ANNUAL FINANCIAL REPORT

Monroe County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

*COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER*

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

*MARK TREECE, CPA, CGFM
Audit Manager*

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

- ◆ The offices had deficiencies in budget operations.



INTRODUCTORY SECTION

Monroe County Officials
June 30, 2021

Officials

Mitch Ingram, County Mayor
Steve Teague, Road Superintendent
Dr. Kristi Windsor, Director of Schools
Marna Hull, Trustee
Marsha Raper, Assessor of Property
Larry Sloan, County Clerk
Martha Cook, Circuit and General Sessions Courts Clerk
Teresa Choate, Clerk and Master
Kim Bivens, Register of Deeds
Tommy Jones, Jr., Sheriff
Elizabeth Hicks, Director of Finance

Board of County Commissioners

Joe Anderson II, Chairman
Brian Harrill
Richard Kirkland
Luke Bright
Chad Leming

Adam Reynolds
Bill Shadden
Paulette Summey
Roger Thomas
Chris Wiseman

Board of Education

John Ridgell, Chairman
Jo T. Cagle
Sharin Freeman
Mark Ingram
Freddie Kelley

Dr. Lon Shoopman
Dewitt Upton
Donald Weiss
Dean Williams

Financial Management Committee

Paulette Summey, Chairman
Mitch Ingram, County Mayor
Steve Teague, Road Superintendent
Dr. Kristi Windsor, Director of Schools

Chad Leming
Adam Reynolds
Roger Thomas

Audit Committee

Jim Fairweather, Chairman
Jeff Amburn
Doug Richesin

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Internal School Fund of the Monroe County School Department (a discretely presented component unit), which represent 1.43 percent, 2.07 percent, and 3.2 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those amounts were audited by other auditors whose report has been furnished to us. Our opinion, insofar as it relates to amounts attributable to the Monroe County School Department's Internal School Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Change in Accounting Principle

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

Emphasis of Matter

We draw attention to Note I.D.10., to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$2,522,063 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Monroe County School Department's beginning net position totaling \$911,344 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Monroe County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of Monroe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Monroe County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 22, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Monroe County School Department
<u>ASSETS</u>		
Cash	\$ 10,565	\$ 973,297
Equity in Pooled Cash and Investments	34,863,439	12,018,877
Accounts Receivable	2,207,713	3,260
Allowance for Uncollectibles	(581,537)	0
Due from Other Governments	1,828,167	2,990,040
Due from Component Unit	39,457	0
Property Taxes Receivable	18,924,430	6,401,307
Allowance for Uncollectible Property Taxes	(446,410)	(151,001)
Net Pension Asset - Agent Plan	1,366,608	676,459
Net Pension Asset - Teacher Retirement Plan	0	175,301
Net Pension Asset - Teacher Legacy Pension Plan	0	3,845,430
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	272,578
Capital Assets:		
Assets Not Depreciated:		
Land	1,383,671	864,562
Construction in Progress	3,617,968	257,567
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	36,714,756	37,089,364
Infrastructure	74,261,356	0
Other Capital Assets	6,150,875	2,614,974
Total Assets	<u>\$ 180,341,058</u>	<u>\$ 68,032,015</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 18,626	\$ 161,919
Pension Changes in Assumptions	210,983	459,271
Pension Changes in Investment Earnings	243,903	993,849
Pension Changes in Proportionate Share	0	38,373
Pension Contributions after Measurement Date	477,716	2,041,766
OPEB Change in Experience	5,539	1,245,032
OPEB Change in Assumptions	56,144	1,345,539
OPEB Changes in Proportionate Share	0	960,204
OPEB Contributions after Measurement Date	6,139	345,418
Total Deferred Outflows of Resources	<u>\$ 1,019,050</u>	<u>\$ 7,591,371</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Monroe County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 487,715	\$ 123,632
Accrued Payroll	175,427	4,302,442
Accrued Interest Payable	114,764	0
Payroll Deductions Payable	343,554	2,162,167
Contracts Payable	256,703	0
Due to Primary Government	0	39,457
Due to Other Taxing Units	1,544	0
Noncurrent Liabilities:		
Due Within One Year - Debt	3,186,962	0
Due Within One Year - Other	357,943	118,406
Due in More Than One Year - Debt	75,156,564	0
Due in More Than One Year - Other	772,394	11,230,494
Total Liabilities	<u>\$ 80,853,570</u>	<u>\$ 17,976,598</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 18,150,110	\$ 6,139,389
Pension Changes in Experience	701,857	2,240,158
Pension Changes in Proportionate Share	0	15,401
OPEB Changes in Experience	262,910	208,262
OPEB Changes in Assumptions	38,258	779,459
OPEB Changes in Proportionate Share	0	1,368,893
Total Deferred Inflows of Resources	<u>\$ 19,153,135</u>	<u>\$ 10,751,562</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 85,486,323	\$ 40,826,467
Restricted for:		
General Government	2,774,153	0
Finance	86,928	0
Administration of Justice	44,446	0
Public Safety	173,242	0
Public Health and Welfare	572,905	0
Highways	2,080,118	0
Education	0	4,185,063
Debt Service	13,428,359	0
Capital Projects	1,281,200	0
Pensions	1,366,608	4,969,768
Unrestricted	<u>(25,940,879)</u>	<u>(3,086,072)</u>
Total Net Position	<u>\$ 81,353,403</u>	<u>\$ 46,895,226</u>

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
					Total	Monroe County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,635,151	\$ 917,262	\$ 829,400	\$ 978,082	\$ (2,910,407)	\$ 0
Finance	1,916,789	1,453,398	0	0	(463,391)	0
Administration of Justice	1,613,396	936,053	9,000	0	(668,343)	0
Public Safety	9,061,147	1,226,279	381,472	243,600	(7,209,796)	0
Public Health and Welfare	5,192,989	3,733,523	412,890	300,945	(745,631)	0
Social, Cultural, and Recreational Services	263,850	0	0	0	(263,850)	0
Agriculture and Natural Resources	153,215	0	0	0	(153,215)	0
Highways	9,514,657	208,854	3,066,926	582,426	(5,656,451)	0
Education	236,124	0	78,080	0	(158,044)	0
Interest on Long-term Debt	1,812,375	0	0	0	(1,812,375)	0
Total Primary Government	\$ 35,399,693	\$ 8,475,369	\$ 4,777,768	\$ 2,105,053	\$ (20,041,503)	\$ 0
Component Unit:						
Monroe County School Department	\$ 52,269,211	\$ 394,995	\$ 9,566,025	\$ 1,849,520	\$ 0	\$ (40,458,671)
Total Component Unit	\$ 52,269,211	\$ 394,995	\$ 9,566,025	\$ 1,849,520	\$ 0	\$ (40,458,671)

(Continued)

Exhibit B

Monroe County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
				Total	Monroe County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 10,871,301	\$ 6,230,639	
Property Taxes Levied for Solid Waste/Sanitation				1,058,388	0	
Property Taxes Levied for Highways				1,129,557	0	
Property Taxes Levied for Debt Service				3,834,836	0	
Local Option Sales Taxes				1,364,050	5,467,253	
Hotel/Motel Tax				268,909	0	
Wheel Tax				2,136,643	0	
Litigation Tax - General				76,056	0	
Litigation Tax - Special Purpose				35,852	0	
Litigation Tax - Jail, Workhouse, or Courthouse				178,396	0	
Business Tax				337,865	182,926	
Mineral Severance Tax				43,318	0	
Wholesale Beer Tax				81,271	0	
Mixed Drink Tax				0	5,900	
Other Local Taxes				7,404	805	
Grants and Contributions Not Restricted to Specific Programs				3,361,372	32,771,990	
Unrestricted Investment Income				116,444	0	
Gain On Investments				0	44,811	
Miscellaneous				39,735	208,153	
Total General Revenues				\$ 24,941,397	\$ 44,912,477	
Change in Fair Value of Derivatives - Interest Rate Swap				\$ (1,464,998)	\$ 0	
Change in Net Position				\$ 3,434,896	\$ 4,453,806	
Net Position, July 1, 2020				77,918,507	41,530,076	
Restatement - See Note I.D.10.				0	911,344	
Net Position, June 30, 2021				\$ 81,353,403	\$ 46,895,226	

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 6,846	\$ 0	\$ 0	\$ 3,719	\$ 10,565
Equity in Pooled Cash and Investments	12,808,853	2,292,130	14,995,876	2,136,135	32,232,994
Accounts Receivable	2,143,808	56,135	494	7,276	2,207,713
Allowance for Uncollectibles	(581,537)	0	0	0	(581,537)
Due from Other Governments	1,221,367	588,319	8,266	10,215	1,828,167
Due from Other Funds	3,569	882	0	0	4,451
Property Taxes Receivable	12,170,375	1,266,310	4,301,337	1,186,408	18,924,430
Allowance for Uncollectible Property Taxes	(287,088)	(29,871)	(101,465)	(27,986)	(446,410)
Total Assets	<u>\$ 27,486,193</u>	<u>\$ 4,173,905</u>	<u>\$ 19,204,508</u>	<u>\$ 3,315,767</u>	<u>\$ 54,180,373</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 324,643	\$ 146,280	\$ 0	\$ 3,757	\$ 474,680
Accrued Payroll	130,468	37,470	0	7,489	175,427
Payroll Deductions Payable	290,025	43,641	0	9,888	343,554
Contracts Payable	256,703	0	0	0	256,703
Due to Other Funds	0	0	0	4,451	4,451
Due to Other Taxing Units	1,544	0	0	0	1,544
Total Liabilities	<u>\$ 1,003,383</u>	<u>\$ 227,391</u>	<u>\$ 0</u>	<u>\$ 25,585</u>	<u>\$ 1,256,359</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,672,407	\$ 1,214,497	\$ 4,125,341	\$ 1,137,865	\$ 18,150,110
Deferred Delinquent Property Taxes	180,382	18,768	63,747	17,583	280,480
Other Deferred/Unavailable Revenue	910,497	273,360	0	0	1,183,857
Total Deferred Inflows of Resources	<u>\$ 12,763,286</u>	<u>\$ 1,506,625</u>	<u>\$ 4,189,088</u>	<u>\$ 1,155,448</u>	<u>\$ 19,614,447</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 2,773,153	\$ 0	\$ 0	\$ 0	\$ 2,773,153
Restricted for Finance	86,928	0	0	0	86,928
Restricted for Administration of Justice	44,446	0	0	0	44,446
Restricted for Public Safety	110,833	0	0	62,409	173,242
Restricted for Public Health and Welfare	27,595	0	0	572,434	600,029
Restricted for Highways/Public Works	0	1,901,739	0	0	1,901,739
Restricted for Debt Service	0	0	13,479,376	0	13,479,376
Restricted for Capital Projects	0	0	0	1,281,200	1,281,200
Restricted for Other Purposes	1,000	0	0	0	1,000
Committed:					
Committed for General Government	2,147,694	0	0	0	2,147,694
Committed for Public Safety	13,895	0	0	0	13,895
Committed for Public Health and Welfare	0	0	0	218,691	218,691
Committed for Other Operations	79,291	0	0	0	79,291
Committed for Highways/Public Works	0	538,150	0	0	538,150
Committed for Debt Service	0	0	1,536,044	0	1,536,044
Assigned:					
Assigned for General Government	430,856	0	0	0	430,856
Assigned for Finance	35,200	0	0	0	35,200
Assigned for Administration of Justice	411	0	0	0	411
Assigned for Public Safety	38,371	0	0	0	38,371
Assigned for Other Purposes	77,270	0	0	0	77,270
Unassigned	7,852,581	0	0	0	7,852,581
Total Fund Balances	<u>\$ 13,719,524</u>	<u>\$ 2,439,889</u>	<u>\$ 15,015,420</u>	<u>\$ 2,134,734</u>	<u>\$ 33,309,567</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,486,193</u>	<u>\$ 4,173,905</u>	<u>\$ 19,204,508</u>	<u>\$ 3,315,767</u>	<u>\$ 54,180,373</u>

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 33,309,567
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,383,671	
Add: construction in progress	3,617,968	
Add: buildings and improvements net of accumulated depreciation	36,714,756	
Add: infrastructure net of accumulated depreciation	74,261,356	
Add: other capital assets net of accumulated depreciation	<u>6,150,875</u>	122,128,626
(2) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,617,410
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (51,657,276)	
Less: other loans payable	(22,948,326)	
Less: capital lease payable	(3,219,364)	
Less: accrued interest on bonds, other loans, and capital leases	(114,764)	
Less: unamortized premium on debt issues	(518,560)	
Add: debt to be contributed by the school department	39,457	
Less: net OPEB liability	(328,103)	
Less: compensated absences payable	(687,576)	
Less: landfill closure/postclosure care costs	<u>(114,658)</u>	(79,549,170)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 951,228	
Less: deferred inflows of resources related to pensions	(701,857)	
Add: deferred outflows of resources related to OPEB	67,822	
Less: deferred inflows of resources related to OPEB	<u>(301,168)</u>	16,025
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,366,608
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,464,337</u>
Net position of governmental activities (Exhibit A)		<u>\$ 81,353,403</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 15,263,510	\$ 1,419,514	\$ 5,374,555	\$ 1,159,184	\$ 23,216,763
Licenses and Permits	132,310	0	0	0	132,310
Fines, Forfeitures, and Penalties	238,320	0	0	31,359	269,679
Charges for Current Services	4,359,094	208,854	0	56,200	4,624,148
Other Local Revenues	98,255	0	116,442	36,782	251,479
Fees Received From County Officials	2,424,493	0	0	0	2,424,493
State of Tennessee	2,458,613	3,967,128	7,190	92,164	6,525,095
Federal Government	2,199,414	86,374	0	0	2,285,788
Other Governments and Citizens Groups	294,123	0	66,341	0	360,464
Total Revenues	\$ 27,468,132	\$ 5,681,870	\$ 5,564,528	\$ 1,375,689	\$ 40,090,219
<u>Expenditures</u>					
Current:					
General Government	\$ 3,914,836	\$ 0	\$ 0	\$ 0	\$ 3,914,836
Finance	1,962,393	0	0	68	1,962,461
Administration of Justice	1,656,049	0	0	4,443	1,660,492
Public Safety	8,079,529	0	0	19,008	8,098,537
Public Health and Welfare	4,169,486	0	0	1,266,247	5,435,733
Social, Cultural, and Recreational Services	263,850	0	0	0	263,850
Agriculture and Natural Resources	153,902	0	0	0	153,902
Other Operations	2,093,721	0	0	0	2,093,721
Highways	0	5,925,886	0	76,127	6,002,013
Debt Service:					
Principal on Debt	567,578	208,792	2,618,157	0	3,394,527
Interest on Debt	16,158	11,455	1,900,604	0	1,928,217
Other Debt Service	0	0	1,717,050	0	1,717,050

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 1,070	\$ 0	\$ 0	\$ 23,341	\$ 24,411
Total Expenditures	\$ 22,878,572	\$ 6,146,133	\$ 6,235,811	\$ 1,389,234	\$ 36,649,750
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,589,560	\$ (464,263)	\$ (671,283)	\$ (13,545)	\$ 3,440,469
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 348,686	\$ 0	\$ 0	\$ 348,686
Refunding Debt Issued	0	0	9,410,000	0	9,410,000
Premiums on Debt Sold	0	0	518,560	0	518,560
Insurance Recovery	20,558	0	0	0	20,558
Transfers In	0	0	0	476,920	476,920
Transfers Out	0	0	0	(476,920)	(476,920)
Payments to Refunded Debt Escrow Agent	0	0	(9,771,516)	0	(9,771,516)
Total Other Financing Sources (Uses)	\$ 20,558	\$ 348,686	\$ 157,044	\$ 0	\$ 526,288
Net Change in Fund Balances	\$ 4,610,118	\$ (115,577)	\$ (514,239)	\$ (13,545)	\$ 3,966,757
Fund Balance, July 1, 2020	9,109,406	2,555,466	15,529,659	2,148,279	29,342,810
Fund Balance, June 30, 2021	\$ 13,719,524	\$ 2,439,889	\$ 15,015,420	\$ 2,134,734	\$ 33,309,567

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,966,757
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,304,410	
Less: current-year depreciation expense	<u>(6,440,510)</u>	(4,136,100)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 198,285	
Less: book value of assets disposed	<u>(53,250)</u>	145,035
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 1,464,337	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(1,373,098)</u>	91,239
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 1,471,063	
Add: principal amount of bonds refunded	9,755,000	
Add: principal payments on other loans	1,092,188	
Add: principal payments on capital leases	831,276	
Less: change in unamortized premium on debt issues	(518,560)	
Less: capital lease proceeds	(348,686)	
Less: bond proceeds	(9,410,000)	
Less: contributions from the school department for capital leases	<u>(54,906)</u>	2,817,375
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ (61,007)	
Change in deferred outflows related to OPEB	48,977	
Change in deferred inflows related to OPEB	51,692	
Change in net pension asset/liability	(87,484)	
Change in deferred outflows related to pensions	96,260	
Change in deferred inflows related to pensions	(2,846)	
Change in accrued interest payable	132,358	
Change in compensated absences payable	(32,113)	
Change in landfill postclosure care costs	<u>12,740</u>	158,577
(6) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>392,013</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,434,896</u>

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

Exhibit C-5

Monroe County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 15,263,510	\$ 0	\$ 15,263,510	\$ 14,895,214	\$ 14,888,199	\$ 375,311
Licenses and Permits	132,310	0	132,310	123,000	123,000	9,310
Fines, Forfeitures, and Penalties	238,320	0	238,320	239,700	239,700	(1,380)
Charges for Current Services	4,359,094	0	4,359,094	4,067,980	4,082,980	276,114
Other Local Revenues	98,255	0	98,255	75,916	91,800	6,455
Fees Received From County Officials	2,424,493	0	2,424,493	2,116,000	2,116,000	308,493
State of Tennessee	2,458,613	0	2,458,613	1,858,600	2,614,950	(156,337)
Federal Government	2,199,414	0	2,199,414	5,121,500	4,766,085	(2,566,671)
Other Governments and Citizens Groups	294,123	0	294,123	285,620	287,620	6,503
Total Revenues	\$ 27,468,132	\$ 0	\$ 27,468,132	\$ 28,783,530	\$ 29,210,334	\$ (1,742,202)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 458,763	\$ 0	\$ 458,763	\$ 656,554	\$ 606,554	\$ 147,791
Board of Equalization	3,100	0	3,100	3,500	3,500	400
County Mayor/Executive	227,349	0	227,349	234,822	234,822	7,473
Personnel Office	146,404	0	146,404	183,665	183,665	37,261
County Attorney	47,991	0	47,991	75,000	75,000	27,009
Election Commission	369,739	0	369,739	369,355	409,355	39,616
Register of Deeds	412,773	0	412,773	420,128	420,128	7,355
Planning	58,151	0	58,151	91,235	91,235	33,084
Engineering	422,810	0	422,810	464,758	467,834	45,024
Codes Compliance	34,179	0	34,179	51,760	51,760	17,581
Geographical Information Systems	116,422	0	116,422	153,731	150,860	34,438
County Buildings	1,248,695	0	1,248,695	814,170	1,460,931	212,236
Other General Administration	340,609	0	340,609	365,500	365,500	24,891

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>General Government (Cont.)</u>						
Preservation of Records	\$ 27,851	\$ 0	\$ 27,851	\$ 23,447	\$ 32,440	\$ 4,589
<u>Finance</u>						
Accounting and Budgeting	615,451	0	615,451	704,417	704,417	88,966
Property Assessor's Office	331,812	0	331,812	395,327	395,327	63,515
Reappraisal Program	117,069	0	117,069	154,782	150,005	32,936
County Trustee's Office	334,689	0	334,689	393,722	393,722	59,033
County Clerk's Office	563,372	35,200	598,572	610,172	645,372	46,800
<u>Administration of Justice</u>						
Circuit Court	1,083,988	411	1,084,399	1,226,900	1,226,900	142,501
General Sessions Judge	257,511	0	257,511	290,490	290,490	32,979
Chancery Court	247,508	0	247,508	345,234	345,234	97,726
Probate Court	54,542	0	54,542	58,823	58,823	4,281
Other Administration of Justice	12,500	0	12,500	35,065	35,065	22,565
<u>Public Safety</u>						
Sheriff's Department	3,495,197	0	3,495,197	3,953,276	3,841,000	345,803
Administration of the Sexual Offender Registry	0	0	0	3,000	3,000	3,000
Jail	3,349,400	0	3,349,400	3,931,077	3,972,279	622,879
Juvenile Services	137,828	0	137,828	159,700	159,700	21,872
Fire Prevention and Control	274,000	0	274,000	274,000	274,000	0
Rescue Squad	60,000	0	60,000	60,000	60,000	0
Other Emergency Management	103,851	0	103,851	103,694	112,455	8,604
County Coroner/Medical Examiner	159,855	0	159,855	142,000	192,000	32,145
Other Public Safety	499,398	0	499,398	674,043	676,693	177,295
<u>Public Health and Welfare</u>						
Local Health Center	54,830	0	54,830	76,856	76,856	22,026

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Rabies and Animal Control	\$ 222,973	\$ 0	\$ 222,973	\$ 248,072	\$ 248,717	\$ 25,744
Ambulance/Emergency Medical Services	3,140,450	0	3,140,450	3,863,844	3,819,685	679,235
Dental Health Program	403,911	0	403,911	623,357	623,357	219,446
Alcohol and Drug Programs	9,323	0	9,323	9,323	9,323	0
Crippled Children Services	1,995	0	1,995	1,995	1,995	0
Other Local Health Services	336,004	0	336,004	400,397	402,438	66,434
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	30,000	0	30,000	30,000	30,000	0
Libraries	125,000	0	125,000	133,817	133,817	8,817
Other Social, Cultural, and Recreational	108,850	0	108,850	108,850	108,850	0
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	87,092	0	87,092	85,270	87,528	436
Soil Conservation	64,810	0	64,810	66,891	69,765	4,955
Flood Control	2,000	0	2,000	2,000	2,000	0
<u>Other Operations</u>						
Tourism	238,704	0	238,704	260,368	280,368	41,664
Industrial Development	52,099	0	52,099	56,900	60,400	8,301
Airport	1,180,301	2,573,584	3,753,885	5,451,206	3,864,790	110,905
Veterans' Services	52,722	0	52,722	55,511	55,511	2,789
Contributions to Other Agencies	217,921	0	217,921	218,800	218,800	879
Employee Benefits	20,695	0	20,695	51,200	51,200	30,505
COVID-19 Grant #3	47,998	0	47,998	0	49,676	1,678
COVID-19 Grant #4	4,237	0	4,237	0	4,260	23
COVID-19 Grant #5	215,972	0	215,972	0	695,355	479,383
COVID-19 Grant A	25,047	0	25,047	0	30,747	5,700

