



ANNUAL FINANCIAL REPORT

Monroe County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

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, 2022

Scope

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

Results

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

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

Findings

The following is a summary of the audit findings:

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

- ◆ Surplus property was not disposed of properly.
- ◆ Competitive bids were not solicited for various roofing projects.



INTRODUCTORY SECTION

Monroe County Officials

June 30, 2022

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

Paulette Summey, Chairperson
Joe Anderson II
Luke Bright
Brian Harrill
Richard Kirkland

Chad Leming
Adam Reynolds
Bill Shadden
Roger Thomas
Chris Wiseman

Board of Education

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

Dr. Lon Shoopman
Dewitt Upton
Donald Weiss
Dean Williams

Financial Management Committee

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

Chad Leming
Adam Reynolds
Roger Thomas

Audit Committee

Jim Fairweather, Chairperson
Jeff Amburn
Doug Warren

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 Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Monroe County School Department, which represent 1.02 percent, 1.69 percent, and 2.1 percent, respectively, of the assets, net position, and revenues of the discretely presented Monroe County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Monroe County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the

Financial Statements section of our report. We are required to be independent of Monroe County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Monroe County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monroe County’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

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

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2023, 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

January 6, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Monroe County School Department</u>
<u>ASSETS</u>		
Cash	\$ 11,858	\$ 974,061
Equity in Pooled Cash and Investments	45,813,471	16,814,365
Accounts Receivable	2,205,111	4,744
Allowance for Uncollectibles	(670,631)	0
Due from Other Governments	1,559,216	4,126,811
Due from Primary Government	0	93,651
Due from Component Unit	13,054	0
Property Taxes Receivable	19,161,442	6,614,054
Allowance for Uncollectible Property Taxes	(445,139)	(153,651)
Net Pension Asset - Agent Plan	5,965,260	2,902,378
Net Pension Asset - Teacher Retirement Plan	0	324,411
Net Pension Asset - Teacher Legacy Pension Plan	0	22,035,999
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	351,871
Capital Assets:		
Assets Not Depreciated:		
Land	1,298,160	864,562
Construction in Progress	6,079,445	1,080,000
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	35,685,748	35,432,982
Infrastructure	70,426,575	0
Other Capital Assets	<u>5,961,087</u>	<u>3,510,307</u>
Total Assets	<u>\$ 193,064,657</u>	<u>\$ 94,976,545</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 12,488	\$ 85,773
Pension Changes in Assumptions	2,298,091	7,122,792
Pension Changes in Proportionate Share	0	26,486
Pension Contributions after Measurement Date	500,096	2,060,065
OPEB Change in Experience	4,687	1,140,058
OPEB Change in Assumptions	48,280	1,158,090
OPEB Changes in Proportionate Share	0	840,586
OPEB Contributions after Measurement Date	<u>5,164</u>	<u>317,633</u>
Total Deferred Outflows of Resources	<u>\$ 2,868,806</u>	<u>\$ 12,751,483</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	\$ 716,821	\$ 56,778
Accrued Payroll	213,169	4,412,058
Accrued Interest Payable	105,048	0
Payroll Deductions Payable	503,816	2,111,112
Contracts Payable	210,014	1,080,000
Due to Primary Government	0	13,054
Due to Component Units	93,651	0
Due to Other Taxing Units	1,107	0
Due to Other Governments	4,520,410	0
Noncurrent Liabilities:		
Due Within One Year - Debt	3,213,401	0
Due Within One Year - Other	316,752	118,406
Due in More Than One Year - Debt (net of unamortized premium on debt)	71,950,440	0
Due in More Than One Year - Other	632,401	11,087,381
Total Liabilities	<u>\$ 82,477,030</u>	<u>\$ 18,878,789</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 18,363,589	\$ 6,338,655
Pension Changes in Experience	1,142,102	2,452,921
Pension Changes in Investment Earnings	4,708,538	20,050,881
Pension Changes in Proportionate Share	0	42,590
OPEB Changes in Experience	237,651	177,759
OPEB Changes in Assumptions	89,131	1,025,412
OPEB Changes in Proportionate Share	0	1,320,418
Total Deferred Inflows of Resources	<u>\$ 24,541,011</u>	<u>\$ 31,408,636</u>