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Other Operations (Cont.)</u>						
COVID-19 Grant C	\$ 38,025	\$ 0	\$ 38,025	\$ 0	\$ 38,025	\$ 0
<u>Principal on Debt</u>						
General Government	567,578	0	567,578	367,768	583,002	15,424
<u>Interest on Debt</u>						
General Government	16,158	0	16,158	0	16,158	0
<u>Capital Projects</u>						
Public Safety Projects	1,070	0	1,070	10,000	10,000	8,930
Total Expenditures	<u>\$ 22,878,572</u>	<u>\$ 2,609,195</u>	<u>\$ 25,487,767</u>	<u>\$ 29,545,772</u>	<u>\$ 29,662,689</u>	<u>\$ 4,174,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,589,560</u>	<u>\$ (2,609,195)</u>	<u>\$ 1,980,365</u>	<u>\$ (762,242)</u>	<u>\$ (452,355)</u>	<u>\$ 2,432,720</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 20,558	\$ 0	\$ 20,558	\$ 0	\$ 18,572	\$ 1,986
Total Other Financing Sources	<u>\$ 20,558</u>	<u>\$ 0</u>	<u>\$ 20,558</u>	<u>\$ 0</u>	<u>\$ 18,572</u>	<u>\$ 1,986</u>
Net Change in Fund Balance	\$ 4,610,118	\$ (2,609,195)	\$ 2,000,923	\$ (762,242)	\$ (433,783)	\$ 2,434,706
Fund Balance, July 1, 2020	<u>9,109,406</u>	<u>0</u>	<u>9,109,406</u>	<u>8,161,998</u>	<u>8,161,998</u>	<u>947,408</u>
Fund Balance, June 30, 2021	<u>\$ 13,719,524</u>	<u>\$ (2,609,195)</u>	<u>\$ 11,110,329</u>	<u>\$ 7,399,756</u>	<u>\$ 7,728,215</u>	<u>\$ 3,382,114</u>

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,419,514	\$ 1,338,285	\$ 1,338,285	\$ 81,229
Charges for Current Services	208,854	200,000	200,000	8,854
State of Tennessee	3,967,128	3,410,533	4,107,333	(140,205)
Federal Government	86,374	85,000	85,000	1,374
Total Revenues	<u>\$ 5,681,870</u>	<u>\$ 5,033,818</u>	<u>\$ 5,730,618</u>	<u>\$ (48,748)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 261,006	\$ 285,204	\$ 285,204	\$ 24,198
Highway and Bridge Maintenance	3,748,311	3,582,352	4,032,852	284,541
Operation and Maintenance of Equipment	562,579	756,518	756,518	193,939
Other Charges	286,899	312,000	312,000	25,101
Employee Benefits	1,110	5,000	5,000	3,890
Capital Outlay	1,065,981	818,901	1,193,638	127,657
<u>Principal on Debt</u>				
Highways and Streets	208,792	0	208,794	2
<u>Interest on Debt</u>				
Highways and Streets	11,455	0	11,455	0
Total Expenditures	<u>\$ 6,146,133</u>	<u>\$ 5,759,975</u>	<u>\$ 6,805,461</u>	<u>\$ 659,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (464,263)</u>	<u>\$ (726,157)</u>	<u>\$ (1,074,843)</u>	<u>\$ 610,580</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 348,686	\$ 0	\$ 348,686	\$ 0
Total Other Financing Sources	<u>\$ 348,686</u>	<u>\$ 0</u>	<u>\$ 348,686</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (115,577)	(726,157)	(726,157)	610,580
Fund Balance, July 1, 2020	2,555,466	2,370,005	2,370,005	185,461
Fund Balance, June 30, 2021	<u>\$ 2,439,889</u>	<u>\$ 1,643,848</u>	<u>\$ 1,643,848</u>	<u>\$ 796,041</u>

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

Exhibit D-1

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

	Governmental Activities - Internal Service Fund
	<u>Fund</u>
	Employee Health Insurance Fund
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,630,445
Total Assets	<u>\$ 2,630,445</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 13,035
Total Liabilities	<u>\$ 13,035</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 2,617,410</u>
Total Net Position	<u>\$ 2,617,410</u>

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

Exhibit D-2

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

	Governmental Activities - Internal Service Fund
	Employee Health Insurance Fund
<u>Operating Revenues</u>	
Commercial Insurance Premiums	\$ 2,798,736
Miscellaneous Refunds	136,414
Total Operating Revenues	<u>\$ 2,935,150</u>
<u>Operating Expenses</u>	
Fiscal Agent Charges	\$ 1,062
Insurance Premiums	2,089,968
Other Fringe Benefits	452,107
Total Operating Expenses	<u>\$ 2,543,137</u>
Operating Income (Loss)	<u>\$ 392,013</u>
Change in Net Position	\$ 392,013
Net Position, July 1, 2020	<u>2,225,397</u>
Net Position, June, 30, 2021	<u><u>\$ 2,617,410</u></u>

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

Exhibit D-3

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

	Governmental Activities - Internal Service Fund
	Employee Health Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Commercial Insurance Premiums	\$ 2,798,736
Receipt of Settlement Refund from Self-Insurance Carrier	136,414
Payments to Fiscal Agents	(1,062)
Payments to Insurers	(2,089,968)
Payments for Other Fringe Benefits	(455,246)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 388,874</u>
Increase (Decrease) in Cash	\$ 388,874
Cash, July 1, 2020	<u>2,241,571</u>
Cash, June 30, 2021	<u><u>\$ 2,630,445</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 392,013
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Current Liabilities	<u>(3,139)</u>
Increase (Decrease) in Unearned Revenue	<u> </u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 388,874</u></u>

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

Exhibit E-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,426,633
Equity in Pooled Cash and Investments	4,226
Accounts Receivable	205
Due from Other Governments	1,276,670
Property Taxes Receivable	1,787,326
Allowance for Uncollectible Property Taxes	<u>(42,162)</u>
Total Assets	<u>\$ 5,452,898</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,312,070</u>
Total Liabilities	<u>\$ 1,312,070</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,714,195</u>
Total Deferred Inflows of Resources	<u>\$ 1,714,195</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,426,633</u>
Total Net Position	<u><u>\$ 2,426,633</u></u>

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

Exhibit E-2

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

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,654,085
ADA - Educational Funds Collected for Cities	3,465,945
Fines/Fees and Other Collections	<u>7,706,058</u>
Total Additions	<u>\$ 16,826,088</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections for Other Governments	\$ 5,654,085
Payments to City School Systems	3,465,945
Payments to State	5,890,170
Payments to Individuals and Others	<u>1,911,318</u>
Total Deductions	<u>\$ 16,921,518</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ (95,430)
Net Position July 1, 2020	0
Restatement - See Note I.D.10.	<u>2,522,063</u>
Net Position June 30, 2021	<u><u>\$ 2,426,633</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Administrative Office:

Monroe County Emergency
Communications District
P.O. Box 869
Madisonville, TN 37354

B. Government-wide and Fund Financial Statements

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

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

Monroe County issues all debt for the discretely presented Monroe County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021. Other significant transactions between the primary government and the school department during the year include: \$59,153 paid from the General Purpose School Fund to the county's General Debt Service Fund as discussed in Note IV.G and

\$267,798 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

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

Fund financial statements of Monroe County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Monroe County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

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

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

available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Monroe County reports the following major governmental funds:

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

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

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

Additionally, Monroe County reports the following fund types:

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

Internal Service Fund – The Employee Insurance - Health Fund is used to account for the county’s employee health program. Employer contributions charged to the various county funds and employee payroll deductions are placed in this fund to pay the health insurance premiums of county employees.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to various cities in Monroe County, and the city school system’s share of educational revenues.

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

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

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

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

Internal School Fund – This special revenue fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor’s opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for the employees' health insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues and expenses of the county's internal service fund are health insurance premiums.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

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

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by

the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.22 percent of the total taxes levied.

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

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

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

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

3. Restricted Assets

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 20
Infrastructure	15 - 50

5. Deferred Outflows/Inflows of Resources

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

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

which do not meet the availability criteria for revenues in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation benefits. Vacation benefits granted through the discretely presented Monroe County School Department do not vest or accumulate and must be taken during the year or lost. There is no liability for unpaid accumulated sick leave since neither Monroe County nor the school department has a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the primary government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, landfill closure/postclosure care costs, and a buyout agreement

for the former director of schools, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position for the primary government reports \$21,807,959 of restricted net position, of which \$458,870 is restricted by enabling legislation.

As of June 30, 2021, Monroe County had \$41,182,663 in outstanding debt for capital purposes for the discretely presented Monroe County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Sweetwater School System) based on an average daily attendance proration. This debt is a liability of Monroe County, but the capital assets acquired are reported in the financial statements of the school department and the City of Sweetwater School System. Therefore, Monroe County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission and the Board of Education make assignments for the primary government and the school department, respectively. Assigned fund balance in the General Fund consists of amounts assigned fund balance appropriated for use in the 2021-22 year budget totaling \$430,856, amounts assigned for encumbrances \$35,611, emergency management \$38,371, and auxiliary officers \$77,270. Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances of \$71,342.

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of restricted, committed, assigned, and unassigned fund balance:

General Fund – 22 - 45 percent of current-year appropriations.

Highway/Public Works Fund – 7 - 15 percent of current-year appropriations.

General Purpose School Fund – 7 - 10 percent of current-year appropriations.

Debt Service Funds – 50 – 150 percent of current-year appropriations

10. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Monroe County School Department. A restatement of \$911,344 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$2,522,063 using the economic resources measurement focus and the accrual basis of accounting.

E. Pension Plans

Primary Government

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

Discretely Presented Monroe County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Monroe County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Monroe County School Department

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

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

Primary Government

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

Discretely Presented Monroe County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2021, Monroe County and the Monroe County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government	
Major Fund:	
General	\$ 2,609,195
School Department:	
Major Funds:	
General Purpose School	71,342
School Federal Projects	1,190,966
Central Cafeteria	45,000

As a result of recognizing encumbrances, the budgetary comparison schedule for the school department's School Federal Projects Fund reported a budgetary basis fund deficit of \$851,419 at June 30, 2021. That deficit will be liquidated as GAAP basis expenditures are incurred and revenues from reimbursable grants are recognized.

B. Expenditures Exceeded Appropriations

The teacher salary line item in the Regular Instruction Program of the General Purpose School Fund exceeded appropriations by \$292,308. This over expenditure resulted in expenditures exceeding appropriations approved by the county commission in the major appropriation category (the legal level of control) by \$89,368. Expenditures that exceed appropriations are a violation of state statutes. These excess expenditures were funded by available fund balance in the General Purpose School Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Monroe County and the Monroe County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets

or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

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

eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2021.

TCRS Stabilization Trust

Legal Provisions. The Monroe County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held

and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 84,499
Developed Market International Equity	N/A	N/A	38,161
Emerging Market International Equity	N/A	N/A	10,903
U.S. Fixed Income	N/A	N/A	54,516
Real Estate	N/A	N/A	27,258
Short-term Securities	N/A	N/A	2,725
NAV - Private Equity and Strategic Lending	N/A	N/A	54,516
 Total			\$ 272,578

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

B. Derivative Instruments

Monroe County elected to terminate the following derivative instrument during the year:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$10.05M Swap	Pay fixed interest rate	Variable to synthetic fixed rate swap	\$ 10,050,000	2-19-09	6-1-33	Pay 3.68% receive 63% of LIBOR

The change in the fair value of the derivative instrument and swap termination payment as reported in the 2021 financial statements are as follows:

Type	<u>Change in Fair Value</u>		Termination Payment
	Classification	Amount (*)	
Governmental Activities			
Cash Flow Hedge:			
\$10.05M Swap	Deferred		
	Outflow	\$ 1,263,544	\$ 1,464,998

* This is the amount the fair value changed from July 1, 2020, to the termination date. Since the swap agreement met the criteria of an effective cash flow hedge, gains and losses resulting from changes in its fair value were deferred and not recognized on the Statement of Activities in prior years. Due to the termination of the agreement, the cumulative change in value (a decrease of \$1,464,998) is recognized as a loss on the Statement of Activities for the current year.

As of June 30, 2021, Monroe County had no outstanding derivative instrument swap agreements.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,383,671	\$ 0	\$ 0	\$ 1,383,671
Construction in Progress	2,789,122	828,846	0	3,617,968
Total Capital Assets Not Depreciated	\$ 4,172,793	\$ 828,846	\$ 0	\$ 5,001,639
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,150,497	\$ 7,810	\$ 0	\$ 43,158,307
Infrastructure	171,389,598	347,516	(22,848)	171,714,266
Other Capital Assets	13,848,923	1,318,523	(360,236)	14,807,210
Total Capital Assets Depreciated	\$ 228,389,018	\$ 1,673,849	\$ (383,084)	\$ 229,679,783
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,407,335	\$ 1,036,216	\$ 0	\$ 6,443,551
Infrastructure	93,229,001	4,246,757	(22,848)	97,452,910
Other Capital Assets	7,805,784	1,157,537	(306,986)	8,656,335
Total Accumulated Depreciation	\$ 106,442,120	\$ 6,440,510	\$ (329,834)	\$ 112,552,796
Total Capital Assets Depreciated, Net	\$ 121,946,898	\$ (4,766,661)	\$ (53,250)	\$ 117,126,987
Governmental Activities Capital Assets, Net	\$ 126,119,691	\$ (3,937,815)	\$ (53,250)	\$ 122,128,626

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

Governmental Activities:

General Government	\$ 619,881
Finance	6,492
Administration of Justice	2,405
Public Safety	1,106,220
Public Health and Welfare	296,940
Highways	<u>4,408,572</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,440,510</u></u>

Discretely Presented Monroe County School Department

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 864,562	\$ 0	\$ 0	\$ 864,562
Construction in Progress	<u>0</u>	<u>257,567</u>	<u>0</u>	<u>257,567</u>
Total Capital Assets Not Depreciated	<u>\$ 864,562</u>	<u>\$ 257,567</u>	<u>\$ 0</u>	<u>\$ 1,122,129</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 74,124,135	\$ 0	\$ 0	\$ 74,124,135
Other Capital Assets	<u>3,158,493</u>	<u>1,885,757</u>	<u>(13,000)</u>	<u>5,031,250</u>
Total Capital Assets Depreciated	<u>\$ 77,282,628</u>	<u>\$ 1,885,757</u>	<u>\$ (13,000)</u>	<u>\$ 79,155,385</u>
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 35,378,389	\$ 1,656,382	\$ 0	\$ 37,034,771
Other Capital Assets	<u>2,114,075</u>	<u>315,201</u>	<u>(13,000)</u>	<u>2,416,276</u>
Total Accumulated Depreciation	<u>\$ 37,492,464</u>	<u>\$ 1,971,583</u>	<u>\$ (13,000)</u>	<u>\$ 39,451,047</u>
Total Capital Assets Depreciated, Net	<u>\$ 39,790,164</u>	<u>\$ (85,826)</u>	<u>\$ 0</u>	<u>\$ 39,704,338</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 40,654,726</u></u>	<u><u>\$ 171,741</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 40,826,467</u></u>

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

Governmental Activities:

Instruction	\$ 117,164
Support Services	1,846,718
Operation of Non-instructional Services	<u>7,701</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,971,583</u>

D. Construction and Renovation Contract Commitments

Primary Government

At June 30, 2021, the General Fund had uncompleted construction contracts of approximately \$2,573,584 for taxiway improvements at the Monroe County Airport. Funding for these future expenditures is expected to be received from federal grants.

Discretely Presented Monroe County School Department

At June 30, 2021, the Monroe County School Department's General Purpose School Fund had uncompleted renovation contracts of \$56,737 for roofing and gym floor upgrades. The School Federal Projects Funds had uncompleted renovation and technology contracts of approximately \$1,190,966 for various school facility upgrades. Funding has been received for the future expenditures in the General Purpose School Fund. Funding for the contracts in the School Federal Projects Fund is being provided through reimbursable federal grants which will be received as future expenditures are incurred.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,569
Highway/Public Works	"	882

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

Due to/from Primary Government and Component Unit:

The amount reflected as Due to Primary Government from the discretely presented school department on the government-wide Statement of Net

Position (\$39,457) represents the balance of capital lease obligations issued by the primary government for the benefit of the school department. The school department has agreed to contribute funds annually to retire those debt obligations.

Interfund Transfers:

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

Primary Government

Transfer Out	<div style="text-align: center;"> <u>Transfer In</u> Nonmajor Governmental Fund </div>	Purpose
Nonmajor Governmental	\$ 476,920	To close Other Capital Projects Fund

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

F. Capital Leases

At June 30, 2021, Monroe County had the following outstanding capital leases.
Primary Government

	Original Amount	Date Entered	Maturity Date	Interest Rate	Balance 6-30-21
<u>Payable through General Fund</u>					
Ambulance - Lifepack Defibrillators	\$ 214,535	10-10-17	10-10-21	4.90 %	\$ 42,907
Property Assessor Vehicle - 2019 Jeep Compass	21,816	2-10-19	2-10-23	4.99	8,727
EMA Vehicle - 2018 Dodge 3500	25,081	4-10-19	4-10-22	4.91	6,271
Sheriff Vehicle - 2019 Dodge Durango	30,433	8-10-19	8-10-24	4.65	18,256
Motorola Radios	(1) 3,210,000	10-1-19	10-1-29	3.16	2,842,232
<u>Payable through Highway/Public Works Fund</u>					
Three 2021 International Dump Trucks	348,686	10-10-20	10-10-23	3.93	261,514
<u>Payable by Contributions from the School Department's General Purpose School Fund to the General Debt Service Fund</u>					
Caterpillar Excavator and Skid Loader	67,553	9-20-16	9-20-21	2.89	3,621
2018 Dodge Ram 3500	48,649	4-10-18	4-10-22	4.65	9,730
2018 Dodge Caravan	22,976	9-10-18	9-10-22	4.65	9,191
2018 Dodge Caravan	22,976	9-10-18	9-10-22	4.65	9,191
2019 Dodge Caravan	19,310	4-10-19	4-10-22	4.99	7,724
Total Capital Leases					<u>\$ 3,219,364</u>

(1) Includes lease issuance discount in excess of actual value totaling \$98,329.

Title to the equipment transfers to Monroe County at the end of the lease period.

The assets acquired through capital leases outstanding at June 30, 2021, are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	
	<u>Primary Government</u>	<u>Discretely Presented School Department</u>
Machinery and Equipment	\$ 3,758,063	\$ 181,464
Less: Accumulated Depreciation	<u>(443,839)</u>	<u>(100,182)</u>
Total Book Value	<u>\$ 3,314,224</u>	<u>\$ 81,282</u>

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

Year Ending June 30	Governmental Funds
2022	\$ 554,365
2023	485,935
2024	466,793
2025	367,768
2026	367,768
2027-2030	1,471,070
Total Minimum Lease Payments	\$ 3,713,699
Less: Amount Representing Interest	<u>(494,335)</u>
Present Value of Minimum Lease Payments	<u>\$ 3,219,364</u>

G. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Monroe County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 40 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Monroe County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The county had no outstanding capital outlay notes at June 30, 2021. Other loans outstanding were issued for original terms of up to 30 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital lease obligations outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	2.875 %	6-5-59	\$ 30,917,200	\$ 30,067,276
General Obligation Refunding Bonds	2.0 to 3.25	6-1-38	34,950,000	21,590,000
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate -				
Public Improvement and Refunding	Variable	6-1-39	31,965,000	22,940,000
Other Loan - Fixed Rate	0	8-20-22	71,820	8,326
Capital Leases	2.89 to 4.99	10-1-29	4,032,015	3,219,364

In prior years, Monroe County entered into variable rate loan agreements with Public Building Authorities (PBAs) to finance capital projects for the county and the discretely presented Monroe County School Department. During the 2008-09 year, Monroe County issued a loan agreement (Series E-7-A) to refund all outstanding PBA loan agreements and to provide funds for capital projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, administrative, and debt remarketing) in connection with this loan. The following table summarizes loan agreements outstanding at June 30, 2021, including interest rates and other loan fees:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-21	Interest Type	Interest Rate as of 6-30-21	Other Fees on Variable Rate Debt
<u>Blount County Public Building Authority</u>					
Series E-7-A (Public Improvement and Refunding)	\$ 31,965,000	\$ 22,940,000	Variable	0.11%	0.84%
<u>Ft. Loudoun Electric Cooperative</u>					
Interest Free Loan	71,820	<u>8,326</u>	N/A	0	N/A
Total		<u>\$ 22,948,326</u>			

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2021, including interest payments and other

loan fees, are presented in the following tables. Interest payments and other fees are estimated for the variable rate loan based on rates in effect at June 30, 2021.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,573,621	\$ 1,369,697	\$ 2,943,318
2023	1,646,545	1,344,970	2,991,515
2024	1,749,845	1,305,870	3,055,715
2025	1,773,532	1,264,133	3,037,665
2026	1,682,618	1,223,047	2,905,665
2027-2031	8,929,173	5,505,977	14,435,150
2032-2036	9,188,233	4,434,030	13,622,263
2037-2041	6,861,995	3,047,905	9,909,900
2042-2046	4,175,448	2,335,752	6,511,200
2047-2051	4,820,123	1,691,077	6,511,200
2051-2056	5,564,336	946,864	6,511,200
2057-2059	3,691,807	163,666	3,855,473
Total	<u>\$ 51,657,276</u>	<u>\$ 24,632,988</u>	<u>\$ 76,290,264</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2022	\$ 1,162,188	\$ 25,234	\$ 192,441	\$ 1,379,863
2023	1,156,138	23,964	182,752	1,362,854
2024	1,130,000	22,693	173,062	1,325,755
2025	1,150,000	21,450	163,583	1,335,033
2026	1,295,000	20,185	153,936	1,469,121
2027-2031	7,210,000	78,425	598,085	7,886,510
2032-2036	6,515,000	38,808	295,959	6,849,767
2037-2039	3,330,000	6,231	47,522	3,383,753
Total	<u>\$ 22,948,326</u>	<u>\$ 236,990</u>	<u>\$ 1,807,340</u>	<u>\$ 24,992,656</u>

There is \$15,015,420 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,117, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and capital leases, totaled \$1,694, based on the 2020 federal census.

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

\$59,153 to the General Debt Service Fund to be applied toward the retirement of school related debt.

Description of Debt	Outstanding 6-30-21
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Vehicles	\$ 35,836
Excavator and Skid Loader	<u>3,621</u>
Total	<u>\$ 39,457</u>

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Other Loans - Direct Placement	Capital Leases- Direct Placement
Balance, July 1, 2020	\$ 53,473,339	\$ 24,040,514	\$ 3,701,954
Additions	9,410,000	0	348,686
Reductions	<u>(11,226,063)</u>	<u>(1,092,188)</u>	<u>(831,276)</u>
Balance, June 30, 2021	<u>\$ 51,657,276</u>	<u>\$ 22,948,326</u>	<u>\$ 3,219,364</u>
Balance Due Within One Year	<u>\$ 1,573,621</u>	<u>\$ 1,162,188</u>	<u>\$ 451,153</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 77,824,966
Less: Balance Due Within One Year - Debt	(3,186,962)
Add: Unamortized Premium on Debt	<u>518,560</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 75,156,564</u>

Current Refunding

On June 25, 2021, Monroe County current refunded portions of two general obligation refunding school bonds with a separate refunding bond issue. The

county issued \$9,410,000 of Refunding School Bonds Series 2021 to provide resources to retire the debt. The refunding resulted in the following reduction in debt service payments over the next 14 years and economic gain (difference between the present value of the debt service payments of the refunded and refunding debt).

Refunded Issue	Principal Refunded	Debt Service Reductions (Increase)	Economic Gain (Loss)
General Obligation Refunding School Bonds			
Series 2015	\$ 6,130,000	\$ 993,012	\$ 824,030
Series 2016	3,625,000	101,960	124,770

H. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Comp- ensated Absences
Balance, July 1, 2020	\$ 127,398	\$ 267,096	\$ 655,463
Additions	5,360	76,641	498,117
Reductions	(18,100)	(15,634)	(466,004)
Balance, June 30, 2021	\$ 114,658	\$ 328,103	\$ 687,576
Balance Due Within One Year	\$ 14,155	\$ 0	\$ 343,788

Analysis of Other Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 1,130,337
Less: Balance Due Within One Year - Other	<u>(357,943)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 772,394</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care cost will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Monroe County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits	Former Director of Schools Buyout Agreement Liability
	<u> </u>	<u> </u>
Balance, July 1, 2020	\$ 11,262,553	\$ 0
Additions	2,171,407	281,664
Reductions	<u>(2,321,872)</u>	<u>(44,852)</u>
Balance, June 30, 2021	<u>\$ 11,112,088</u>	<u>\$ 236,812</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 118,406</u>

Analysis of Other Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 11,348,900
Less: Balance Due Within One Year - Other	<u>(118,406)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 11,230,494</u>

On March 1, 2021, Monroe County Board of Education approved a buyout agreement between the board and the director of schools, Dr. DeAnna McClendon. The agreement provides for a mutual and voluntary termination of Dr. McClendon's employment contract. Payments by the board under the agreement are expected to total approximately \$281,664 and consist of the following: (1) \$256,648 to be paid by the board to McClendon over a 28-month period in-lieu of wages; (2) \$5,000 to be paid by the board to McClendon in a one-time payment for various claims; and (3) payroll taxes expected to be paid to the federal government by the board over a 28-month period totaling approximately \$20,016. During the 2020-2021 fiscal year, the board of education made payments of \$44,852 under the agreement. The Monroe County School Department has recognized a long-term liability for the remaining payments due under the agreement of \$236,812, as of June 30, 2021.

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. The former director of schools buyout agreement liability will be paid from the General Purpose School Fund.

I. On-Behalf Payments

Discretely Presented Monroe County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Monroe County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2021, were \$127,752 and \$45,163, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

The county and the discretely presented Monroe County School Department are exposed to various risks related to general liability, property, casualty, workers' compensation, health, and accident losses.

Effective October 1, 2019, Monroe County changed its employee health insurance coverage from a self-insured plan to a commercial plan. Settled claims did not exceed commercial health insurance coverage during the past two fiscal years. After the self-insured health plan was discontinued the county continued to utilize the Employee Insurance Health Fund (an internal service fund) to collect employee health insurance premiums and process payments for the commercial plan. Monroe County is currently assessing the remaining balances in the Employee Insurance Health Fund to determine future uses.

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

Monroe County and the discretely presented Monroe County School Department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The county and the school department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the school department pay annual premiums to the TN-RMT for its general

liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Changes

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

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

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

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. Based on information from attorneys for the county and the school department, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

Monroe County issued a State of Tennessee revolving loan agreement for the benefit of the Tellico Area Service System (TASS) joint venture. The loan is being retired from revenues of TASS and is not reflected on the financial statements of the county. Monroe County would become liable for the loan agreement in the event of default by TASS. As of June 30, 2021, future

principal and interest requirements for which the county is contingently liable were \$1,795,472 and \$128,233, respectively, for the State of Tennessee revolving loan.

D. Change in Administration

Dr. DeAnna McClendon left the Office of Director of Schools on March 1, 2021, and was succeeded by Dr. Kristi Windsor as interim Director of Schools.

E. Landfill PostClosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Monroe County closed its sanitary landfill in 1999. The \$114,658 reported as postclosure care liability at June 30, 2021, represents amounts based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Tellico Area Services System (TASS), a regional water, sewer, and solid waste system, is jointly owned by Monroe and Loudon counties. TASS comprises the County Boards of Public Utilities of each of the counties. Monroe County has control over budgeting and financing the joint venture only to the extent of representation by its County Board of Public Utility. As noted above, Monroe County is contingently liable for debt issued by the county on behalf of this joint venture.

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District; Monroe, Bradley, McMinn, and Polk counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district.

Monroe County made no contributions to the DTF for the year ended June 30, 2021.

Monroe County does not have an equity interest in the above-noted joint ventures. Complete financial statements for TASS and the DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Tellico Area Services System
P.O. Box 277
Vonore, TN 37885-0277

District Attorney General
Tenth Judicial District
P.O. Box 647
Athens, TN 37371-0647

G. Jointly Governed Organizations

Monroe County, in conjunction with Bradley, McMinn, and Polk counties, participates in the Southeast Tennessee Community Corrections Program. The program's 20-member board comprises the county mayor/executive and the sheriff of each of the four counties, the district attorney, and one member from a nonprofit organization. The remaining ten members are appointed by the board from the private sector. The program provides alternative sentencing for selected nonviolent offenders and receives funding from the Tennessee Department of Correction. The counties that participate in the program do not have any ongoing financial interest or responsibility for the program.

Loudon County, Monroe County, and various city school systems jointly govern the Little Tennessee Valley Educational Cooperative. The cooperative was established pursuant to an agreement between the participating governments and is governed by a board of control consisting of the director of schools of each participating government, one representative appointed by the county commission or city council of each participating government, and one member appointed by the board of education of each participating government. The cooperative was organized in order to combine resources to provide services for special education programs such as the Birth-to-Three program for handicapped children, a child development program for language and behaviorally delayed older students, and an occupational and physical therapy program, as well as psychological services. The cooperative provides educational services on a contractual basis to the various school systems. The systems may but are not required to contract for these services.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Monroe County and non-certified employees of the discretely presented Monroe County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 66.89 percent, the non-certified employees of the discretely presented school department comprise 33.11 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

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

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	264
Inactive Employees Entitled to But Not Yet Receiving Benefits	417
Active Employees	476
Total	1,157

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Monroe County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Monroe County was \$710,128 based on a rate of 4.34 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Monroe County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 47,045,005	\$ 49,221,464	\$ (2,176,459)
Changes for the Year:			
Service Cost	\$ 1,534,789	\$ 0	\$ 1,534,789
Interest	3,448,980	0	3,448,980
Differences Between Expected and Actual Experience	(948,128)	0	(948,128)
Contributions-Employer	0	703,338	(703,338)
Contributions-Employees	0	812,727	(812,727)
Net Investment Income	0	2,428,010	(2,428,010)
Benefit Payments, Including Refunds of Employee Contributions	(2,015,318)	(2,015,318)	0
Administrative Expense	0	(41,826)	41,826
Net Changes	\$ 2,020,323	\$ 1,886,931	\$ 133,392
Balance, June 30, 2020	\$ 49,065,328	\$ 51,108,395	\$ (2,043,067)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	66.89%	\$ 32,819,798	\$ 34,186,405	\$ (1,366,608)
School Department	33.11%	16,245,530	16,921,990	(676,459)
Total		\$ 49,065,328	\$ 51,108,395	\$ (2,043,067)

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

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

Net Pension Liability (Asset) \$ 4,242,741 \$ (2,043,067) \$ (7,237,144)

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

Pension Expense. For the year ended June 30, 2021, Monroe County recognized pension expense of \$709,172.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,846	\$ 1,049,271
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	364,633	0
Changes in Assumptions	315,418	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	710,128	N/A
Total	<u>\$ 1,418,025</u>	<u>\$ 1,049,271</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 951,228	\$ 701,857
School Department	<u>466,797</u>	<u>347,414</u>
Total	<u>\$ 1,418,025</u>	<u>\$ 1,049,271</u>

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

Year Ending June 30	Amount
2022	\$ (390,512)
2023	(11,237)
2024	25,810
2025	34,560
2026	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2021, Monroe County reported a payable of \$139,038 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2021.

Discretely Presented Monroe County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Monroe County and non-certified employees of the discretely presented Monroe County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the

TCRS. The primary government employees comprise 66.89 percent and the non-certified employees of the discretely presented school department comprise 33.11 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at

three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2021, to the Teacher Retirement Plan were \$87,246, which is 2.02 percent of covered payroll. In addition, employer contributions of \$78,304 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$175,301) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .308281 percent. The proportion as of June 30, 2019, was .328640 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$71,465.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 6,513	\$ 43,930
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,281	0
Changes in Assumptions	5,497	0
Changes in Proportion of Net Pension Liability (Asset)	9,671	2,803
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	87,246	N/A
Total	<u>\$ 123,208</u>	<u>\$ 46,733</u>

The school department's employer contributions of \$87,246, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (853)
2023	1,211
2024	2,263
2025	2,563
2026	(2,274)
Thereafter	(13,682)

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 136,355 \$ (175,301) \$ (405,031)

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

Payable to the Pension Plan

At June 30, 2021, the Monroe County School Department reported a payable of \$33,806 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Monroe County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$1,722,108, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$3,845,430) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2020, the school department's proportion was .504270 percent. The proportion measured at June 30, 2019, was .509507 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of \$(90,251).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 146,186	\$ 1,848,814
Changes in Assumptions	349,339	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	858,838	0
Changes in Proportion of Net Pension Liability (Asset)	28,702	12,598
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>1,722,108</u>	N/A
Total	<u>\$ 3,105,173</u>	<u>\$ 1,861,412</u>

The school department's employer contributions of \$1,722,108 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (950,297)
2023	(127,583)
2024	30,615
2025	568,918
2026	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 11,959,202 \$ (3,845,430) \$ (16,951,182)

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

Payable to the Pension Plan

At June 30, 2021, the Monroe County School Department reported a payable of \$257,738 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$210,550 and teachers contributed \$90,984 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

Postemployment Healthcare Plans

OPEB Provided through State Administered Public Entity Risk Pools

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

Post-65 retirees of Monroe County may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Employees of the school department may then join the Tennessee Plan - Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

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

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 9.02% for pre-65 retirees in the 2021 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%. TN-Ms: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable.
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.21 percent, based on the average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but no not later than the measurement date.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experiences. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

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

Closed Tennessee Plan – Medicare (Primary Government)

Plan Description. Employees of Monroe County who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the Monroe County Primary Government. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible, and receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium

rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Monroe County provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 15-19 years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	14
Active Employees Eligible for Benefits	167
 Total	 <u><u>193</u></u>

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA Sections 8-27-201, 8-27-301, and 8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2021, the county paid \$6,139 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 267,096
Changes for the Year:	
Service Cost	\$ 8,169
Interest	9,533
Difference between Expected and Actuarial Experience	(8,249)
Changes in Assumption and Other Inputs	58,939
Benefit Payments	<u>(7,385)</u>
Net Changes	<u>\$ 61,007</u>
Balance June 30, 2020	<u><u>\$ 328,103</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized negative OPEB expense of \$33,523. At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 5,539	\$ 262,910
Changes of Assumptions/Inputs	56,144	38,258
Benefits Paid After the Measurement Date of June 30, 2020	<u>6,139</u>	<u>0</u>
Total	<u>\$ 67,822</u>	<u>\$ 301,168</u>

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

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

<u>Year Ending June 30</u>	<u>County</u>
2022	\$ (51,225)
2023	(51,225)
2024	(51,225)
2025	(51,225)
2026	(50,473)
Thereafter	15,888

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

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

<u>Discount Rate</u>	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 383,604	\$ 328,103	\$ 282,852

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Monroe County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department’s total OPEB liability for the TNM Plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Monroe County School Department provides a direct subsidy of \$25 to \$50 per month for eligible retirees depending on years of service. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	97
Inactive Employees Entitled to But Not Yet Receiving Benefits	48
Active Employees Eligible for Benefits	507
Total	<u><u>652</u></u>

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA Sections 8-27-201, 8-27-301 and 8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2021, the school department paid \$10,091 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		Total OPEB Liability
	Monroe County School Department 18.2632%	State of TN 81.7368%	
Balance July 1, 2019	\$ 2,382,577	\$ 1,329,220	\$ 3,711,797
Changes for the Year:			
Service Cost	\$ 24,562	\$ 109,929	\$ 134,491
Interest	24,318	108,836	133,154
Changes in Benefit Terms	(398,904)	(1,785,289)	(2,184,193)
Difference between Expected and Actuarial Experience	(4,674)	(20,919)	(25,593)
Change in Proportion	(1,704,684)	1,704,684	0
Changes in Assumption and Other Inputs	52,533	235,110	287,643
Benefit Payments	(19,430)	(86,960)	(106,390)
Net Changes	<u>\$ (2,026,279)</u>	<u>\$ 265,390</u>	<u>\$ (1,760,888)</u>
Balance June 30, 2020	<u><u>\$ 356,298</u></u>	<u><u>\$ 1,594,610</u></u>	<u><u>\$ 1,950,909</u></u>

Changes in Benefit Terms are due to Monroe County School Department being previously valued with an additional local subsidy for support staff. This was clarified this year that the only subsidy is due to the adoption of Resolution 31. This change is primarily responsible for plan expenses and nonemployer contributing entity subsidies being negative for the year as discussed below.

The Monroe County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Monroe County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized negative revenues (\$1,355,528) for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Monroe County School Department's proportionate share of the collective OPEB liability was 18.2632 percent and the State of Tennessee's share was 81.7368 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized negative OPEB expense of (\$1,857,788), which includes expenses funded by nonemployer contributing entities.

At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 44,657
Changes of Assumptions/Inputs	170,626	34,240
Changes in Proportion	275,753	1,368,893
Benefits Paid After the Measurement Date of June 30, 2020	<u>10,091</u>	<u>0</u>
Total	<u>\$ 456,470</u>	<u>\$ 1,447,790</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>School</u> <u>Department</u>
2022	\$ (142,508)
2023	(142,508)
2024	(142,508)
2025	(142,508)
2026	(142,508)
Thereafter	(288,871)

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

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

<u>Discount Rate</u>	1%	Current Discount Rate	1%
	Decrease		Increase
	1.21%	2.21%	3.21%

Proportionate Share of the Collective Total OPEB Liability	\$ 416,731	\$ 356,298	\$ 307,457
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

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

Benefits Provided. The Monroe County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-301* establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Monroe County School Department provides a direct subsidy for certified retirees with at least 20 years of service. The subsidy ranges from \$251 to \$345 per month based on coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	33
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	0
Active Employees Eligible for Benefits	469
 Total	 <u><u>502</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$335,327 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Monroe County School Department 75.1615%</u>	<u>State of TN 24.8385%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 8,879,976	\$ 3,076,497	\$ 11,956,473
Changes for the Year:			
Service Cost	\$ 432,435	\$ 142,906	\$ 575,341
Interest	325,294	107,500	432,794
Difference between Expected and Actuarial Experience	238,809	78,919	317,728
Change in Proportion Changes in Assumption and Other Inputs	106,688	(106,688)	0
Benefit Payments	(305,542)	(100,972)	(406,514)
Net Changes	\$ 1,875,814	\$ 477,953	\$ 2,353,767
Balance June 30, 2020	\$ 10,755,790	\$ 3,554,450	\$ 14,310,240

The Monroe County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Monroe County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$218,647 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Monroe County School Department's proportionate share of the collective OPEB liability was 75.1615 percent and the State of Tennessee's share was 24.8385 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$1,270,456, which includes expenses funded by nonemployer contributing entities. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,245,032	\$ 163,605
Changes of Assumptions and Other Inputs	1,174,914	745,219
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributions As Benefits Came Due	684,451	0
Benefits Paid After the Measurement Date June 30, 2020	<u>335,327</u>	<u>0</u>
Total	<u>\$ 3,439,724</u>	<u>\$ 908,824</u>

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

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

Year Ending June 30	School Department
2022	\$ 294,080
2023	294,080
2024	294,080
2025	294,080
2026	294,080
Thereafter	725,173

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
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Proportionate Share of the Collective Total OPEB Liability	\$ 11,572,826	\$ 10,755,790	\$ 9,974,657
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Current Rates 9.02 to 4.5%	1% Increase 10.02 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 9,520,785	\$ 10,755,790	\$ 12,211,423
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J. Office of Central Accounting, Budgeting, and Purchasing

Monroe County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

K. Purchasing Laws

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Monroe County. All purchase orders are issued by the finance department. The Financial Management Committee established a policy that purchases exceeding \$10,000 for the County Mayor's Office and the Monroe County School Department are to be made on a competitive bid basis. Purchasing procedures for the highway department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated*. Competitive bids are also required on highway purchases exceeding \$10,000.

L. Subsequent Event

On July 1, 2021, the Monroe County Board of Education appointed Dr. Kristi Windsor director of schools. Dr. Windsor had served as interim director from March 1, 2021 through June 30, 2021.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$ 1,107,534	\$ 1,114,133	\$ 1,202,322	\$ 1,351,925	\$ 1,386,714	\$ 1,392,996	\$ 1,534,789
Interest	2,495,328	2,580,285	2,781,134	2,931,126	3,082,757	3,240,783	3,448,980
Differences Between Actual and Expected Experience	(1,154,371)	402,476	(488,694)	(84,832)	(452,607)	46,410	(948,128)
Changes in Assumptions	0	0	0	946,250	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,240,797)	(1,403,849)	(1,610,341)	(1,678,621)	(1,801,679)	(1,885,279)	(2,015,318)
Net Change in Total Pension Liability	\$ 1,207,694	\$ 2,693,045	\$ 1,884,421	\$ 3,465,848	\$ 2,215,185	\$ 2,794,910	\$ 2,020,323
Total Pension Liability, Beginning	32,783,902	33,991,596	36,684,641	38,569,062	42,034,910	44,250,095	47,045,005
Total Pension Liability, Ending (a)	\$ 33,991,596	\$ 36,684,641	\$ 38,569,062	\$ 42,034,910	\$ 44,250,095	\$ 47,045,005	\$ 49,065,328
Plan Fiduciary Net Position							
Contributions - Employer	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338
Contributions - Employee	657,563	678,593	698,994	726,863	751,139	785,812	812,727
Net Investment Income	5,207,555	1,134,720	1,008,740	4,403,290	3,559,142	3,425,776	2,428,010
Benefit Payments, Including Refunds of Employee Contributions	(1,240,797)	(1,403,849)	(1,610,341)	(1,678,621)	(1,801,679)	(1,885,279)	(2,015,318)
Administrative Expense	(18,010)	(23,396)	(33,832)	(38,423)	(43,159)	(41,029)	(41,826)
Other	0	0	0	2,599	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,473,848	\$ 1,270,426	\$ 974,701	\$ 4,074,320	\$ 3,126,994	\$ 3,000,208	\$ 1,886,931
Plan Fiduciary Net Position, Beginning	31,300,967	36,774,815	38,045,241	39,019,942	43,094,262	46,221,256	49,221,464
Plan Fiduciary Net Position, Ending (b)	\$ 36,774,815	\$ 38,045,241	\$ 39,019,942	\$ 43,094,262	\$ 46,221,256	\$ 49,221,464	\$ 51,108,395
Net Pension Liability (Asset), Ending (a - b)	\$ (2,783,219)	\$ (1,360,600)	\$ (450,880)	\$ (1,059,352)	\$ (1,971,161)	\$ (2,176,459)	\$ (2,043,067)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.19%	103.71%	101.17%	102.52%	104.45%	104.63%	104.16%
Covered Payroll	\$ 13,065,224	\$ 13,565,312	\$ 13,997,097	\$ 14,507,298	\$ 14,934,192	\$ 15,712,716	\$ 16,127,886
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.30%)	(10.03%)	(3.22%)	(7.30%)	(13.20%)	(13.85%)	(12.67%)

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338	\$ 710,128
Less Contributions in Relation to the Actuarially Determined Contribution	(867,537)	(884,358)	(911,140)	(658,612)	(661,551)	(714,928)	(703,338)	(710,128)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,065,224	\$ 13,565,312	\$ 13,997,097	\$ 14,507,298	\$ 14,934,192	\$ 15,712,716	\$ 16,127,886	\$ 16,353,470
Contributions as a Percentage of Covered Payroll	6.64%	6.52%	6.51%	4.54%	4.43%	4.55%	4.36%	4.34%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 27,263	\$ 56,931	\$ 83,017	\$ 114,395	\$ 67,467	\$ 78,972	\$ 87,246
Less Contributions in Relation to the Contractually Required Contribution	(27,263)	(56,931)	(83,017)	(114,395)	(67,467)	(78,972)	(87,246)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 681,586	\$ 1,423,268	\$ 2,080,484	\$ 2,874,414	\$ 3,477,658	\$ 3,890,266	\$ 4,319,191
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.99%	3.98%	1.94%	2.03%	2.02%

Note 1: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
 2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%

Note 2: Ten years of data will be presented when available.