NET POSITION

Net Investment in Capital Assets	\$ 83,848,026	\$ 40,887,851
Restricted for:		
General Government	1,087,522	0
Finance	105,888	0
Administration of Justice	60,912	0
Public Safety	148,291	0
Public Health and Welfare	375,957	0
Highways	2,362,213	0
Education	0	5,211,924
Debt Service	13,993,639	0
Capital Projects	1,281,200	0
Pensions	5,965,260	25,614,659
Unrestricted	<u>(20,313,486)</u>	<u>(14,273,831)</u>
Total Net Position	<u>\$ 88,915,422</u>	<u>\$ 57,440,603</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, 2022

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 Government	Component Unit
					Total Governmental Activities	Monroe County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,141,441	\$ 1,047,521	\$ 267,315	\$ 2,572,410	\$ (1,254,195)	\$ 0
Finance	1,907,004	1,503,482	18,328	0	(385,194)	0
Administration of Justice	1,634,659	964,253	71,509	0	(598,897)	0
Public Safety	9,266,202	1,249,107	453,582	177,908	(7,385,605)	0
Public Health and Welfare	5,547,961	3,505,755	397,080	0	(1,645,126)	0
Social, Cultural, and Recreational Services	265,900	0	0	0	(265,900)	0
Agriculture and Natural Resources	159,652	0	0	0	(159,652)	0
Highways	9,141,843	300,495	3,325,461	880,735	(4,635,152)	0
Education	113,354	0	0	0	(113,354)	0
Interest on Long-term Debt	1,678,460	0	0	0	(1,678,460)	0
Total Primary Government	\$ 34,856,476	\$ 8,570,613	\$ 4,533,275	\$ 3,631,053	\$ (18,121,535)	\$ 0
Component Unit:						
Monroe County School Department	\$ 53,087,506	\$ 474,664	\$ 12,861,529	\$ 3,767,783	\$ 0	\$ (35,983,530)
Total Component Unit	\$ 53,087,506	\$ 474,664	\$ 12,861,529	\$ 3,767,783	\$ 0	\$ (35,983,530)

(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 Governmental Activities	Monroe County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 11,105,793	\$ 6,486,199	
Property Taxes Levied for Solid Waste/Sanitation				1,082,622	0	
Property Taxes Levied for Highways				1,155,528	0	
Property Taxes Levied for Debt Service				3,924,990	0	
Local Option Sales Taxes				1,802,345	6,432,338	
Hotel/Motel Tax				310,284	0	
Wheel Tax				2,165,026	0	
Litigation Tax - General				72,932	0	
Litigation Tax - Special Purpose				34,835	0	
Litigation Tax - Jail, Workhouse, or Courthouse				173,785	0	
Business Tax				356,714	198,989	
Mineral Severance Tax				58,229	0	
Wholesale Beer Tax				72,230	0	
Mixed Drink Tax				0	8,172	
Other Local Taxes				10,394	9,608	
Grants and Contributions Not Restricted to Specific Programs				2,449,362	33,180,757	
Unrestricted Investment Income				83,825	0	
Gain On Sale of Capital Assets				823,282	6,946	
Miscellaneous				1,378	205,898	
Total General Revenues				<u>\$ 25,683,554</u>	<u>\$ 46,528,907</u>	
Change in Net Position				\$ 7,562,019	\$ 10,545,377	
Net Position, July 1, 2021				<u>81,353,403</u>	<u>46,895,226</u>	
Net Position, June 30, 2022				<u>\$ 88,915,422</u>	<u>\$ 57,440,603</u>	