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 1,429,001	\$ 1,610,641	\$ 1,548,796	\$ 1,529,821	\$ 1,549,424	\$ 1,787,037	\$ 1,784,076	\$ 1,722,108
Less Contributions in Relation to the Contractually Required Contribution	(1,429,001)	(1,610,641)	(1,548,796)	(1,529,821)	(1,549,424)	(1,787,037)	(1,784,076)	(1,722,108)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 16,092,355	\$ 17,816,806	\$ 17,132,694	\$ 16,917,694	\$ 17,038,198	\$ 17,084,489	\$ 16,783,412	\$ 16,768,359
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.09%	10.46%	10.63%	10.27%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.321270%	0.323468%	0.316211%	0.327262%	0.328640%	0.308281%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,197)	\$ (33,674)	\$ (83,428)	\$ (148,422)	\$ (185,513)	\$ (175,301)
Covered Payroll	\$ 681,586	\$ 1,423,268	\$ 2,080,484	\$ 2,874,414	\$ 3,477,658	\$ 3,890,266
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.01%)	(5.16%)	(5.33%)	(4.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.409997%	0.475940%	0.474617%	0.478728%	0.487314%	0.509507%	0.504270%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (66,623)	\$ 194,961	\$ 2,966,091	\$ (156,631)	\$ (1,714,816)	\$ (5,238,645)	\$ (3,845,430)
Covered Payroll	\$ 16,092,355	\$ 17,816,806	\$ 17,132,694	\$ 16,917,694	\$ 17,038,198	\$ 17,084,489	\$ 16,783,412
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.06%)	(30.66%)	(22.91%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

Exhibit F-7

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 30,976	\$ 26,406	\$ 7,225	\$ 8,169
Interest	19,346	22,632	8,986	9,533
Differences Between Actual and Expected Experience	0	(409,069)	7,243	(8,249)
Changes in Assumptions or Other Inputs	(66,968)	(2,218)	5,745	58,939
Benefit Payments	(5,250)	(5,938)	(6,188)	(7,385)
Net Change in Total OPEB Liability	\$ (21,896)	\$ (368,187)	\$ 23,011	\$ 61,007
Total OPEB Liability, Beginning	634,168	612,272	244,085	267,096
Total OPEB Liability, Ending	\$ 612,272	\$ 244,085	\$ 267,096	\$ 328,103
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

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

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

Exhibit F-8

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 642,656	\$ 596,357	\$ 764,496	\$ 575,341
Interest	318,694	390,983	499,126	432,794
Changes in Benefit Terms	0	(360,636)	(971,790)	0
Differences Between Actual and Expected Experience	0	1,965,213	(280,584)	317,728
Changes in Assumptions or Other Inputs	(506,033)	421,952	(881,559)	1,434,418
Benefit Payments	(314,232)	(366,829)	(389,974)	(406,514)
Net Change in Total OPEB Liability	\$ 141,085	\$ 2,647,040	\$ (1,260,285)	\$ 2,353,767
Total OPEB Liability, Beginning	10,428,633	10,569,718	13,216,758	11,956,473
Total OPEB Liability, Ending	\$ 10,569,718	\$ 13,216,758	\$ 11,956,473	\$ 14,310,240
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,546,214	\$ 3,442,186	\$ 3,076,497	\$ 3,554,450
Employer Proportionate Share of the Total OPEB Liability	\$ 7,023,504	\$ 9,774,572	\$ 8,879,976	\$ 10,755,790
Covered Employee Payroll	\$ 20,259,007	\$ 20,558,208	\$ 20,676,848	\$ 27,090,167
Total OPEB Liability as a percentage of Covered Employee Payroll	52.17%	64.29%	57.83%	52.82%

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

Note 2: Changes in assumptions.

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

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

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

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

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

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 105,246	\$ 86,326	\$ 66,833	\$ 134,491
Interest	99,703	113,591	104,894	133,154
Changes in Benefit Terms	0	(146,769)	0	(2,184,193)
Differences Between Actual and Expected Experience	0	(199,222)	(125,848)	(25,593)
Changes in Assumptions or Other Inputs	(309,424)	(24,744)	888,204	287,643
Benefit Payments	(99,300)	(101,375)	(105,219)	(106,390)
Net Change in Total OPEB Liability	\$ (203,775)	\$ (272,193)	\$ 828,864	\$ (1,760,888)
Total OPEB Liability, Beginning	3,358,901	3,155,126	2,882,933	3,711,797
Total OPEB Liability, Ending	<u>\$ 3,155,126</u>	<u>\$ 2,882,933</u>	<u>\$ 3,711,797</u>	<u>\$ 1,950,909</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,428,856	\$ 1,354,402	\$ 1,329,220	\$ 1,594,611
Employer Proportionate Share of the Total OPEB Liability	\$ 1,726,270	\$ 1,528,531	\$ 2,382,577	\$ 356,298
Covered Employee Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

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

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

Note 4: Changes in benefit terms in 2020 were due to the clarification of eligibility rules. Previously Monroe was valued with an additional local subsidy for support staff. This was clarified that the only subsidy is due to the adoption of Resolution 31.

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for Fiscal Year 2021 were calculated based on the June 30, 2019, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

Changes of assumptions. In 2017, the following assumptions were changed: (1) decreased inflation rate from 3 percent to 2.5 percent; (2) decreased the investment rate of return from 7.5 percent to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; (4) decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and (5) modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Other Capital Projects Fund – The Other Capital Projects Fund was also used to account for expenditures associated with the county capital outlay. This fund was closed during the year.

Exhibit G-1

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

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund General Capital Projects	
<u>ASSETS</u>						
Cash	\$ 210	\$ 0	\$ 3,509	\$ 3,719	\$ 0	\$ 3,719
Equity in Pooled Cash and Investments	791,483	63,452	0	854,935	1,281,200	2,136,135
Accounts Receivable	7,216	0	60	7,276	0	7,276
Due from Other Governments	10,215	0	0	10,215	0	10,215
Property Taxes Receivable	1,186,408	0	0	1,186,408	0	1,186,408
Allowance for Uncollectible Property Taxes	(27,986)	0	0	(27,986)	0	(27,986)
Total Assets	\$ 1,967,546	\$ 63,452	\$ 3,569	\$ 2,034,567	\$ 1,281,200	\$ 3,315,767
<u>LIABILITIES</u>						
Accounts Payable	\$ 3,596	\$ 161	\$ 0	\$ 3,757	\$ 0	\$ 3,757
Accrued Payroll	7,489	0	0	7,489	0	7,489
Payroll Deductions Payable	9,888	0	0	9,888	0	9,888
Due to Other Funds	0	882	3,569	4,451	0	4,451
Total Liabilities	\$ 20,973	\$ 1,043	\$ 3,569	\$ 25,585	\$ 0	\$ 25,585
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,137,865	\$ 0	\$ 0	\$ 1,137,865	\$ 0	\$ 1,137,865
Deferred Delinquent Property Taxes	17,583	0	0	17,583	0	17,583
Total Deferred Inflows of Resources	\$ 1,155,448	\$ 0	\$ 0	\$ 1,155,448	\$ 0	\$ 1,155,448

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital	Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund General Capital Projects	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 62,409	\$ 0	\$ 62,409	\$ 0	\$ 62,409
Restricted for Public Health and Welfare	572,434	0	0	572,434	0	572,434
Restricted for Capital Projects	0	0	0	0	1,281,200	1,281,200
Committed:						
Committed for Public Health and Welfare	218,691	0	0	218,691	0	218,691
Total Fund Balances	<u>\$ 791,125</u>	<u>\$ 62,409</u>	<u>\$ 0</u>	<u>\$ 853,534</u>	<u>\$ 1,281,200</u>	<u>\$ 2,134,734</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,967,546</u>	<u>\$ 63,452</u>	<u>\$ 3,569</u>	<u>\$ 2,034,567</u>	<u>\$ 1,281,200</u>	<u>\$ 3,315,767</u>

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,159,184	\$ 0	\$ 0	\$ 1,159,184	\$ 0
Fines, Forfeitures, and Penalties	0	31,359	0	31,359	0
Charges for Current Services	51,689	0	4,511	56,200	0
Other Local Revenues	15,894	20,888	0	36,782	0
State of Tennessee	92,164	0	0	92,164	0
Total Revenues	<u>\$ 1,318,931</u>	<u>\$ 52,247</u>	<u>\$ 4,511</u>	<u>\$ 1,375,689</u>	<u>\$ 0</u>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 68	\$ 68	\$ 0
Administration of Justice	0	0	4,443	4,443	0
Public Safety	0	19,008	0	19,008	0
Public Health and Welfare	1,266,247	0	0	1,266,247	0
Highways	76,127	0	0	76,127	0
Capital Projects	0	0	0	0	20,575
Total Expenditures	<u>\$ 1,342,374</u>	<u>\$ 19,008</u>	<u>\$ 4,511</u>	<u>\$ 1,365,893</u>	<u>\$ 20,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (23,443)</u>	<u>\$ 33,239</u>	<u>\$ 0</u>	<u>\$ 9,796</u>	<u>\$ (20,575)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 476,920
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 476,920</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	\$ (23,443)	\$ 33,239	\$ 0	\$ 9,796	\$ 456,345
Fund Balance, July 1, 2020	814,568	29,170	0	843,738	824,855
Fund Balance, June 30, 2021	<u>\$ 791,125</u>	<u>\$ 62,409</u>	<u>\$ 0</u>	<u>\$ 853,534</u>	<u>\$ 1,281,200</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects -	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 1,159,184
Fines, Forfeitures, and Penalties	0	0	31,359
Charges for Current Services	0	0	56,200
Other Local Revenues	0	0	36,782
State of Tennessee	0	0	92,164
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,375,689</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 68
Administration of Justice	0	0	4,443
Public Safety	0	0	19,008
Public Health and Welfare	0	0	1,266,247
Highways	0	0	76,127
Capital Projects	2,766	23,341	23,341
Total Expenditures	<u>\$ 2,766</u>	<u>\$ 23,341</u>	<u>\$ 1,389,234</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,766)</u>	<u>\$ (23,341)</u>	<u>\$ (13,545)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 476,920	\$ 476,920
Transfers Out	(476,920)	(476,920)	(476,920)
Total Other Financing Sources (Uses)	<u>\$ (476,920)</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects -	Total	
Net Change in Fund Balances	\$ (479,686)	\$ (23,341)	\$ (13,545)
Fund Balance, July 1, 2020	479,686	1,304,541	2,148,279
Fund Balance, June 30, 2021	\$ 0	\$ 1,281,200	\$ 2,134,734

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,159,184	\$ 1,204,185	\$ 1,204,185	\$ (45,001)
Charges for Current Services	51,689	38,000	38,000	13,689
Other Local Revenues	15,894	19,000	19,000	(3,106)
State of Tennessee	92,164	88,700	88,700	3,464
Total Revenues	<u>\$ 1,318,931</u>	<u>\$ 1,349,885</u>	<u>\$ 1,349,885</u>	<u>\$ (30,954)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 663,732	\$ 704,898	\$ 735,098	\$ 71,366
Convenience Centers	584,415	675,366	645,166	60,751
Postclosure Care Costs	18,100	25,000	25,000	6,900
<u>Highways</u>				
Litter and Trash Collection	76,127	88,449	88,449	12,322
Total Expenditures	<u>\$ 1,342,374</u>	<u>\$ 1,493,713</u>	<u>\$ 1,493,713</u>	<u>\$ 151,339</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (23,443)</u>	<u>\$ (143,828)</u>	<u>\$ (143,828)</u>	<u>\$ 120,385</u>
Net Change in Fund Balance	\$ (23,443)	\$ (143,828)	\$ (143,828)	\$ 120,385
Fund Balance, July 1, 2020	<u>814,568</u>	<u>795,061</u>	<u>795,061</u>	<u>19,507</u>
Fund Balance, June 30, 2021	<u>\$ 791,125</u>	<u>\$ 651,233</u>	<u>\$ 651,233</u>	<u>\$ 139,892</u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 31,359	\$ 125,000	\$ 125,000	\$ (93,641)
Other Local Revenues	20,888	0	0	20,888
Total Revenues	<u>\$ 52,247</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ (72,753)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 19,008	\$ 111,722	\$ 111,722	\$ 92,714
Total Expenditures	<u>\$ 19,008</u>	<u>\$ 111,722</u>	<u>\$ 111,722</u>	<u>\$ 92,714</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,239</u>	<u>\$ 13,278</u>	<u>\$ 13,278</u>	<u>\$ 19,961</u>
Net Change in Fund Balance	\$ 33,239	\$ 13,278	\$ 13,278	\$ 19,961
Fund Balance, July 1, 2020	<u>29,170</u>	<u>28,016</u>	<u>28,016</u>	<u>1,154</u>
Fund Balance, June 30, 2021	<u><u>\$ 62,409</u></u>	<u><u>\$ 41,294</u></u>	<u><u>\$ 41,294</u></u>	<u><u>\$ 21,115</u></u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,374,555	\$ 5,477,303	\$ 5,477,303	\$ (102,748)
Other Local Revenues	116,442	400,000	400,000	(283,558)
State of Tennessee	7,190	0	0	7,190
Other Governments and Citizens Groups	66,341	7,188	66,341	0
Total Revenues	<u>\$ 5,564,528</u>	<u>\$ 5,884,491</u>	<u>\$ 5,943,644</u>	<u>\$ (379,116)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 431,063	\$ 431,063	\$ 431,063	\$ 0
Education	2,187,094	2,132,188	2,187,364	270
<u>Interest on Debt</u>				
General Government	871,177	871,177	871,177	0
Education	1,029,427	1,566,712	1,805,961	776,534
<u>Other Debt Service</u>				
General Government	0	3,000	3,000	3,000
Education	1,717,050	108,000	1,730,042	12,992
Total Expenditures	<u>\$ 6,235,811</u>	<u>\$ 5,112,140</u>	<u>\$ 7,028,607</u>	<u>\$ 792,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (671,283)</u>	<u>\$ 772,351</u>	<u>\$ (1,084,963)</u>	<u>\$ 413,680</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 9,410,000	\$ 0	\$ 9,410,000	\$ 0
Premiums on Debt Sold	518,560	0	518,560	0
Payments to Refunded Debt Escrow Agent	(9,771,516)	0	(9,771,516)	0
Total Other Financing Sources	<u>\$ 157,044</u>	<u>\$ 0</u>	<u>\$ 157,044</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (514,239)	\$ 772,351	\$ (927,919)	\$ 413,680
Fund Balance, July 1, 2020	<u>15,529,659</u>	<u>15,304,312</u>	<u>15,304,312</u>	<u>225,347</u>
Fund Balance, June 30, 2021	<u>\$ 15,015,420</u>	<u>\$ 16,076,663</u>	<u>\$ 14,376,393</u>	<u>\$ 639,027</u>

Custodial Funds

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

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

City School ADA - Sweetwater Fund – The City School ADA - Sweetwater Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

Exhibit I-1

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

	Custodial Funds			Total
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Custodial	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 2,426,633	\$ 2,426,633
Equity in Pooled Cash and Investments	0	4,226	0	4,226
Accounts Receivable	0	205	0	205
Due from Other Governments	998,195	278,475	0	1,276,670
Property Taxes Receivable	0	1,787,326	0	1,787,326
Allowance for Uncollectible Property Taxes	0	(42,162)	0	(42,162)
Total Assets	<u>\$ 998,195</u>	<u>\$ 2,028,070</u>	<u>\$ 2,426,633</u>	<u>\$ 5,452,898</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 998,195	\$ 313,875	\$ 0	\$ 1,312,070
Total Liabilities	<u>\$ 998,195</u>	<u>\$ 313,875</u>	<u>\$ 0</u>	<u>\$ 1,312,070</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,714,195	\$ 0	\$ 1,714,195
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 1,714,195</u>	<u>\$ 0</u>	<u>\$ 1,714,195</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 2,426,633	\$ 2,426,633
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,426,633</u>	<u>\$ 2,426,633</u>

Exhibit I-2

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

	<u>Custodial Funds</u>			
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Custodial	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 5,654,085	\$ 0	\$ 0	\$ 5,654,085
ADA - Educational Funds Collected for Cities	0	3,465,945	0	3,465,945
Fines/Fees and Other Collections	0	0	7,706,058	7,706,058
Total Additions	<u>\$ 5,654,085</u>	<u>\$ 3,465,945</u>	<u>\$ 7,706,058</u>	<u>\$ 16,826,088</u>
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 5,654,085	\$ 0	\$ 0	\$ 5,654,085
Payments to City School Systems	0	3,465,945	0	3,465,945
Payments to State	0	0	5,890,170	5,890,170
Payments to Individuals and Others	0	0	1,911,318	1,911,318
Total Deductions	<u>\$ 5,654,085</u>	<u>\$ 3,465,945</u>	<u>\$ 7,801,488</u>	<u>\$ 16,921,518</u>
Change in Net Position	\$ 0	\$ 0	\$ (95,430)	\$ (95,430)
Net Position July 1, 2020	0	0	0	0
Restatement - See Note I.D.10.	0	0	2,522,063	2,522,063
Net Position June 30, 2021	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,426,633</u>	<u>\$ 2,426,633</u>

Monroe County School Department

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total
Governmental Activities:					
Instruction	\$ 29,336,827	\$ 0	\$ 3,590,407	\$ 1,484,673	\$ (24,261,747)
Support Services	17,692,333	0	290,840	257,567	(17,143,926)
Operation of Non-instructional Services	5,240,051	394,995	5,684,778	107,280	947,002
Total Governmental Activities	\$ 52,269,211	\$ 394,995	\$ 9,566,025	\$ 1,849,520	\$ (40,458,671)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,230,639
Local Option Sales Taxes					5,467,253
Business Tax					182,926
Mixed Drink Tax					5,900
Other Local Taxes					805
Grants and Contributions Not Restricted for Specific Programs					32,771,990
Gain on Investments					44,811
Miscellaneous					208,153
Total General Revenues					\$ 44,912,477
Change in Net Position					\$ 4,453,806
Net Position, July 1, 2020					41,530,076
Restatement - See Note I.D.10.					911,344
Net Position, June 30, 2021					\$ 46,895,226

Exhibit J-2

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,086	\$ 972,211	\$ 973,297
Equity in Pooled Cash and Investments	8,961,832	4,306	3,052,739	0	12,018,877
Accounts Receivable	3,260	0	0	0	3,260
Due from Other Governments	1,929,689	910,965	149,386	0	2,990,040
Property Taxes Receivable	6,401,307	0	0	0	6,401,307
Allowance for Uncollectible Property Taxes	(151,001)	0	0	0	(151,001)
Restricted Assets	272,578	0	0	0	272,578
Total Assets	\$ 17,417,665	\$ 915,271	\$ 3,203,211	\$ 972,211	\$ 22,508,358
<u>LIABILITIES</u>					
Accounts Payable	\$ 121,729	\$ 1,549	\$ 354	\$ 0	\$ 123,632
Accrued Payroll	3,879,686	367,330	55,426	0	4,302,442
Payroll Deductions Payable	1,862,957	206,845	92,365	0	2,162,167
Total Liabilities	\$ 5,864,372	\$ 575,724	\$ 148,145	\$ 0	\$ 6,588,241
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,139,389	\$ 0	\$ 0	\$ 0	\$ 6,139,389
Deferred Delinquent Property Taxes	94,871	0	0	0	94,871
Other Deferred/Unavailable Revenue	480,215	0	0	0	480,215
Total Deferred Inflows of Resources	\$ 6,714,475	\$ 0	\$ 0	\$ 0	\$ 6,714,475

(Continued)

Exhibit J-2

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 148,153	\$ 9,633	\$ 3,055,066	\$ 972,211	\$ 4,185,063
Restricted for Hybrid Retirement Stabilization Funds	272,578	0	0	0	272,578
Committed:					
Committed for Education	0	329,914	0	0	329,914
Assigned:					
Assigned for Education	71,342	0	0	0	71,342
Unassigned	4,346,745	0	0	0	4,346,745
Total Fund Balances	<u>\$ 4,838,818</u>	<u>\$ 339,547</u>	<u>\$ 3,055,066</u>	<u>\$ 972,211</u>	<u>\$ 9,205,642</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,417,665</u>	<u>\$ 915,271</u>	<u>\$ 3,203,211</u>	<u>\$ 972,211</u>	<u>\$ 22,508,358</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	9,205,642
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	864,562	
Add: construction in progress		257,567	
Add: buildings and improvements net of accumulated depreciation		37,089,364	
Add: other capital assets net of accumulated depreciation		<u>2,614,974</u>	40,826,467
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for capital leases	\$	(39,457)	
Less: net OPEB liability		(11,112,088)	
Less: former director of schools buyout agreement liability		<u>(236,812)</u>	(11,388,357)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,695,178	
Less: deferred inflows of resources related to pensions		(2,255,559)	
Add: deferred outflows of resources related to OPEB		3,896,193	
Less: deferred inflows of resources related to OPEB		<u>(2,356,614)</u>	2,979,198
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	676,459	
Add: net pension asset - teacher retirement plan		175,301	
Add: net pension asset - teacher legacy pension plan		<u>3,845,430</u>	4,697,190
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>575,086</u>
Net position of governmental activities (Exhibit A)		\$	<u>46,895,226</u>

Exhibit J-4

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 11,874,941	\$ 0	\$ 0	\$ 0	\$ 11,874,941
Licenses and Permits	2,948	0	0	0	2,948
Charges for Current Services	332,899	0	62,091	0	394,990
Other Local Revenues	254,933	0	2,999	1,815,602	2,073,534
State of Tennessee	32,191,798	0	28,058	0	32,219,856
Federal Government	1,566,312	5,843,609	3,878,793	0	11,288,714
Other Governments and Citizens Groups	146,273	0	0	0	146,273
Total Revenues	<u>\$ 46,370,104</u>	<u>\$ 5,843,609</u>	<u>\$ 3,971,941</u>	<u>\$ 1,815,602</u>	<u>\$ 58,001,256</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 27,127,752	\$ 4,501,999	\$ 0	\$ 0	\$ 31,629,751
Support Services	16,887,061	1,332,302	0	0	18,219,363
Operation of Non-Instructional Services	385,001	0	3,170,657	1,754,735	5,310,393
Debt Service:					
Other Debt Service	59,153	0	0	0	59,153
Total Expenditures	<u>\$ 44,458,967</u>	<u>\$ 5,834,301</u>	<u>\$ 3,170,657</u>	<u>\$ 1,754,735</u>	<u>\$ 55,218,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,911,137</u>	<u>\$ 9,308</u>	<u>\$ 801,284</u>	<u>\$ 60,867</u>	<u>\$ 2,782,596</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 69,140	\$ 0	\$ 0	\$ 0	\$ 69,140
Total Other Financing Sources (Uses)	<u>\$ 69,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,140</u>

(Continued)

Exhibit J-4

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Net Change in Fund Balances	\$ 1,980,277	\$ 9,308	\$ 801,284	\$ 60,867	\$ 2,851,736
Restatement - See Note I.D.10.	0	0	0	911,344	911,344
Fund Balance, July 1, 2020	2,858,541	330,239	2,253,782	0	5,442,562
Fund Balance, June 30, 2021	\$ 4,838,818	\$ 339,547	\$ 3,055,066	\$ 972,211	\$ 9,205,642

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 2,851,736
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,143,324	
Less: current-year depreciation expense	<u>(1,971,583)</u>	171,741
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 575,086	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(583,598)</u>	(8,512)
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on leases to primary government		54,906
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in OPEB liability	\$ 150,465	
Change in deferred outflows related to OPEB	613,025	
Change in deferred inflows related to OPEB	(967,620)	
Change in net pension asset/liability	(1,449,335)	
Change in deferred outflows related to pensions	262,926	
Change in deferred inflows related to pensions	3,011,286	
Change in director of schools buyout agreement liability	<u>(236,812)</u>	<u>1,383,935</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,453,806</u>

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,874,941	\$ 0	\$ 0	\$ 11,874,941	\$ 11,372,325	\$ 11,372,325	\$ 502,616
Licenses and Permits	2,948	0	0	2,948	3,000	3,000	(52)
Charges for Current Services	332,899	0	0	332,899	362,000	363,591	(30,692)
Other Local Revenues	254,933	0	0	254,933	188,609	221,799	33,134
State of Tennessee	32,191,798	0	0	32,191,798	31,546,570	31,723,616	468,182
Federal Government	1,566,312	0	0	1,566,312	457,327	1,847,977	(281,665)
Other Governments and Citizens Groups	146,273	0	0	146,273	0	63,275	82,998
Total Revenues	\$ 46,370,104	\$ 0	\$ 0	\$ 46,370,104	\$ 43,929,831	\$ 45,595,583	\$ 774,521
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,201,403	\$ 0	\$ 0	\$ 21,201,403	\$ 21,210,515	\$ 21,112,035	\$ (89,368)
Alternative Instruction Program	94,843	0	0	94,843	93,062	95,944	1,101
Special Education Program	3,937,721	0	0	3,937,721	3,986,097	4,057,047	119,326
Career and Technical Education Program	1,893,785	0	0	1,893,785	1,850,063	1,937,889	44,104
<u>Support Services</u>							
Attendance	40,305	0	0	40,305	38,900	40,464	159
Health Services	1,250,185	0	862	1,251,047	1,291,618	1,322,342	71,295
Other Student Support	1,059,444	0	214	1,059,658	1,078,659	1,090,212	30,554
Regular Instruction Program	1,072,314	0	0	1,072,314	1,189,498	1,174,744	102,430
Special Education Program	473,135	0	0	473,135	476,961	480,363	7,228
Technology	1,215,670	0	350	1,216,020	863,809	1,334,259	118,239
Other Programs	834,945	0	0	834,945	357,327	1,143,747	308,802
Board of Education	608,043	0	0	608,043	617,850	633,850	25,807
Director of Schools	347,550	0	220	347,770	369,690	369,660	21,890
Office of the Principal	2,465,824	0	0	2,465,824	2,401,515	2,481,003	15,179
Operation of Plant	3,312,053	0	0	3,312,053	3,779,210	3,747,459	435,406
Maintenance of Plant	1,513,453	(149)	62,744	1,576,048	1,479,259	1,755,015	178,967
Transportation	2,408,957	0	0	2,408,957	2,468,616	2,494,969	86,012

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
COVID-19 Expenditures	\$ 285,183	\$ 0	\$ 0	\$ 285,183	\$ 0	\$ 285,183	\$ 0
<u>Operation of Non-Instructional Services</u>							
Community Services	63,398	0	0	63,398	50,038	74,290	10,892
Early Childhood Education	321,603	0	6,952	328,555	327,144	330,523	1,968
<u>Other Debt Service</u>							
Education	59,153	0	0	59,153	0	59,153	0
Total Expenditures	\$ 44,458,967	\$ (149)	\$ 71,342	\$ 44,530,160	\$ 43,929,831	\$ 46,020,151	\$ 1,489,991
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,911,137	\$ 149	\$ (71,342)	\$ 1,839,944	\$ 0	\$ (424,568)	\$ 2,264,512
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 69,140	\$ 0	\$ 0	\$ 69,140	\$ 0	\$ 91,937	\$ (22,797)
Total Other Financing Sources	\$ 69,140	\$ 0	\$ 0	\$ 69,140	\$ 0	\$ 91,937	\$ (22,797)
Net Change in Fund Balance	\$ 1,980,277	\$ 149	\$ (71,342)	\$ 1,909,084	\$ 0	\$ (332,631)	\$ 2,241,715
Fund Balance, July 1, 2020	2,858,541	(149)	0	2,858,392	1,708,598	1,708,598	1,149,794
Fund Balance, June 30, 2021	\$ 4,838,818	\$ 0	\$ (71,342)	\$ 4,767,476	\$ 1,708,598	\$ 1,375,967	\$ 3,391,509

Exhibit J-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 5,843,609	\$ 0	\$ 5,843,609	\$ 4,162,148	\$ 10,118,273	\$ (4,274,664)
Total Revenues	\$ 5,843,609	\$ 0	\$ 5,843,609	\$ 4,162,148	\$ 10,118,273	\$ (4,274,664)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,481,229	\$ 204,104	\$ 3,685,333	\$ 2,239,493	\$ 6,072,408	\$ 2,387,075
Special Education Program	903,928	0	903,928	925,061	991,174	87,246
Career and Technical Education Program	116,842	0	116,842	94,958	116,842	0
<u>Support Services</u>						
Health Services	16,647	0	16,647	0	28,346	11,699
Other Student Support	57,214	0	57,214	109,566	85,631	28,417
Regular Instruction Program	692,045	0	692,045	494,418	943,992	251,947
Special Education Program	208,009	0	208,009	216,376	217,593	9,584
Career and Technical Education Program	5,151	0	5,151	9,861	5,151	0
Technology	162,131	0	162,131	200,999	173,831	11,700
Maintenance of Plant	0	913,433	913,433	0	1,064,281	150,848
Transportation	191,105	0	191,105	0	291,113	100,008
<u>Capital Outlay</u>						
Regular Capital Outlay	0	73,429	73,429	0	127,909	54,480
Total Expenditures	\$ 5,834,301	\$ 1,190,966	\$ 7,025,267	\$ 4,290,732	\$ 10,118,271	\$ 3,093,004
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,308	\$ (1,190,966)	\$ (1,181,658)	\$ (128,584)	\$ 2	\$ (1,181,660)

(Continued)

Exhibit J-8

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Monroe County School Department
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 128,584	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 128,584	\$ 0	\$ 0
Net Change in Fund Balance	\$ 9,308	\$ (1,190,966)	\$ (1,181,658)	\$ 0	\$ 2	\$ (1,181,660)
Fund Balance, July 1, 2020	330,239	0	330,239	330,239	330,239	0
Fund Balance, June 30, 2021	\$ 339,547	\$ (1,190,966)	\$ (851,419)	\$ 330,239	\$ 330,241	\$ (1,181,660)

Exhibit J-8

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Monroe County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 62,091	\$ 0	\$ 62,091	\$ 641,850	\$ 64,850	\$ (2,759)
Other Local Revenues	2,999	0	2,999	12	1,805	1,194
State of Tennessee	28,058	0	28,058	25,150	28,059	(1)
Federal Government	3,878,793	0	3,878,793	2,536,157	3,582,294	296,499
Total Revenues	<u>\$ 3,971,941</u>	<u>\$ 0</u>	<u>\$ 3,971,941</u>	<u>\$ 3,203,169</u>	<u>\$ 3,677,008</u>	<u>\$ 294,933</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,170,657	\$ 45,000	\$ 3,215,657	\$ 3,203,169	\$ 3,677,008	\$ 461,351
Total Expenditures	<u>\$ 3,170,657</u>	<u>\$ 45,000</u>	<u>\$ 3,215,657</u>	<u>\$ 3,203,169</u>	<u>\$ 3,677,008</u>	<u>\$ 461,351</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 801,284</u>	<u>\$ (45,000)</u>	<u>\$ 756,284</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 756,284</u>
Net Change in Fund Balance	\$ 801,284	\$ (45,000)	\$ 756,284	\$ 0	\$ 0	\$ 756,284
Fund Balance, July 1, 2020	<u>2,253,782</u>	<u>0</u>	<u>2,253,782</u>	<u>1,798,698</u>	<u>1,798,698</u>	<u>455,084</u>
Fund Balance, June 30, 2021	<u>\$ 3,055,066</u>	<u>\$ (45,000)</u>	<u>\$ 3,010,066</u>	<u>\$ 1,798,698</u>	<u>\$ 1,798,698</u>	<u>\$ 1,211,368</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Monroe County, Tennessee
Schedule of Changes in Long-term Bonds, Other Loans, and Capital Leases
 For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Debt Refunded During Period	Paid and/or Matured During Period	Outstanding 6-30-21
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation School Refunding Bonds, Series 2015	\$ 7,810,000	2.0 to 3.0 %	11-24-15	6-1-24	\$ 7,530,000	\$ 0	\$ 6,130,000	\$ 320,000	\$ 1,080,000
General Obligation School Refunding Bonds, Series 2016	8,005,000	2.0	9-14-16	6-1-24	5,770,000	0	3,625,000	545,000	1,600,000
General Obligation School Refunding Bonds, Series 2017	9,725,000	2.5 to 3.25	7-28-17	6-1-38	9,675,000	0	0	175,000	9,500,000
General Obligation Bonds, Series 2017	30,917,200	2.875	6-5-19	6-5-59	30,498,339	0	0	431,063	30,067,276
General Obligation School Refunding Bonds, Series 2021	9,410,000	2.0	6-25-21	6-1-35	0	9,410,000	0	0	9,410,000
Total Bonds Payable					\$ 53,473,339	\$ 9,410,000	\$ 9,755,000	\$ 1,471,063	\$ 51,657,276
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Public Improvement and Refunding, Series E-7-A	31,965,000	Variable	(1) 2-19-09	6-1-39	\$ 24,025,000	\$ 0	\$ 0	\$ 1,085,000	\$ 22,940,000
Fort Loudoun Electric Cooperative Interest-Free Loan	71,820	0	9-13-12	8-20-22	15,514	0	0	7,188	8,326
Total Other Loans Payable					\$ 24,040,514	\$ 0	\$ 0	\$ 1,092,188	\$ 22,948,326
CAPITAL LEASES PAYABLE									
<u>Payable through General Fund</u>									
Maintenance Vehicle - 2017 Ram Crew Cab SSV	28,004	4.65	2-10-17	2-10-21	\$ 5,600	\$ 0	\$ 0	\$ 5,600	\$ 0
Sheriff Vehicle - 2017 Dodge Durango	34,312	4.65	4-10-17	4-10-21	6,863	0	0	6,863	0
Three Sheriff's Vehicles - 2017 Dodge Chargers AWD	123,622	4.65	8-10-17	8-10-20	30,904	0	0	30,904	0
Five Sheriff's Vehicles - 2017 Dodge Chargers AWD	247,245	4.65	9-10-17	9-10-20	51,510	0	0	51,510	0
Two Sheriff's Vehicles - 2017 Ram Crew Cab SSV	93,342	4.65	9-10-17	9-10-20	23,334	0	0	23,334	0
Sheriff Vehicle - 2017 Dodge Chargers AWD	41,207	4.65	10-10-17	10-10-20	10,301	0	0	10,301	0
Ambulance - Lifepack Defibrillators	214,535	4.90	10-10-17	10-10-21	85,814	0	0	42,907	42,907
Sheriff Vehicle - 2018 Dodge Ram Crew Cab	46,671	4.65	6-10-18	6-10-21	11,668	0	0	11,668	0
Property Assessor Vehicle - 2019 Jeep Compass	21,816	4.99	2-10-19	2-10-23	13,090	0	0	4,363	8,727
EMA Vehicle - 2018 Dodge 3500	25,081	4.91	4-10-19	4-10-22	12,541	0	0	6,270	6,271
Sheriff Vehicle - 2019 Dodge Durango	30,433	4.65	8-10-19	8-10-24	24,346	0	0	6,090	18,256
Motorola Radio Lease	3,210,000	3.16	10-1-19	10-1-29	3,210,000	0	0	367,768	2,842,232
Total Payable through General Fund					\$ 3,485,971	\$ 0	\$ 0	\$ 567,578	\$ 2,918,393

(Continued)

Exhibit K-1

Monroe County, Tennessee

Schedule of Changes in Long-term Bonds, Other Loans, and Capital Leases (Continued)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Debt Refunded During Period	Paid and/or Matured During Period	Outstanding 6-30-21
<u>CAPITAL LEASES PAYABLE (Cont.)</u>									
<u>Payable through Highway/Public Works Fund</u>									
Three 2017 Dodge Ram 1500s	\$ 66,582	4.65 %	8-10-17	8-10-20	\$ 16,646	\$ 0	\$ 0	\$ 16,646	\$ 0
2017 Dodge Ram 2500	29,298	4.65	8-10-17	8-10-20	7,324	0	0	7,324	0
Three 2018 International Dump Trucks	324,269	4.25	9-7-17	9-7-20	82,682	0	0	82,682	0
Two 2017 Dodge Ram 1500s	59,869	4.65	9-10-17	9-10-20	14,968	0	0	14,968	0
Three 2021 International Dump Trucks	348,686	3.93	10-10-20	10-10-23	0	348,686	0	87,172	261,514
Total Payable through Highway/Public Works Fund					\$ 121,620	\$ 348,686	\$ 0	\$ 208,792	\$ 261,514
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>									
Caterpillar Excavator and Skid Loader	67,553	2.89	9-20-16	9-20-21	\$ 17,832	\$ 0	\$ 0	\$ 14,211	\$ 3,621
2017 Dodge Ram 2500 Crew Cab	32,315	4.65	5-10-17	5-10-21	6,463	0	0	6,463	0
2017 Dodge Ram 2500	36,906	4.65	6-10-17	6-10-21	7,382	0	0	7,382	0
2017 Jeep Renegade	20,345	4.65	6-10-17	6-10-21	4,069	0	0	4,069	0
2018 Dodge Ram 3500	48,649	4.65	4-10-18	4-10-22	19,459	0	0	9,729	9,730
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	13,786	0	0	4,595	9,191
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	13,786	0	0	4,595	9,191
2019 Dodge Caravan	19,310	4.99	4-10-19	4-10-22	11,586	0	0	3,862	7,724
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					\$ 94,363	\$ 0	\$ 0	\$ 54,906	\$ 39,457
Total Capital Leases Payable					\$ 3,701,954	\$ 348,686	\$ 0	\$ 831,276	\$ 3,219,364

(1) This loan agreement included refunding outstanding principal of \$6,000,000 on Series IV-A-4 and \$10,050,000 on Series V-C-2, which were swapped from variable to a synthetic fixed rate by execution of swap agreements during the years ended June 30, 2005, and 2007, respectively. The interest rate swap agreement associated with this loan was terminated during the year. A fee of \$1,464,998 was paid to the counterparty to terminate the agreement.

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,573,621	\$ 1,369,697	\$ 2,943,318
2023	1,646,545	1,344,970	2,991,515
2024	1,749,845	1,305,870	3,055,715
2025	1,773,532	1,264,133	3,037,665
2026	1,682,618	1,223,047	2,905,665
2027	1,767,115	1,183,675	2,950,790
2028	1,727,034	1,142,506	2,869,540
2029	1,792,387	1,102,028	2,894,415
2030	1,728,188	1,059,540	2,787,728
2031	1,914,449	1,018,228	2,932,677
2032	1,431,184	972,519	2,403,703
2033	1,418,406	936,359	2,354,765
2034	2,131,130	899,585	3,030,715
2035	2,089,371	841,444	2,930,815
2036	2,118,142	784,123	2,902,265
2037	2,317,461	721,154	3,038,615
2038	2,312,342	652,223	2,964,565
2039	722,803	579,437	1,302,240
2040	743,859	558,381	1,302,240
2041	765,530	536,710	1,302,240
2042	787,831	514,409	1,302,240
2043	810,782	491,458	1,302,240
2044	834,401	467,839	1,302,240
2045	858,709	443,531	1,302,240
2046	883,725	418,515	1,302,240
2047	909,469	392,771	1,302,240
2048	935,964	366,276	1,302,240
2049	963,230	339,010	1,302,240
2050	991,291	310,949	1,302,240
2051	1,020,169	282,071	1,302,240
2052	1,049,889	252,351	1,302,240
2053	1,080,474	221,766	1,302,240
2054	1,111,950	190,290	1,302,240
2055	1,144,343	157,897	1,302,240
2056	1,177,680	124,560	1,302,240
2057	1,211,988	90,252	1,302,240
2058	1,247,296	54,944	1,302,240
2059	1,232,523	18,470	1,250,993
Total	\$ 51,657,276	\$ 24,632,988	\$ 76,290,264

(Continued)

Exhibit K-2

Monroe County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2022	\$ 1,162,188	\$ 25,234	\$ 192,441	\$ 1,379,863
2023	1,156,138	23,964	182,752	1,362,854
2024	1,130,000	22,693	173,062	1,325,755
2025	1,150,000	21,450	163,583	1,335,033
2026	1,295,000	20,185	153,936	1,469,121
2027	1,310,000	18,761	143,072	1,471,833
2028	1,420,000	17,320	132,083	1,569,403
2029	1,445,000	15,757	120,171	1,580,928
2030	1,590,000	14,168	108,049	1,712,217
2031	1,445,000	12,419	94,710	1,552,129
2032	1,580,000	10,830	82,588	1,673,418
2033	1,645,000	9,091	69,334	1,723,425
2034	865,000	7,282	55,534	927,816
2035	960,000	6,330	48,278	1,014,608
2036	1,465,000	5,275	40,225	1,510,500
2037	1,395,000	3,663	27,935	1,426,598
2038	1,535,000	2,128	16,232	1,553,360
2039	400,000	440	3,355	403,795
Total	\$ 22,948,326	\$ 236,990	\$ 1,807,340	\$ 24,992,656

Year Ending June 30	Capital Leases - Direct Placement		
	Principal	Interest	Total
2022	\$ 451,153	\$ 103,212	\$ 554,365
2023	397,411	88,524	485,935
2024	389,054	77,739	466,793
2025	305,145	62,623	367,768
2026	314,787	52,981	367,768
2027	324,734	43,033	367,767
2028	334,996	32,772	367,768
2029	345,582	22,186	367,768
2030	356,502	11,265	367,767
Total	\$ 3,219,364	\$ 494,335	\$ 3,713,699

Exhibit K-3

Monroe County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Other Capital Projects	General Capital Projects	To close Other Capital Projects Fund	\$ 476,920
Total Transfers Primary Government			<u>\$ 476,920</u>

Exhibit K-4

Monroe County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Monroe County School Department
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> and County Commission	\$ 101,746	\$ 400,000	Tennessee Risk Management Trust
Road Superintendent	Section 8-24-102, <i>TCA</i>	91,901	400,000	"
Director of Schools:				
DeAnna McClendon (7-1-20 through 3-1-21)	State Board of Education and County Board of Education	108,893 (1) (2)	400,000	"
Kristi Windsor (3-1-21 through 6-30-21)	State Board of Education and County Board of Education	31,647 (3) (4)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	83,545	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	83,545	400,000	"
Director of Finance	County Commission	89,542 (5)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	83,545	400,000	"
Circuit and General Sessions Courts Clerk Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	83,545 (6)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	83,545	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	96,901 (7)	400,000	"
Employee Blanket Bond Coverage: Monroe County and Monroe County School Department: Public Employee Dishonesty			400,000	Tennessee Risk Management Trust

- (1) Does not include a chief executive officer training supplement of \$1,000, virtual learning stipend of \$100, and career ladder supplement of \$1,500.
(2) Includes a total of \$41,664 paid under terms of a buyout agreement. Social Security and Medicare taxes totaling \$3,188, were also paid by the school department under the agreement. See Note IV.H. for further discussion.
(3) This amount was paid from the Supervisor/Director object code of the Support Services - Regular Instruction major category of the General Purpose School Fund and includes accrued vacation pay of \$922 earned under a previous employee position with the school department.
(4) Does not include a stipend of \$1,000 paid out of ESSER grant funds to all certified staff members.
(5) Does not include longevity pay of \$900.
(6) Does not include special commissioner fees of \$4,443.
(7) Includes a \$5,000 supplement for serving as a workhouse superintendent. Does not include a law enforcement training supplement of \$800.

Exhibit K-5

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,412,816	\$ 1,015,082	\$ 0	\$ 0	\$ 1,083,443
Trustee's Collections - Prior Year	122,489	12,202	0	0	13,003
Circuit Clerk/Clerk and Master Collections - Prior Years	237,561	23,294	0	0	24,867
Interest and Penalty	54,394	5,458	0	0	5,787
Payments in-Lieu-of Taxes - T.V.A.	14,229	1,417	0	0	1,513
Payments in-Lieu-of Taxes - Local Utilities	982,533	95,781	0	0	102,232
Payments in-Lieu-of Taxes - Other	103,276	319	0	0	127,888
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,338,775	0	0	0	0
Hotel/Motel Tax	268,909	0	0	0	0
Wheel Tax	1,083,149	0	0	0	0
Litigation Tax - General	38,450	0	0	0	0
Litigation Tax - Special Purpose	35,852	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	178,396	0	0	0	0
Business Tax	246,241	0	0	0	11,453
Mixed Drink Tax	7,404	0	0	0	0
Mineral Severance Tax	0	0	0	0	43,318
<u>Statutory Local Taxes</u>					
Bank Excise Tax	57,765	5,631	0	0	6,010
Wholesale Beer Tax	81,271	0	0	0	0
Total Local Taxes	<u>\$ 15,263,510</u>	<u>\$ 1,159,184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,419,514</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 51,269	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	55,696	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Building Permits	\$ 25,345	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 132,310	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 11,008	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	25,308	0	0	0	0
Jail Fees	18,634	0	0	0	0
DUI Treatment Fines	950	0	0	0	0
Data Entry Fee - Circuit Court	3,246	0	0	0	0
Courtroom Security Fee	228	0	0	0	0
<u>General Sessions Court</u>					
Fines	44,048	0	0	0	0
Officers Costs	49,836	0	0	0	0
Jail Fees	40,608	0	0	0	0
DUI Treatment Fines	9,521	0	0	0	0
Data Entry Fee - General Sessions Court	13,520	0	0	0	0
Courtroom Security Fee	1,196	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,983	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Control Fines	18,147	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	87	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 31,359	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 238,320	\$ 0	\$ 31,359	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 51,689	\$ 0	\$ 0	\$ 0
Patient Charges	3,283,129	0	0	0	0
Other General Service Charges	366,457	0	0	0	208,854
Service Charges	16	0	0	0	0
<u>Fees</u>					
Airport Fees	351,609	0	0	0	0
Copy Fees	1,170	0	0	0	0
Archives and Records Management Fee	417	0	0	0	0
Telephone Commissions	203,999	0	0	0	0
Tourism Fees	109,569	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	68	0
Special Commissioner Fees/Special Master Fees	0	0	0	4,443	0
Data Processing Fee - Register	20,654	0	0	0	0
Data Processing Fee - Sheriff	4,429	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,530	0	0	0	0
Data Processing Fee - County Clerk	8,115	0	0	0	0
Total Charges for Current Services	\$ 4,359,094	\$ 51,689	\$ 0	\$ 4,511	\$ 208,854

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 2	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,600	0	0	0	0
Commissary Sales	37,340	0	0	0	0
Sale of Recycled Materials	0	15,894	0	0	0
Miscellaneous Refunds	596	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	43,501	0	20,888	0	0
Contributions and Gifts	5,364	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	7,852	0	0	0	0
Total Other Local Revenues	\$ 98,255	\$ 15,894	\$ 20,888	\$ 0	\$ 0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 599,317	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	228,602	0	0	0	0
General Sessions Court Clerk	254,082	0	0	0	0
Clerk and Master	178,785	0	0	0	0
Register	297,921	0	0	0	0
Sheriff	19,888	0	0	0	0
Trustee	845,898	0	0	0	0
Total Fees Received From County Officials	\$ 2,424,493	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	15,000	0	0	0	0
Other General Government Grants	100,460	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	36,800	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	347,516
State Aid Program	0	0	0	0	234,910
Litter Program	0	49,494	0	0	0
<u>Other State Revenues</u>					
Income Tax	20,345	1,984	0	0	2,118
Beer Tax	18,369	0	0	0	0
Vehicle Certificate of Title Fees	10,003	0	0	0	0
Alcoholic Beverage Tax	128,045	0	0	0	0
State Revenue Sharing - T.V.A.	150,000	0	0	0	21,000
State Revenue Sharing - Telecommunications	54,035	0	0	0	0
State Shared Sports Gaming Privilege Tax	11,669	0	0	0	0
Prisoner Transportation	45,315	0	0	0	0
Contracted Prisoner Boarding	951,093	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,878,962
Petroleum Special Tax	0	0	0	0	32,122
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	245,845	0	0	0	0
Other State Revenues	647,470	40,686	0	0	450,500
Total State of Tennessee	\$ 2,458,613	\$ 92,164	\$ 0	\$ 0	\$ 3,967,128

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 300,945	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	28,548	0	0	0	0
COVID-19 Grant #2	232	0	0	0	0
COVID-19 Grant #3	49,676	0	0	0	0
COVID-19 Grant #4	4,237	0	0	0	0
COVID-19 Grant #5	695,108	0	0	0	0
COVID-19 Grant A	29,283	0	0	0	0
COVID-19 Grant B	2,956	0	0	0	0
COVID-19 Grant C	28,519	0	0	0	0
Other Federal through State	1,043,616	0	0	0	86,374
<u>Direct Federal Revenue</u>					
Forest Service	7,694	0	0	0	0
Other Direct Federal Revenue	8,600	0	0	0	0
Total Federal Government	<u>\$ 2,199,414</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,374</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 291,123	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	3,000	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 294,123</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 27,468,132</u>	<u>\$ 1,318,931</u>	<u>\$ 52,247</u>	<u>\$ 4,511</u>	<u>\$ 5,681,870</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 3,680,164	\$ 16,191,505
Trustee's Collections - Prior Year	44,552	192,246
Circuit Clerk/Clerk and Master Collections - Prior Years	84,662	370,384
Interest and Penalty	19,899	85,538
Payments in-Lieu-of Taxes - T.V.A.	5,181	22,340
Payments in-Lieu-of Taxes - Local Utilities	347,252	1,527,798
Payments in-Lieu-of Taxes - Other	1,158	232,641
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	1,338,775
Hotel/Motel Tax	0	268,909
Wheel Tax	1,053,494	2,136,643
Litigation Tax - General	37,606	76,056
Litigation Tax - Special Purpose	0	35,852
Litigation Tax - Jail, Workhouse, or Courthouse	0	178,396
Business Tax	80,171	337,865
Mixed Drink Tax	0	7,404
Mineral Severance Tax	0	43,318
<u>Statutory Local Taxes</u>		
Bank Excise Tax	20,416	89,822
Wholesale Beer Tax	0	81,271
Total Local Taxes	<u>\$ 5,374,555</u>	<u>\$ 23,216,763</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 51,269
Cable TV Franchise	0	55,696

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		<u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Building Permits	\$	0	\$	25,345
Total Licenses and Permits	\$	0	\$	132,310
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	11,008
Officers Costs		0		25,308
Jail Fees		0		18,634
DUI Treatment Fines		0		950
Data Entry Fee - Circuit Court		0		3,246
Courtroom Security Fee		0		228
<u>General Sessions Court</u>				
Fines		0		44,048
Officers Costs		0		49,836
Jail Fees		0		40,608
DUI Treatment Fines		0		9,521
Data Entry Fee - General Sessions Court		0		13,520
Courtroom Security Fee		0		1,196
<u>Chancery Court</u>				
Officers Costs		0		1,983
<u>Other Courts - In-county</u>				
Drug Control Fines		0		18,147
<u>Judicial District Drug Program</u>				
Courtroom Security Fee		0		87

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		<u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	\$	0	\$	31,359
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>269,679</u>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Tipping Fees	\$	0	\$	51,689
Patient Charges		0		3,283,129
Other General Service Charges		0		575,311
Service Charges		0		16
<u>Fees</u>				
Airport Fees		0		351,609
Copy Fees		0		1,170
Archives and Records Management Fee		0		417
Telephone Commissions		0		203,999
Tourism Fees		0		109,569
Constitutional Officers' Fees and Commissions		0		68
Special Commissioner Fees/Special Master Fees		0		4,443
Data Processing Fee - Register		0		20,654
Data Processing Fee - Sheriff		0		4,429
Sexual Offender Registration Fee - Sheriff		0		9,530
Data Processing Fee - County Clerk		0		8,115
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>4,624,148</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 116,442	\$	116,444
Lease/Rentals	0		3,600
Commissary Sales	0		37,340
Sale of Recycled Materials	0		15,894
Miscellaneous Refunds	0		596
<u>Nonrecurring Items</u>			
Sale of Equipment	0		64,389
Contributions and Gifts	0		5,364
<u>Other Local Revenues</u>			
Other Local Revenues	0		7,852
Total Other Local Revenues	<u>\$ 116,442</u>	<u>\$</u>	<u>251,479</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	599,317
Circuit Court Clerk	0		228,602
General Sessions Court Clerk	0		254,082
Clerk and Master	0		178,785
Register	0		297,921
Sheriff	0		19,888
Trustee	0		845,898
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$</u>	<u>2,424,493</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	15,000
Other General Government Grants	0	100,460
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	36,800
<u>Public Works Grants</u>		
Bridge Program	0	347,516
State Aid Program	0	234,910
Litter Program	0	49,494
<u>Other State Revenues</u>		
Income Tax	7,190	31,637
Beer Tax	0	18,369
Vehicle Certificate of Title Fees	0	10,003
Alcoholic Beverage Tax	0	128,045
State Revenue Sharing - T.V.A.	0	171,000
State Revenue Sharing - Telecommunications	0	54,035
State Shared Sports Gaming Privilege Tax	0	11,669
Prisoner Transportation	0	45,315
Contracted Prisoner Boarding	0	951,093
Gasoline and Motor Fuel Tax	0	2,878,962
Petroleum Special Tax	0	32,122
Registrar's Salary Supplement	0	15,164
Other State Grants	0	245,845
Other State Revenues	0	1,138,656
Total State of Tennessee	<u>\$ 7,190</u>	<u>\$ 6,525,095</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 0	\$ 300,945
Homeland Security Grants	0	28,548
COVID-19 Grant #2	0	232
COVID-19 Grant #3	0	49,676
COVID-19 Grant #4	0	4,237
COVID-19 Grant #5	0	695,108
COVID-19 Grant A	0	29,283
COVID-19 Grant B	0	2,956
COVID-19 Grant C	0	28,519
Other Federal through State	0	1,129,990
<u>Direct Federal Revenue</u>		
Forest Service	0	7,694
Other Direct Federal Revenue	0	8,600
Total Federal Government	<u>\$ 0</u>	<u>\$ 2,285,788</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 66,341	\$ 357,464
<u>Citizens Groups</u>		
Donations	0	3,000
Total Other Governments and Citizens Groups	<u>\$ 66,341</u>	<u>\$ 360,464</u>
Total	<u>\$ 5,564,528</u>	<u>\$ 40,090,219</u>

Exhibit K-6

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,476,879	\$ 0	\$ 0	\$ 0	\$ 0	5,476,879
Trustee's Collections - Prior Year	64,121	0	0	0	0	64,121
Circuit Clerk/Clerk and Master Collections - Prior Years	125,047	0	0	0	0	125,047
Interest and Penalty	29,608	0	0	0	0	29,608
Payments in-Lieu-of Taxes - T.V.A.	7,560	0	0	0	0	7,560
Payments in-Lieu-of Taxes - Local Utilities	516,787	0	0	0	0	516,787
Payments in-Lieu-of Taxes - Other	1,723	0	0	0	0	1,723
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,433,856	0	0	0	0	5,433,856
Business Tax	182,926	0	0	0	0	182,926
Mixed Drink Tax	5,900	0	0	0	0	5,900
Other County Local Option Taxes	151	0	0	0	0	151
<u>Statutory Local Taxes</u>						
Bank Excise Tax	30,383	0	0	0	0	30,383
Total Local Taxes	<u>\$ 11,874,941</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,874,941</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,948	\$ 0	\$ 0	\$ 0	\$ 0	2,948
Total Licenses and Permits	<u>\$ 2,948</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,948</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 17,532	\$ 0	\$ 0	17,532

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 38,092	\$ 0	\$ 0	\$ 38,092
Transportation - Other State Systems	226,061	0	0	0	0	226,061
School Based Health Services - FFS	87,545	0	0	0	0	87,545
Receipts from Individual Schools	19,293	0	6,467	0	0	25,760
Total Charges for Current Services	\$ 332,899	\$ 0	\$ 62,091	\$ 0	\$ 0	\$ 394,990
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 44,811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,811
Lease/Rentals	5	0	0	0	0	5
Miscellaneous Refunds	133	0	1,307	0	0	1,440
<u>Nonrecurring Items</u>						
Sale of Equipment	19,864	0	1,692	0	0	21,556
<u>Other Local Revenues</u>						
Other Local Revenues	190,120	0	0	1,815,602	0	2,005,722
Total Other Local Revenues	\$ 254,933	\$ 0	\$ 2,999	\$ 1,815,602	\$ 0	\$ 2,073,534
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 172,915	\$ 0	\$ 0	\$ 0	\$ 0	\$ 172,915
<u>State Education Funds</u>						
Basic Education Program	29,433,136	0	0	0	0	29,433,136
Early Childhood Education	286,954	0	0	0	0	286,954
School Food Service	0	0	28,058	0	0	28,058

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 513,142	\$ 0	\$ 0	\$ 0	\$ 513,142
Coordinated School Health	181,210	0	0	0	181,210
Family Resource Centers	29,612	0	0	0	29,612
Career Ladder Program	104,874	0	0	0	104,874
Other Vocational	25,000	0	0	0	25,000
<u>Other State Revenues</u>					
Income Tax	10,012	0	0	0	10,012
State Revenue Sharing - T.V.A.	1,363,647	0	0	0	1,363,647
Other State Grants	71,296	0	0	0	71,296
Total State of Tennessee	<u>\$ 32,191,798</u>	<u>\$ 0</u>	<u>\$ 28,058</u>	<u>\$ 0</u>	<u>\$ 32,219,856</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,413,998	\$ 0	\$ 2,413,998
USDA - Commodities	0	0	200,307	0	200,307
Breakfast	0	0	1,245,172	0	1,245,172
USDA - Other	0	0	19,316	0	19,316
Vocational Education - Basic Grants to States	0	128,163	0	0	128,163
Title I Grants to Local Education Agencies	0	1,501,089	0	0	1,501,089
Special Education - Grants to States	62,353	1,145,437	0	0	1,207,790
Special Education Preschool Grants	0	35,782	0	0	35,782
Eisenhower Professional Development State Grants	0	245,545	0	0	245,545
COVID-19 Grant #1	0	1,197,563	0	0	1,197,563
COVID-19 Grant #2	0	100,000	0	0	100,000

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
COVID-19 Grant #4	\$ 366,332	\$ 0	\$ 0	\$ 0	\$ 0	\$ 366,332
COVID-19 Grant B	9,650	1,412,904	0	0	0	1,422,554
COVID-19 Grant C	213,887	0	0	0	0	213,887
Other Federal through State	218,150	77,126	0	0	0	295,276
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	695,940	0	0	0	0	695,940
Total Federal Government	<u>\$ 1,566,312</u>	<u>\$ 5,843,609</u>	<u>\$ 3,878,793</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,288,714</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 146,273	\$ 0	\$ 0	\$ 0	\$ 0	\$ 146,273
Total Other Governments and Citizens Groups	<u>\$ 146,273</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 146,273</u>
Total	<u>\$ 46,370,104</u>	<u>\$ 5,843,609</u>	<u>\$ 3,971,941</u>	<u>\$ 1,815,602</u>	<u>\$ 0</u>	<u>\$ 58,001,256</u>

Exhibit K-7

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	52,999	
Social Security		2,957	
Employer Medicare		768	
Audit Services		17,808	
Contracts with Private Agencies		13,245	
Dues and Memberships		5,719	
Postal Charges		33	
Travel		731	
Other Contracted Services		1,000	
Building and Contents Insurance		88,984	
Liability Insurance		8,700	
Workers' Compensation Insurance		185,137	
Tax Relief Program		72,241	
Other Charges		8,441	
Total County Commission			\$ 458,763

Board of Equalization

Board and Committee Members Fees	\$	3,100	
Total Board of Equalization			3,100

County Mayor/Executive

County Official/Administrative Officer	\$	101,746	
Assistant(s)		46,059	
Deputy(ies)		26,376	
Longevity Pay		1,133	
Social Security		10,541	
Pensions		7,281	
Employee and Dependent Insurance		30,794	
Life Insurance		159	
Employer Medicare		2,465	
Travel		150	
Office Supplies		266	
Other Charges		379	
Total County Mayor/Executive			227,349

Personnel Office

Secretary(ies)	\$	96,902	
Longevity Pay		2,000	
Social Security		5,816	
Pensions		4,293	
Employee and Dependent Insurance		24,981	
Life Insurance		157	
Employer Medicare		1,360	
Consultants		849	
Operating Lease Payments		3,192	
Maintenance Agreements		384	
Other Charges		5,111	
Office Equipment		1,359	
Total Personnel Office			146,404

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 47,991	
Total County Attorney		\$ 47,991

Election Commission

County Official/Administrative Officer	\$ 75,191	
Assistant(s)	35,368	
Deputy(ies)	34,369	
Longevity Pay	500	
Election Commission	21,000	
Election Workers	48,031	
Social Security	13,892	
Pensions	6,412	
Employee and Dependent Insurance	39,665	
Life Insurance	174	
Employer Medicare	3,280	
Data Processing Services	196	
Operating Lease Payments	1,552	
Legal Notices, Recording, and Court Costs	3,145	
Maintenance Agreements	30,721	
Maintenance and Repair Services - Office Equipment	250	
Postal Charges	1,864	
Data Processing Supplies	293	
Gasoline	465	
Office Supplies	4,870	
Building and Contents Insurance	400	
Other Equipment	48,101	
Total Election Commission		369,739

Register of Deeds

County Official/Administrative Officer	\$ 83,545	
Assistant(s)	34,258	
Deputy(ies)	145,063	
Part-time Personnel	10,273	
Longevity Pay	8,000	
Social Security	16,767	
Pensions	11,062	
Employee and Dependent Insurance	54,208	
Life Insurance	328	
Employer Medicare	3,921	
Dues and Memberships	943	
Operating Lease Payments	5,125	
Maintenance Agreements	26,170	
Postal Charges	1,500	
Travel	275	
Office Supplies	5,360	
Other Charges	478	
Office Equipment	5,497	
Total Register of Deeds		412,773

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	46,488	
Longevity Pay		567	
Board and Committee Members Fees		500	
Social Security		2,942	
Pensions		2,047	
Employer Medicare		690	
Dues and Memberships		390	
Legal Notices, Recording, and Court Costs		78	
Licenses		169	
Maintenance Agreements		1,815	
Postal Charges		13	
Printing, Stationery, and Forms		28	
Travel		976	
Office Supplies		784	
Other Supplies and Materials		264	
Other Charges		400	
Total Planning			\$ 58,151

Engineering

Supervisor/Director	\$	58,538	
Computer Programmer(s)		26,093	
Social Security		5,036	
Pensions		3,578	
Employee and Dependent Insurance		17,627	
Life Insurance		90	
Employer Medicare		1,178	
Communication		255,269	
Licenses		14,600	
Maintenance Agreements		19,432	
Equipment and Machinery Parts		19,899	
Office Supplies		22	
Office Equipment		1,448	
Total Engineering			422,810

Codes Compliance

County Official/Administrative Officer	\$	16,556	
Clerical Personnel		2,004	
Part-time Personnel		7,288	
Social Security		1,502	
Pensions		807	
Employee and Dependent Insurance		4,406	
Life Insurance		16	
Employer Medicare		351	
Maintenance Agreements		551	
Office Supplies		236	
Other Charges		232	
Office Equipment		230	
Total Codes Compliance			34,179

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

Supervisor/Director	\$	48,454	
Clerical Personnel		18,153	
Longevity Pay		3,400	
Social Security		3,907	
Pensions		3,045	
Employee and Dependent Insurance		20,026	
Life Insurance		86	
Employer Medicare		914	
Licenses		471	
Maintenance Agreements		13,029	
Gasoline		287	
Office Supplies		1,365	
Other Charges		2,327	
Office Equipment		958	
Total Geographical Information Systems			\$ 116,422

County Buildings

Assistant(s)	\$	78,008	
Supervisor/Director		54,338	
Attendants		26,037	
Custodial Personnel		26,037	
Longevity Pay		2,792	
Other Salaries and Wages		26,037	
Social Security		12,227	
Pensions		9,277	
Employee and Dependent Insurance		64,941	
Life Insurance		339	
Employer Medicare		2,860	
Maintenance Agreements		225	
Maintenance and Repair Services - Buildings		99,482	
Other Contracted Services		21,541	
Custodial Supplies		6,432	
Electricity		97,961	
Natural Gas		21,403	
Water and Sewer		9,565	
Other Supplies and Materials		43,936	
Other Charges		449,886	
Communication Equipment		103	
Maintenance Equipment		10,405	
Motor Vehicles		150,594	
Office Equipment		34,269	
Total County Buildings			1,248,695

Other General Administration

Operating Lease Payments	\$	1,562	
Legal Notices, Recording, and Court Costs		709	
Maintenance Agreements		1,158	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Maintenance and Repair Services - Vehicles	\$	40	
Duplicating Supplies		1,271	
Gasoline		7,861	
Trustee's Commission		328,008	
Total Other General Administration			\$ 340,609

Preservation of Records

Supervisor/Director	\$	13,845	
Social Security		858	
Employer Medicare		201	
Maintenance Agreements		324	
Postal Charges		61	
Travel		30	
Other Supplies and Materials		785	
Other Charges		11,747	
Total Preservation of Records			27,851

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	89,542	
Assistant(s)		69,452	
Accountants/Bookkeepers		247,296	
Longevity Pay		3,700	
Social Security		23,878	
Pensions		17,712	
Employee and Dependent Insurance		94,529	
Life Insurance		489	
Employer Medicare		5,584	
Data Processing Services		20,547	
Operating Lease Payments		2,147	
Maintenance Agreements		970	
Postal Charges		5,001	
Travel		499	
Other Contracted Services		5,000	
Office Supplies		12,762	
Other Charges		8,019	
Data Processing Equipment		949	
Office Equipment		7,375	
Total Accounting and Budgeting			615,451

Property Assessor's Office

County Official/Administrative Officer	\$	83,545	
Deputy(ies)		34,429	
Secretary(ies)		30,281	
Clerical Personnel		64,927	
Longevity Pay		4,700	
Social Security		12,753	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Pensions	\$	9,478	
Employee and Dependent Insurance		55,273	
Life Insurance		285	
Employer Medicare		2,983	
Data Processing Services		15,200	
Dues and Memberships		2,040	
Maintenance Agreements		2,506	
Maintenance and Repair Services - Vehicles		545	
Postal Charges		2,039	
Printing, Stationery, and Forms		366	
Travel		390	
Gasoline		2,092	
Office Supplies		2,864	
Tires and Tubes		906	
Other Charges		448	
Office Equipment		3,762	
Total Property Assessor's Office			\$ 331,812

Reappraisal Program

Secretary(ies)	\$	30,281	
Clerical Personnel		31,038	
Part-time Personnel		21,140	
Social Security		4,430	
Pensions		2,667	
Employee and Dependent Insurance		16,791	
Life Insurance		114	
Employer Medicare		1,180	
Office Supplies		8,368	
Office Equipment		1,060	
Total Reappraisal Program			117,069

County Trustee's Office

County Official/Administrative Officer	\$	83,545	
Assistant(s)		35,844	
Deputy(ies)		76,958	
Part-time Personnel		12,883	
Longevity Pay		3,475	
Social Security		12,540	
Pensions		8,418	
Employee and Dependent Insurance		48,038	
Life Insurance		252	
Employer Medicare		2,933	
Dues and Memberships		385	
Operating Lease Payments		1,537	
Maintenance Agreements		7,681	
Postal Charges		3,473	
Travel		510	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Other Contracted Services	\$	30,164	
Office Supplies		5,202	
Other Charges		851	
Total County Trustee's Office			\$ 334,689

County Clerk's Office

County Official/Administrative Officer	\$	83,545	
Assistant(s)		45,124	
Deputy(ies)		237,219	
Secretary to Board		3,000	
Part-time Personnel		1,057	
Longevity Pay		5,600	
Overtime Pay		4,120	
Social Security		22,701	
Pensions		16,261	
Employee and Dependent Insurance		92,591	
Life Insurance		551	
Employer Medicare		5,324	
Dues and Memberships		858	
Operating Lease Payments		3,926	
Legal Notices, Recording, and Court Costs		78	
Maintenance Agreements		312	
Maintenance and Repair Services - Office Equipment		21,388	
Postal Charges		10,775	
Travel		950	
Office Supplies		6,922	
Other Charges		100	
Office Equipment		970	
Total County Clerk's Office			563,372

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	83,545
Assistant(s)		38,599
Deputy(ies)		527,996
Part-time Personnel		12,342
Longevity Pay		16,292
Other Salaries and Wages		26,200
Jury and Witness Expense		10,699
Social Security		41,152
Pensions		30,260
Employee and Dependent Insurance		187,127
Life Insurance		1,026
Employer Medicare		9,691
Operating Lease Payments		5,896
Legal Notices, Recording, and Court Costs		207
Maintenance Agreements		35,051

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Postal Charges	\$	5,356	
Printing, Stationery, and Forms		3,968	
Travel		344	
Office Supplies		14,830	
Other Charges		7,021	
Data Processing Equipment		14,086	
Office Equipment		12,300	
Total Circuit Court			\$ 1,083,988

General Sessions Judge

Judge(s)	\$	165,073	
Secretary(ies)		35,738	
Longevity Pay		2,300	
Social Security		10,856	
Pensions		8,836	
Employee and Dependent Insurance		24,724	
Life Insurance		86	
Employer Medicare		2,832	
Operating Lease Payments		949	
Maintenance Agreements		894	
Postal Charges		165	
Other Contracted Services		1,950	
Library Books/Media		318	
Office Equipment		2,790	
Total General Sessions Judge			257,511

Chancery Court

County Official/Administrative Officer	\$	83,545	
Deputy(ies)		82,060	
Part-time Personnel		4,017	
Longevity Pay		4,100	
Social Security		10,144	
Pensions		7,248	
Employee and Dependent Insurance		26,222	
Life Insurance		180	
Employer Medicare		2,372	
Dues and Memberships		1,021	
Operating Lease Payments		135	
Maintenance Agreements		1,952	
Postal Charges		3,000	
Office Supplies		9,329	
Other Supplies and Materials		1,754	
Office Equipment		10,429	
Total Chancery Court			247,508

Probate Court

Deputy(ies)	\$	34,021	
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(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Longevity Pay	\$	2,800	
Social Security		2,086	
Pensions		1,602	
Employee and Dependent Insurance		10,328	
Life Insurance		57	
Employer Medicare		488	
Office Supplies		1,297	
Office Equipment		1,863	
Total Probate Court			\$ 54,542

Other Administration of Justice

Legal Notices, Recording, and Court Costs	\$	12,500	
Total Other Administration of Justice			12,500

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	96,901	
Assistant(s)		67,038	
Supervisor/Director		86,290	
Deputy(ies)		436,436	
Investigator(s)		281,478	
Captain(s)		276,431	
Sergeant(s)		154,665	
Accountants/Bookkeepers		68,167	
Mechanic(s)		36,498	
Secretary(ies)		32,345	
Clerical Personnel		80,517	
Part-time Personnel		25,305	
School Resource Officer		471,968	
Longevity Pay		27,000	
Overtime Pay		103,403	
Other Salaries and Wages		7,319	
In-service Training		36,800	
Social Security		135,121	
Pensions		95,405	
Employee and Dependent Insurance		524,970	
Life Insurance		2,840	
Employer Medicare		31,601	
Dues and Memberships		2,000	
Operating Lease Payments		15,636	
Maintenance Agreements		24,639	
Maintenance and Repair Services - Vehicles		31,463	
Postal Charges		2,781	
Travel		7,823	
Tuition		7,386	
Garage Supplies		10,207	
Gasoline		104,310	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Office Supplies	\$	6,282	
Tires and Tubes		20,383	
Uniforms		22,814	
Vehicle Parts		14,582	
Other Charges		39,941	
Communication Equipment		3,317	
Law Enforcement Equipment		95,237	
Office Equipment		7,898	
Total Sheriff's Department			\$ 3,495,197

Jail

Assistant(s)	\$	62,323	
Supervisor/Director		45,619	
Captain(s)		102,682	
Lieutenant(s)		76,577	
Sergeant(s)		114,971	
Accountants/Bookkeepers		66,750	
Guards		734,597	
Clerical Personnel		49,739	
Part-time Personnel		181,447	
Longevity Pay		7,783	
Overtime Pay		182,889	
Other Salaries and Wages		145,472	
Social Security		107,488	
Pensions		61,024	
Employee and Dependent Insurance		337,301	
Life Insurance		2,095	
Employer Medicare		24,897	
Contracts with Private Agencies		311,452	
Data Processing Services		2,628	
Operating Lease Payments		3,458	
Maintenance Agreements		2,918	
Travel		8,614	
Custodial Supplies		20,754	
Drugs and Medical Supplies		575,212	
Electricity		13,659	
Natural Gas		1,530	
Office Supplies		4,186	
Prisoners Clothing		10,779	
Uniforms		25,174	
Water and Sewer		575	
Other Charges		27,788	
Law Enforcement Equipment		37,019	
Total Jail			3,349,400

Juvenile Services

Supervisor/Director	\$	43,142	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

Youth Service Officer(s)	\$	35,714	
Longevity Pay		3,000	
Social Security		4,497	
Pensions		3,561	
Employee and Dependent Insurance		26,423	
Life Insurance		114	
Employer Medicare		1,052	
Dues and Memberships		180	
Postal Charges		165	
Other Contracted Services		12,825	
Office Supplies		2,221	
Other Charges		2,559	
Office Equipment		2,375	
Total Juvenile Services			\$ 137,828

Fire Prevention and Control

Contributions	\$	5,000	
Liability Insurance		9,400	
Vehicle and Equipment Insurance		71,100	
Workers' Compensation Insurance		23,500	
Other Charges		165,000	
Total Fire Prevention and Control			274,000

Rescue Squad

Contributions	\$	60,000	
Total Rescue Squad			60,000

Other Emergency Management

Other Salaries and Wages	\$	48,925	
Social Security		3,025	
Pensions		2,128	
Employee and Dependent Insurance		8,196	
Life Insurance		57	
Employer Medicare		707	
Dues and Memberships		290	
Maintenance and Repair Services - Vehicles		2,533	
Office Supplies		3,350	
Uniforms		486	
Other Charges		34,154	
Total Other Emergency Management			103,851

County Coroner/Medical Examiner

Assistant(s)	\$	3,600	
Supervisor/Director		15,000	
Pauper Burials		1,605	
Other Charges		139,650	
Total County Coroner/Medical Examiner			159,855

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Assistant(s)	\$	36,540	
Other Salaries and Wages		27,552	
Social Security		3,822	
Pensions		1,589	
Employee and Dependent Insurance		12,650	
Life Insurance		57	
Employer Medicare		894	
Maintenance and Repair Services - Buildings		84,940	
Tuition		2,900	
Custodial Supplies		17,354	
Electricity		223,197	
Natural Gas		30,496	
Water and Sewer		53,581	
Maintenance Equipment		3,826	
Total Other Public Safety			\$ 499,398

Public Health and Welfare

Local Health Center

Dues and Memberships	\$	200	
Operating Lease Payments		2,134	
Maintenance Agreements		5,486	
Postal Charges		783	
Other Contracted Services		6,121	
Custodial Supplies		70	
Drugs and Medical Supplies		824	
Office Supplies		8,192	
Periodicals		69	
Other Charges		30,879	
Office Equipment		72	
Total Local Health Center			54,830

Rabies and Animal Control

Assistant(s)	\$	5,254	
Supervisor/Director		34,486	
Attendants		15,260	
Part-time Personnel		63,344	
Longevity Pay		575	
Social Security		7,168	
Pensions		2,941	
Employee and Dependent Insurance		25,305	
Life Insurance		122	
Employer Medicare		1,676	
Maintenance and Repair Services - Vehicles		75	
Rentals		9,000	
Veterinary Services		37,308	
Other Contracted Services		85	
Custodial Supplies		3,333	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Electricity	\$	9,013	
Gasoline		398	
Natural Gas		706	
Office Supplies		1,009	
Water and Sewer		424	
Other Charges		5,491	
Total Rabies and Animal Control			\$ 222,973

Ambulance/Emergency Medical Services

Supervisor/Director	\$	61,475	
Paraprofessionals		1,624,582	
Secretary(ies)		68,591	
Longevity Pay		26,200	
Social Security		105,876	
Pensions		72,700	
Employee and Dependent Insurance		323,552	
Life Insurance		1,682	
Employer Medicare		24,761	
Contracts with Private Agencies		7,762	
Evaluation and Testing		1,925	
Operating Lease Payments		1,260	
Licenses		2,750	
Maintenance Agreements		459	
Maintenance and Repair Services - Equipment		5,860	
Maintenance and Repair Services - Vehicles		41,319	
Travel		2,848	
Tuition		7,757	
Other Contracted Services		68,042	
Custodial Supplies		1,350	
Diesel Fuel		92,105	
Drugs and Medical Supplies		121,962	
Electricity		8,179	
Natural Gas		2,813	
Office Supplies		946	
Tires and Tubes		8,575	
Uniforms		12,037	
Water and Sewer		1,255	
Other Charges		439,065	
Office Equipment		67	
Health Equipment		2,695	
Total Ambulance/Emergency Medical Services			3,140,450

Dental Health Program

Supervisor/Director	\$	47,785	
Deputy(ies)		26,488	
Medical Personnel		76,156	
Part-time Personnel		44,770	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Longevity Pay	\$	1,300	
Other Salaries and Wages		76,455	
Social Security		16,254	
Pensions		5,417	
Employee and Dependent Insurance		30,445	
Life Insurance		171	
Employer Medicare		3,801	
Contracts with Private Agencies		510	
Dues and Memberships		984	
Maintenance and Repair Services - Equipment		1,077	
Postal Charges		1,073	
Drugs and Medical Supplies		49,388	
Office Supplies		4,352	
Uniforms		788	
Other Supplies and Materials		817	
Liability Insurance		6,928	
Health Equipment		8,952	
Total Dental Health Program			\$ 403,911

Alcohol and Drug Programs

Other Charges	\$	9,323	
Total Alcohol and Drug Programs			9,323

Crippled Children Services

Contributions	\$	1,995	
Total Crippled Children Services			1,995

Other Local Health Services

Assistant(s)	\$	31,311	
Deputy(ies)		31,061	
Teachers		35,647	
Guidance Personnel		32,593	
Secretary(ies)		25,619	
Attendants		67,770	
Longevity Pay		3,800	
Social Security		13,346	
Pensions		9,909	
Employee and Dependent Insurance		65,790	
Life Insurance		342	
Employer Medicare		3,121	
Travel		9,126	
Liability Insurance		6,569	
Total Other Local Health Services			336,004

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	30,000	
Total Senior Citizens Assistance			30,000

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 125,000	
Total Libraries		\$ 125,000

Other Social, Cultural, and Recreational

Contributions	\$ 108,850	
Total Other Social, Cultural, and Recreational		108,850

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$ 16,155	
Assistant(s)	15,488	
Supervisor/Director	15,200	
Clerical Personnel	6,284	
Other Salaries and Wages	9,356	
Social Security	3,879	
Pensions	10,167	
Employee and Dependent Insurance	6,205	
Employer Medicare	907	
Operating Lease Payments	744	
Maintenance Agreements	611	
Travel	1,199	
Office Supplies	897	
Total Agricultural Extension Service		87,092

Soil Conservation

Secretary(ies)	\$ 34,585	
Other Salaries and Wages	7,744	
Social Security	2,390	
Pensions	1,341	
Employee and Dependent Insurance	12,416	
Life Insurance	57	
Employer Medicare	559	
Contributions	2,042	
Instructional Supplies and Materials	3,676	
Total Soil Conservation		64,810

Flood Control

Contributions	\$ 2,000	
Total Flood Control		2,000

Other Operations

Tourism

Supervisor/Director	\$ 49,253	
Part-time Personnel	44,724	
Social Security	5,497	
Pensions	2,142	
Employee and Dependent Insurance	16,328	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Life Insurance	\$	57	
Employer Medicare		1,286	
Advertising		36,890	
Dues and Memberships		4,888	
Operating Lease Payments		1,472	
Maintenance Agreements		419	
Postal Charges		1,046	
Travel		371	
Other Contracted Services		10,000	
Custodial Supplies		3,226	
Electricity		4,560	
Office Supplies		3,466	
Water and Sewer		1,188	
Other Supplies and Materials		49,242	
Other Charges		250	
Office Equipment		2,399	
Total Tourism			\$ 238,704

Industrial Development

Dues and Memberships	\$	2,500	
Operating Lease Payments		1,552	
Maintenance Agreements		822	
Other Charges		44,001	
Office Equipment		3,224	
Total Industrial Development			52,099

Airport

Supervisor/Director	\$	34,105	
Attendants		7,068	
Longevity Pay		900	
Social Security		2,570	
Pensions		1,524	
Employee and Dependent Insurance		5,806	
Life Insurance		39	
Employer Medicare		601	
Contracts with Government Agencies		40	
Maintenance Agreements		2,256	
Maintenance and Repair Services - Equipment		7,975	
Other Contracted Services		500	
Electricity		16,417	
Gasoline		245,662	
Water and Sewer		1,620	
Other Supplies and Materials		15,202	
Liability Insurance		4,448	
Other Charges		833,568	
Total Airport			1,180,301

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	37,813	
Social Security		2,328	
Pensions		1,645	
Employee and Dependent Insurance		8,296	
Life Insurance		57	
Employer Medicare		544	
Contracts with Private Agencies		449	
Postal Charges		110	
Office Supplies		1,230	
Other Charges		250	
Total Veterans' Services			\$ 52,722

Contributions to Other Agencies

Contributions	\$	217,921	
Total Contributions to Other Agencies			217,921

Employee Benefits

Employee and Dependent Insurance	\$	3,475	
Unemployment Compensation		17,220	
Total Employee Benefits			20,695

COVID-19 Grant #3

Election Workers	\$	28,263	
Legal Notices, Recording, and Court Costs		150	
Office Supplies		15,186	
Other Equipment		4,399	
Total COVID-19 Grant #3			47,998

COVID-19 Grant #4

Other Charges	\$	4,237	
Total COVID-19 Grant #4			4,237

COVID-19 Grant #5

Contributions	\$	78,080	
Other Supplies and Materials		137,892	
Total COVID-19 Grant #5			215,972

COVID-19 Grant A

Advertising	\$	22,100	
Office Supplies		2,947	
Total COVID-19 Grant A			25,047

COVID-19 Grant C

Other Supplies and Materials	\$	38,025	
Total COVID-19 Grant C			38,025

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 567,578	
Total General Government		\$ 567,578

Interest on Debt

General Government

Interest on Capital Leases	\$ 16,158	
Total General Government		16,158

Capital Projects

Public Safety Projects

Other Charges	\$ 1,070	
Total Public Safety Projects		<u>1,070</u>

Total General Fund		\$ 22,878,572
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$ 49,669	
Laborers	38,665	
Clerical Personnel	30,494	
Part-time Personnel	1,741	
Longevity Pay	5,000	
Social Security	7,082	
Pensions	5,235	
Employee and Dependent Insurance	38,253	
Life Insurance	195	
Unemployment Compensation	900	
Employer Medicare	1,656	
Advertising	207	
Communication	8,716	
Contracts with Private Agencies	422,438	
Dues and Memberships	768	
Operating Lease Payments	1,260	
Maintenance and Repair Services - Equipment	1,602	
Postal Charges	14	
Gasoline	9,913	
Office Supplies	790	
Tires and Tubes	581	
Utilities	7,194	
Other Supplies and Materials	990	
Trustee's Commission	23,002	
Other Charges	5,308	
Office Equipment	<u>2,059</u>	
Total Sanitation Education/Information		\$ 663,732

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers

Secretary(ies)	\$	25,387	
Attendants		74,636	
Part-time Personnel		70,731	
Longevity Pay		3,000	
Social Security		10,696	
Pensions		4,246	
Employee and Dependent Insurance		24,526	
Life Insurance		218	
Employer Medicare		2,501	
Maintenance and Repair Services - Equipment		4,127	
Other Contracted Services		251,789	
Crushed Stone		745	
Small Tools		310	
Utilities		4,808	
Other Supplies and Materials		6,526	
Building and Contents Insurance		58,000	
Liability Insurance		10,500	
Workers' Compensation Insurance		8,000	
Other Charges		5,978	
Office Equipment		948	
Solid Waste Equipment		16,743	
Total Convenience Centers			\$ 584,415

Postclosure Care Costs

Testing	\$	10,650	
Other Charges		7,450	
Total Postclosure Care Costs			18,100

Highways

Litter and Trash Collection

Laborers	\$	48,426	
Social Security		2,997	
Pensions		1,863	
Employee and Dependent Insurance		11,256	
Life Insurance		104	
Employer Medicare		701	
Contracts with Other Public Agencies		10,780	
Total Litter and Trash Collection			<u>76,127</u>

Total Solid Waste/Sanitation Fund \$ 1,342,374

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,447	
Confidential Drug Enforcement Payments		12,000	
Veterinary Services		397	

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Animal Food and Supplies	\$ 1,106	
Gasoline	4,058	
Total Drug Enforcement		\$ 19,008

Total Drug Control Fund \$ 19,008

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 68	
Total County Clerk's Office		\$ 68

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 4,443	
Total Chancery Court		4,443

Total Constitutional Officers - Fees Fund 4,511

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 91,901	
Accountants/Bookkeepers	34,936	
Secretary(ies)	34,936	
Longevity Pay	2,500	
Social Security	9,738	
Pensions	7,145	
Employee and Dependent Insurance	30,120	
Life Insurance	171	
Employer Medicare	2,278	
Communication	9,921	
Dues and Memberships	4,066	
Legal Services	540	
Legal Notices, Recording, and Court Costs	339	
Maintenance and Repair Services - Office Equipment	2,718	
Postal Charges	306	
Travel	525	
Other Contracted Services	2,495	
Electricity	13,799	
Office Supplies	1,951	
Water and Sewer	7,947	
Other Charges	2,674	
Total Administration		\$ 261,006

Highway and Bridge Maintenance

Foremen	\$ 44,674	
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(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Laborers	\$	912,751	
Part-time Personnel		16,434	
Longevity Pay		22,500	
Overtime Pay		21,541	
Social Security		60,679	
Pensions		43,089	
Employee and Dependent Insurance		271,760	
Life Insurance		1,615	
Employer Medicare		14,191	
Engineering Services		73,944	
Other Contracted Services		14,230	
Asphalt - Hot Mix		1,503,953	
Asphalt - Liquid		331,509	
Crushed Stone		247,781	
Other Road Materials		4,886	
Pipe - Metal		123,853	
Road Signs		19,083	
Uniforms		19,838	
Total Highway and Bridge Maintenance			\$ 3,748,311

Operation and Maintenance of Equipment

Foremen	\$	44,674	
Mechanic(s)		38,352	
Longevity Pay		900	
Social Security		4,685	
Pensions		3,651	
Employee and Dependent Insurance		24,690	
Life Insurance		114	
Employer Medicare		1,096	
Diesel Fuel		70,430	
Equipment and Machinery Parts		141,096	
Garage Supplies		10,493	
Gasoline		157,194	
Lubricants		14,087	
Tires and Tubes		42,214	
Other Supplies and Materials		8,903	
Total Operation and Maintenance of Equipment			562,579

Other Charges

Building and Contents Insurance	\$	187,000	
Liability Insurance		25,340	
Trustee's Commission		58,059	
Workers' Compensation Insurance		16,500	
Total Other Charges			286,899

Employee Benefits

Unemployment Compensation	\$	1,110	
Total Employee Benefits			1,110

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Maintenance and Repair Services - Vehicles	\$	13,378	
Bridge Construction		309,836	
Highway Equipment		505,602	
Site Development		250	
State Aid Projects		236,915	
Total Capital Outlay			\$ 1,065,981

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	208,792	
Total Highways and Streets			208,792

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	11,455	
Total Highways and Streets			11,455

Total Highway/Public Works Fund \$ 6,146,133

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	431,063	
Total General Government			\$ 431,063

Education

Principal on Bonds	\$	1,040,000	
Principal on Capital Leases		54,906	
Principal on Other Loans		1,092,188	
Total Education			2,187,094

Interest on Debt

General Government

Interest on Bonds	\$	871,177	
Total General Government			871,177

Education

Interest on Bonds	\$	605,712	
Interest on Capital Leases		4,247	
Interest on Other Loans		419,468	
Total Education			1,029,427

Other Debt Service

Education

Trustee's Commission	\$	94,008	
Underwriter's Discount		57,741	
Other Debt Issuance Charges		100,303	
Termination Fee - Interest Rate Swap Agreement		1,464,998	
Total Education			1,717,050

Total General Debt Service Fund 6,235,811

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	3,980	
Furniture and Fixtures		<u>16,595</u>	
Total Public Safety Projects			<u>\$ 20,575</u>
Total General Capital Projects Fund			\$ 20,575
 <u>Other Capital Projects #1 Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	<u>2,766</u>	
Total Public Safety Projects			<u>\$ 2,766</u>
Total Other Capital Projects #1 Fund			<u>2,766</u>
Total Governmental Funds - Primary Government			<u>\$ 36,649,750</u>

Exhibit K-8

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2021

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,399,783	
Career Ladder Program	58,500	
Career Ladder Extended Contracts	50,010	
Homebound Teachers	54,462	
Salary Supplements	23,000	
Educational Assistants	665,545	
Bonus Payments	86,175	
Other Salaries and Wages	239,025	
Social Security	856,200	
Pensions	1,330,366	
Life Insurance	15,475	
Medical Insurance	3,144,729	
Employer Medicare	202,532	
Retirement - Hybrid Stabilization	1,062	
Contracts for Substitute Teachers - Certified	307,514	
Other Contracted Services	13,784	
Instructional Supplies and Materials	132,875	
Textbooks - Bound	549,518	
Other Supplies and Materials	20,766	
Fee Waivers	50,082	
Total Regular Instruction Program		\$ 21,201,403

Alternative Instruction Program

Teachers	\$ 58,024	
Educational Assistants	12,422	
Social Security	4,164	
Pensions	5,923	
Life Insurance	56	
Medical Insurance	12,646	
Employer Medicare	974	
Contracts for Substitute Teachers - Certified	634	
Total Alternative Instruction Program		94,843

Special Education Program

Teachers	\$ 1,601,706
Career Ladder Program	6,000
Homebound Teachers	25,220
Educational Assistants	615,596
Speech Pathologist	199,586
Other Salaries and Wages	43,236
Social Security	147,971
Pensions	181,273
Life Insurance	3,021
Medical Insurance	579,444
Employer Medicare	34,548
Retirement - Hybrid Stabilization	1

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Other Public Agencies	\$	150,554	
Contracts with Private Agencies		51,000	
Operating Lease Payments		1,308	
Contracts for Substitute Teachers - Certified		49,936	
Instructional Supplies and Materials		108,465	
Other Supplies and Materials		34,007	
Special Education Equipment		104,849	
Total Special Education Program			\$ 3,937,721

Career and Technical Education Program

Teachers	\$	1,206,675	
Career Ladder Program		5,000	
Longevity Pay		500	
Other Salaries and Wages		39,518	
Social Security		74,810	
Pensions		119,790	
Life Insurance		1,311	
Medical Insurance		302,321	
Employer Medicare		17,496	
Contracts for Substitute Teachers - Certified		13,900	
Instructional Supplies and Materials		38,429	
Other Charges		74,035	
Total Career and Technical Education Program			1,893,785

Support Services

Attendance

Supervisor/Director	\$	28,492	
Social Security		1,694	
Pensions		2,909	
Life Insurance		23	
Medical Insurance		6,791	
Employer Medicare		396	
Total Attendance			40,305

Health Services

Supervisor/Director	\$	132,626	
Data Processing Personnel		12,090	
Social Workers		57,516	
Paraprofessionals		508,414	
Clerical Personnel		74,724	
Educational Assistants		17,758	
Longevity Pay		600	
Other Salaries and Wages		49,339	
Social Security		50,420	
Pensions		38,898	
Life Insurance		1,032	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	222,813	
Employer Medicare		11,792	
Operating Lease Payments		2,631	
Maintenance and Repair Services - Equipment		1,068	
Travel		1,385	
Other Contracted Services		21,390	
Drugs and Medical Supplies		676	
Other Supplies and Materials		27,586	
In Service/Staff Development		7,691	
Other Charges		5,031	
Health Equipment		4,705	
Total Health Services			\$ 1,250,185

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		507,812	
School Resource Officer		189,567	
Longevity Pay		3,000	
Social Security		42,644	
Pensions		52,146	
Life Insurance		809	
Medical Insurance		141,124	
Employer Medicare		9,973	
Other Fringe Benefits		2,000	
Evaluation and Testing		16,909	
Contracts for Substitute Teachers - Certified		792	
Other Contracted Services		88,345	
Other Supplies and Materials		441	
Workers' Compensation Insurance		2,882	
Total Other Student Support			1,059,444

Regular Instruction Program

Supervisor/Director	\$	253,170	
Career Ladder Program		5,000	
Librarians		505,577	
Social Security		44,791	
Pensions		75,426	
Life Insurance		739	
Medical Insurance		152,556	
Employer Medicare		10,475	
Travel		2,796	
Contracts for Substitute Teachers - Certified		8,791	
Library Books/Media		12,993	
Total Regular Instruction Program			1,072,314

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	86,241	
Career Ladder Program		1,000	
Psychological Personnel		150,072	
Secretary(ies)		33,268	
Longevity Pay		500	
Other Salaries and Wages		49,995	
Social Security		19,768	
Pensions		27,414	
Life Insurance		230	
Medical Insurance		38,692	
Employer Medicare		4,623	
Operating Lease Payments		3,060	
Maintenance and Repair Services - Equipment		1,654	
Travel		7,388	
Other Supplies and Materials		6,998	
In Service/Staff Development		32,086	
Other Charges		10,146	
Total Special Education Program			\$ 473,135

Technology

Supervisor/Director	\$	35,010	
Other Salaries and Wages		167,882	
Social Security		11,982	
Pensions		8,624	
Life Insurance		46	
Medical Insurance		73,484	
Employer Medicare		2,802	
Communication		59,578	
Data Processing Services		49,790	
Maintenance and Repair Services - Equipment		600,926	
Internet Connectivity		134,308	
Library Books/Media		11,664	
Other Charges		49,965	
Other Equipment		9,609	
Total Technology			1,215,670

Other Programs

Other Salaries and Wages	\$	209,792	
Social Security		12,944	
Pensions		10,953	
Life Insurance		233	
Medical Insurance		10,705	
Employer Medicare		3,027	
On-behalf Payments to OPEB		172,915	
Travel		5,883	
Other Contracted Services		11,099	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs (Cont.)

Office Supplies	\$	92,476	
Other Charges		28,086	
Office Equipment		19,265	
Other Equipment		257,567	
Total Other Programs			\$ 834,945

Board of Education

Secretary to Board	\$	4,500	
Board and Committee Members Fees		38,753	
Social Security		2,091	
Pensions		196	
Life Insurance		171	
Unemployment Compensation		27,800	
Employer Medicare		622	
Other Fringe Benefits		119,969	
Audit Services		20,750	
Dues and Memberships		8,750	
Legal Services		28,858	
Postal Charges		31	
Travel		5,751	
Other Contracted Services		8,550	
Other Supplies and Materials		2,605	
Trustee's Commission		243,430	
Workers' Compensation Insurance		73,954	
In Service/Staff Development		495	
Other Charges		20,767	
Total Board of Education			608,043

Director of Schools

County Official/Administrative Officer	\$	108,893	
Career Ladder Program		2,500	
Secretary(ies)		45,024	
Clerical Personnel		62,572	
Longevity Pay		1,060	
Social Security		13,537	
Pensions		12,744	
Life Insurance		211	
Medical Insurance		37,457	
Employer Medicare		3,166	
Communication		27,593	
Dues and Memberships		9,853	
Operating Lease Payments		7,105	
Maintenance and Repair Services - Equipment		1,692	
Postal Charges		2,090	
Travel		3,885	
Other Contracted Services		510	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

Office Supplies	\$	2,137	
Other Charges		5,521	
Total Director of Schools			\$ 347,550

Office of the Principal

Principals	\$	905,687	
Career Ladder Program		8,000	
Assistant Principals		471,940	
Secretary(ies)		315,168	
Longevity Pay		4,370	
Social Security		100,170	
Pensions		155,967	
Life Insurance		1,761	
Medical Insurance		416,179	
Employer Medicare		23,427	
Communication		46,257	
Operating Lease Payments		13,351	
Maintenance and Repair Services - Equipment		3,547	
Total Office of the Principal			2,465,824

Operation of Plant

Custodial Personnel	\$	733,661	
Longevity Pay		6,970	
Other Salaries and Wages		70,290	
Social Security		48,410	
Pensions		31,662	
Life Insurance		1,374	
Medical Insurance		264,511	
Employer Medicare		11,322	
Other Contracted Services		104,448	
Custodial Supplies		218,536	
Electricity		1,125,416	
Natural Gas		85,370	
Propane Gas		78,389	
Water and Sewer		139,358	
Building and Contents Insurance		344,869	
Plant Operation Equipment		47,467	
Total Operation of Plant			3,312,053

Maintenance of Plant

Supervisor/Director	\$	56,375	
Secretary(ies)		29,527	
Maintenance Personnel		394,338	
Longevity Pay		2,670	
Overtime Pay		474	
Social Security		28,784	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$	19,771	
Life Insurance		625	
Medical Insurance		89,141	
Employer Medicare		6,881	
Communication		4,004	
Maintenance and Repair Services - Buildings		398,723	
Maintenance and Repair Services - Equipment		263,853	
Maintenance and Repair Services - Vehicles		5,914	
Travel		3,127	
Other Contracted Services		10,037	
Gasoline		26,729	
Office Supplies		1,143	
Other Supplies and Materials		142,414	
Maintenance Equipment		28,923	
Total Maintenance of Plant			\$ 1,513,453

Transportation

Supervisor/Director	\$	66,142	
Mechanic(s)		33,662	
Clerical Personnel		20,636	
Longevity Pay		400	
Social Security		7,188	
Pensions		9,133	
Life Insurance		171	
Medical Insurance		24,495	
Employer Medicare		1,681	
Contracts with Vehicle Owners		2,171,911	
Maintenance and Repair Services - Vehicles		27,542	
Printing, Stationery, and Forms		1,222	
Other Contracted Services		4,258	
Diesel Fuel		14,653	
Other Supplies and Materials		15,686	
In Service/Staff Development		675	
Other Charges		8,881	
Transportation Equipment		621	
Total Transportation			2,408,957

COVID-19 Expenditures

Other Supplies and Materials	\$	285,183	
Total COVID-19 Expenditures			285,183

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	34,399	
Longevity Pay		400	
Social Security		1,909	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Pensions	\$	1,514	
Life Insurance		57	
Medical Insurance		16,862	
Employer Medicare		446	
Other Charges		7,811	
Total Community Services			\$ 63,398

Early Childhood Education

Supervisor/Director	\$	7,123	
Teachers		159,681	
Clerical Personnel		3,585	
Educational Assistants		50,837	
Social Security		13,176	
Pensions		17,714	
Life Insurance		353	
Medical Insurance		61,250	
Employer Medicare		3,081	
Contracts for Substitute Teachers - Non-certified		3,643	
Instructional Supplies and Materials		1,124	
In Service/Staff Development		36	
Total Early Childhood Education			321,603

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	59,153	
Total Education			59,153

Total General Purpose School Fund \$ 44,458,967

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	824,979	
Educational Assistants		553,783	
Social Security		81,320	
Pensions		89,426	
Life Insurance		1,102	
Medical Insurance		163,030	
Employer Medicare		19,332	
Contracts for Substitute Teachers - Certified		25,331	
Other Contracted Services		253,357	
Instructional Supplies and Materials		60,936	
Other Supplies and Materials		2,369	
Regular Instruction Equipment		1,406,264	
Total Regular Instruction Program			\$ 3,481,229

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	200,667	
Educational Assistants		366,106	
Social Security		33,193	
Pensions		30,263	
Life Insurance		1,155	
Medical Insurance		227,734	
Employer Medicare		7,763	
Contracts for Substitute Teachers - Certified		19,958	
Special Education Equipment		17,089	
Total Special Education Program	\$		903,928

Career and Technical Education Program

Contracts for Substitute Teachers - Certified	\$	119	
Instructional Supplies and Materials		42,228	
Other Supplies and Materials		2,992	
Vocational Instruction Equipment		71,503	
Total Career and Technical Education Program			116,842

Support Services

Health Services

Medical Personnel	\$	15,000	
Social Security		882	
Pensions		559	
Employer Medicare		206	
Total Health Services			16,647

Other Student Support

Guidance Personnel	\$	33,179	
Social Security		1,995	
Pensions		2,329	
Life Insurance		14	
Medical Insurance		3,477	
Employer Medicare		467	
In Service/Staff Development		6,169	
Other Charges		9,584	
Total Other Student Support			57,214

Regular Instruction Program

Supervisor/Director	\$	69,226	
Secretary(ies)		40,786	
Other Salaries and Wages		351,031	
Social Security		27,366	
Pensions		42,959	
Life Insurance		338	
Medical Insurance		77,595	
Employer Medicare		6,426	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Operating Lease Payments	\$	6,291	
Travel		2,420	
Other Contracted Services		1,000	
Other Supplies and Materials		13,508	
In Service/Staff Development		38,322	
Other Equipment		14,777	
Total Regular Instruction Program			\$ 692,045

Special Education Program

Psychological Personnel	\$	127,005	
Clerical Personnel		28,477	
Longevity Pay		180	
Social Security		9,451	
Pensions		12,246	
Life Insurance		170	
Medical Insurance		27,380	
Employer Medicare		2,210	
Travel		800	
In Service/Staff Development		90	
Total Special Education Program			208,009

Career and Technical Education Program

Supervisor/Director	\$	3,272	
Social Security		203	
Pensions		339	
Employer Medicare		47	
In Service/Staff Development		1,290	
Total Career and Technical Education Program			5,151

Technology

Other Salaries and Wages	\$	8,356	
Social Security		518	
Employer Medicare		121	
Internet Connectivity		7,760	
Other Contracted Services		10,000	
Other Charges		135,376	
Total Technology			162,131

Transportation

Contracts with Vehicle Owners	\$	121,500	
Instructional Supplies and Materials		69,605	
Total Transportation			191,105

Total School Federal Projects Fund \$ 5,834,301

(Continued)

Exhibit K-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	47,000	
Salary Supplements		6,300	
Clerical Personnel		27,641	
Cafeteria Personnel		788,287	
Longevity Pay		11,150	
Other Salaries and Wages		93,458	
Social Security		57,227	
Pensions		31,926	
Life Insurance		1,664	
Medical Insurance		332,162	
Employer Medicare		13,384	
Communication		4,437	
Maintenance and Repair Services - Equipment		56,603	
Other Contracted Services		5,920	
Food Supplies		1,263,542	
USDA - Commodities		200,307	
Other Supplies and Materials		103,870	
Other Charges		734	
Food Service Equipment		125,045	
Total Food Service			\$ 3,170,657

Total Central Cafeteria Fund \$ 3,170,657

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,754,735	
Total Community Services			\$ 1,754,735

Total Internal School Fund 1,754,735

Total Governmental Funds - Monroe County School Department \$ 55,218,660

Exhibit K-9

Monroe County, Tennessee
Schedule of Detailed Additions, Deductions, and
Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund	City School ADA - Sweetwater Fund	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 1,555,095	\$ 1,555,095
Circuit/Clerk and Master Collections - Prior Years	0	35,241	35,241
Interest and Penalty	0	7,466	7,466
Payments in-Lieu-of Taxes - T.V.A.	0	2,111	2,111
Payments in-Lieu-of Taxes - Local Utilities	0	144,293	144,293
Payments in-Lieu-of Taxes - Other	0	481	481
Local Option Sales Tax	5,654,085	1,551,465	7,205,550
Business Tax	0	51,862	51,862
Mixed Drink Tax	0	1,504	1,504
Other County Local Option Taxes	0	52	52
Bank Excise Tax	0	8,483	8,483
Marriage Licenses	0	833	833
Income Tax	0	7,059	7,059
State Revenue Sharing - T.V.A.	0	100,000	100,000
Total Additions	\$ 5,654,085	\$ 3,465,945	\$ 9,120,030
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 5,597,544	\$ 3,416,873	\$ 9,014,417
Trustee's Commission	56,541	49,072	105,613
Total Deductions	\$ 5,654,085	\$ 3,465,945	\$ 9,120,030
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2020	0	0	0
Net Position, June 30, 2021	\$ 0	\$ 0	\$ 0

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 22, 2022. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Monroe County School Department, as described in our report on Monroe County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2021-001.

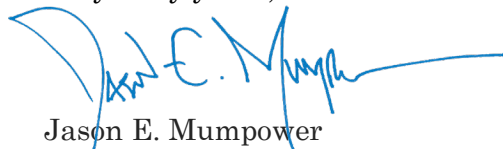
Monroe County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 22, 2022

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Monroe County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe County's major federal programs for the year ended June 30, 2021. Monroe County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Monroe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements. We issued our report thereon dated February 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 22, 2022

JEM/tg

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 200,307 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	7,220 (6)
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	186,974
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	1,004,202
National School Lunch Program	10.555	N/A	1,946,832 (6)
Fresh Fruit and Vegetable Program	10.582	N/A	12,096
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-67031-00	75,958
Total U.S. Department of Agriculture			<u>\$ 3,433,589</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 367,102 (7)
Total U.S. Department of Defense			<u>\$ 367,102</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33004-20720	\$ 300,945
Total U.S. Department of Housing and Urban Development			<u>\$ 300,945</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 227,547
Total U.S. Department of Interior			<u>\$ 227,547</u>
U.S. Department of Justice:			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 298,749
Total U.S. Department of Justice			<u>\$ 298,749</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 12,606
Total U.S. Department of Labor			<u>\$ 12,606</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(8)	\$ 722,555 (6)
COVID 19 - Airport Improvement Program	20.106	AERO-21-211-00	232 (6)
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(8)	1,049
Total U.S. Department of Transportation			<u>\$ 723,836</u>
U.S. Department of Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 466,332 (6)
Passed-through State Department of Tourism:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	29,283 (6)
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	695,108 (6)
Total U.S. Department of Treasury			<u>\$ 1,190,723</u>
U.S. Institute of Museum and Library Services:			
Passed-through Department of Secretary of State, Tennessee State Library and Archives:			
COVID 19 - Grants to States	45.310	30501-03420-18	\$ 4,237
Total U.S. Institute of Museum and Library Services			<u>\$ 4,237</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Direct Program:			
Trio Cluster: (5)			
Trio Talent Search	84.044	N/A	\$ 388,203
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,457,750
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,207,790
Special Education - Preschool Grants	84.173	N/A	35,782
Career and Technical Education - Basic Grants to States	84.048	N/A	128,163
Improving Teacher Quality State Grants	84.367	N/A	277,545
Student Support and Academic Enrichment Program	84.424	N/A	78,832
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)			
	84.425D	N/A	1,197,563 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)			
	84.425D	N/A	1,412,904 (6)
Total U.S. Department of Education			<u>\$ 6,184,532</u>
U.S. National Archives and Records Administration:			
Passed-through Department of Secretary of State, Tennessee State Library and Archives:			
National Historical Publications and Records Grants	89.003	30501-01621-12	\$ 4,060
Total U.S. National Archives and Records Administration			<u>\$ 4,060</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grant	90.404	30501-03120-03	\$ 152,384 (6)
COVID 19 - 2020 Supplemental Election Security Grants	90.404	30501-03020-62	49,676 (6)
Total U.S. Election Assistance Commission			<u>\$ 202,060</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures			
	93.501	N/A	\$ 4,994
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs			
	93.136	GG-21-67031-00	275
Family Planning Services	93.217	GG-21-67031-00	14,520
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-21-67031-00	11,241
Maternal and Child Health Services Block Grant to the States	93.994	GG-21-67031-00	27,349
Passed-through State Department of Education:			
477 Cluster: (5)			
Temporary Assistance for Needy Families	93.558	N/A	131,776
Total U.S. Department of Health and Human Services			<u>\$ 190,155</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant			
	97.042	68349-36373	\$ 20,000
Homeland Security Grant Program	97.067	(8)	28,548
Total U.S. Department of Homeland Security			<u>\$ 48,548</u>
Total Expenditures of Federal Grants			<u>\$ 13,188,689</u>
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	Contract Number (4)	\$ 9,000
Archives Development Grant - Tennessee State Library and Archives	N/A	30501-01421-11	4,933
Help America Vote Act Requirements Payments - Tennessee Secretary of State	N/A	30501-03120-03	7,616
Litter Program - State Department of Transportation	N/A	(4)	49,494
Tourism Marketing Grant - State Department of Tourist Development	N/A	(4)	15,903
Mental Health Pre Arrest Diversion Infrastructure Capital Grant - State Department of Mental Health and Substance Abuse	N/A	(4)	45,315
Local Health Services - State Department of Health	N/A	GG-21-67031-00	204,837
Law Enforcement Training Grants - State Department of Safety	N/A	(4)	36,800

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance		Expenditures
	Listings Number	Contract Number	
<u>State Grants (Cont.)</u>			
Airport Maintenance - State Department of Transportation	N/A	40100-14620	\$ 15,000
Airport Improvement Program (State Portion) - State Department of Transportation	N/A	AERO-20-202-00	95,527
Bridge Program - State Department of Transportation	N/A	(4)	347,516
State Aid Program - State Department of Transportation	N/A	(4)	234,910
State Direct Appropriation Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,077,809
Early Childhood Education - Lottery - State Department of Education	N/A	(4)	286,954
Coordinated School Health - State Department of Education	N/A	(4)	160,000
Safe Schools Act - State Department of Education	N/A	(4)	114,483
Summer Learning Camps Grant - State Department of Education	N/A	(4)	151,306
Bridge Camp Grant - State Department of Education	N/A	(4)	46,947
STREAM Mini Camps Grant - State Department of Education	N/A	(4)	21,373
Healthy Students Stronger Learners - State Department of Education	N/A	(4)	21,210
Family Resource Center - State Department of Education	N/A	(4)	29,612
2020 Aviation and Education Outreach Grant - State Department of Transportation	N/A	AERO-20-231-00	25,000
Total State Grants			<u>\$ 3,001,545</u>

FAL = Federal Assistance Listings
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Monroe County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Forest Service Schools and Roads Cluster total \$186,974; Child Nutrition Cluster total \$3,158,561; Trio Cluster \$388,203; Special Education Cluster total \$1,243,572; Medicaid Cluster total \$11,241; and 477 Cluster total \$131,776.
- (6) FAL Totals: FAL No. 10.555, \$2,154,359; FAL No. 20.106, \$722,787; FAL No. 21.019, \$1,190,723; FAL No. 84.425D, \$2,610,467; FAL No. 90.404, \$202,060.
- (7) During the year ended June 30, 2021, Monroe County received excess military equipment from the U.S. Department of Military valued at \$367,102.
- (8) FAL Nos. with multiple pass-through entity identifying numbers:
FAL No. 20.106, AERO-20-202-00: \$38,414; AERO-21-261-00: \$684,141;
FAL No. 20.607, Z-20THS172: \$342; Z-21THS201: \$707;
FAL No. 97.067, 34101-09919: \$13,500; 34101-15420: \$15,048.
- (9) For the year ended June 30, 2021, Monroe County received donated PPE valued at \$323,208 (\$242,406 federal and \$80,802 state) from Tennessee Department of Military. These donations were unaudited.

Program Title	Federal Assistance	Amount
	Listings Number	Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 190,238
Improving Teacher Quality State Grants	84.367	32,000
Student Support and Academic Enrichment Program	84.424	2,000
Total amounts consolidated for administration purposes		<u>\$ 224,238</u>

Monroe County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Monroe County, Tennessee, for the year ended June 30, 2021.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

MONROE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund
Program - Elementary and Secondary
School Emergency Relief Fund (ESSER I
and ESSER II)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

FINDING 2021-001 **THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS** (Noncompliance Under *Government Auditing Standards*)

The teacher salary line-item in the Regular Instruction Program of the General Purpose School Fund exceeded appropriations by \$292,308. This over expenditure resulted in expenditures exceeding appropriations approved by the county commission in the major appropriation category (the legal level of control) by \$89,368.

These deficiencies were the result of the school department employing staff to administer the summer learning camp programs without obtaining budget approval by the county commission. Prior to incurring the expenses, the school department did obtain approval from the Board of Education at their May 2021 meeting. The programs were created after the original budget was approved by county commission; however, the school department failed to obtain county commission approval at either the May 2021 or June 2021 county commission meetings.

The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission. Additionally, Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS – KRISTI WINDSOR

We were aware of this finding and contacted the auditor in July. We had received a grant for summer school programs and did not bring these funds in the GPS budget before year-end due to a miscommunication between Finance and the Director of Federal Programs. Some of the payrolls were accrued at year-end after all the budget amendments for the year had been

passed causing an overage in expenditures in 141-71100, Regular Instruction. We have taken corrective action measures so this will not happen in the future. We will amend the budget as soon as we are awarded grants from now on.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

Monroe County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS - KRISTI WINDSOR

2021-001	The offices had deficiencies in budget operations.	215
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1st DISTRICT
John Ridgell
DeWitt Upton
Don Weiss

**Monroe County
Department of Education**
205 Oak Grove Road
Madisonville, TN 37354
Telephone (423) 442-2373 Fax: (423) 442-1389

3rd DISTRICT
Jo Cagle, Vice Chairman
Sharin Freeman
Freddie Kelley

2nd DISTRICT
Mark Ingram, Chairman
Dr. Lon Shoopman
Dean Williams

**Dr. Kristi Windsor
Director of Schools**

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Dr. Kristi Windsor, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Kristi Windsor, Director of Schools

Gail Sensibaugh, Assistant Director of Finance

Anticipated Completion Date of Corrective Action:

We became aware of the issue in July of 2021, and action was taken immediately.

Repeat Finding:

No

Planned Corrective Action:

In the future when we receive grant funding our first item will be to pass an amendment to bring the funds into the GPS budget.

Signature: Dr. Kristi C. Windsor

Signature: _____