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, 2022

	Major Funds				Nonmajor	Total
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 6,846	\$ 0	\$ 0	\$ 0	\$ 5,012	\$ 11,858
Equity in Pooled Cash and Investments	15,837,738	4,520,410	3,713,091	16,082,392	5,659,840	45,813,471
Accounts Receivable	2,189,541	0	1,908	138	13,524	2,205,111
Allowance for Uncollectibles	(670,631)	0	0	0	0	(670,631)
Due from Other Governments	959,592	0	583,903	7,188	8,533	1,559,216
Due from Other Funds	4,850	0	1,955	0	0	6,805
Property Taxes Receivable	12,322,797	0	1,282,170	4,355,207	1,201,268	19,161,442
Allowance for Uncollectible Property Taxes	(286,271)	0	(29,786)	(101,176)	(27,906)	(445,139)
Total Assets	\$ 30,364,462	\$ 4,520,410	\$ 5,553,241	\$ 20,343,749	\$ 6,860,271	\$ 67,642,133
<u>LIABILITIES</u>						
Accounts Payable	\$ 79,295	\$ 0	\$ 570,701	\$ 0	\$ 66,825	\$ 716,821
Accrued Payroll	161,861	0	39,425	0	11,883	213,169
Payroll Deductions Payable	421,991	0	60,649	0	21,176	503,816
Contracts Payable	210,014	0	0	0	0	210,014
Due to Other Funds	0	0	0	0	6,805	6,805
Due to Component Units	93,651	0	0	0	0	93,651
Due to Other Taxing Units	1,107	0	0	0	0	1,107
Due to Other Governments	0	4,520,410	0	0	0	4,520,410
Total Liabilities	\$ 967,919	\$ 4,520,410	\$ 670,775	\$ 0	\$ 106,689	\$ 6,265,793
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 11,809,695	\$ 0	\$ 1,228,782	\$ 4,173,863	\$ 1,151,249	\$ 18,363,589

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other	
					Governmental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 189,421	\$ 0	\$ 19,710	\$ 66,946	\$ 18,466	\$ 294,543
Other Deferred/Unavailable Revenue	1,093,953	0	260,069	0	5,472	1,359,494
Total Deferred Inflows of Resources	\$ 13,093,069	\$ 0	\$ 1,508,561	\$ 4,240,809	\$ 1,175,187	\$ 20,017,626

FUND BALANCES

Restricted:

Restricted for General Government	\$ 1,086,522	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,086,522
Restricted for Finance	105,888	0	0	0	0	105,888
Restricted for Administration of Justice	60,912	0	0	0	0	60,912
Restricted for Public Safety	87,921	0	0	0	60,370	148,291
Restricted for Public Health and Welfare	28,619	0	0	0	368,646	397,265
Restricted for Highways/Public Works	0	0	2,180,601	0	0	2,180,601
Restricted for Debt Service	0	0	0	14,031,741	0	14,031,741
Restricted for Capital Projects	0	0	0	0	1,281,200	1,281,200
Restricted for Other Purposes	1,000	0	0	0	0	1,000

Committed:

Committed for General Government	4,459,875	0	0	0	0	4,459,875
Committed for Public Safety	13,895	0	0	0	0	13,895
Committed for Public Health and Welfare	0	0	0	0	368,179	368,179
Committed for Other Operations	79,291	0	0	0	0	79,291
Committed for Highways/Public Works	0	0	1,193,304	0	0	1,193,304
Committed for Debt Service	0	0	0	2,071,199	0	2,071,199
Committed for Capital Projects	0	0	0	0	3,500,000	3,500,000

Assigned:

Assigned for General Government	1,422,072	0	0	0	0	1,422,072
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(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Finance	\$ 1,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,035
Assigned for Administration of Justice	13,230	0	0	0	0	13,230
Assigned for Public Safety	101,719	0	0	0	0	101,719
Assigned for Public Health and Welfare	6,833	0	0	0	0	6,833
Assigned for Other Purposes	81,580	0	0	0	0	81,580
Unassigned	8,753,082	0	0	0	0	8,753,082
Total Fund Balances	\$ 16,303,474	\$ 0	\$ 3,373,905	\$ 16,102,940	\$ 5,578,395	\$ 41,358,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,364,462	\$ 4,520,410	\$ 5,553,241	\$ 20,343,749	\$ 6,860,271	\$ 67,642,133

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, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 41,358,714
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,298,160	
Add: construction in progress	6,079,445	
Add: buildings and improvements net of accumulated depreciation	35,685,748	
Add: infrastructure net of accumulated depreciation	70,426,575	
Add: other capital assets net of accumulated depreciation	<u>5,961,087</u>	119,451,015
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (20,460,000)	
Less: other loans payable	(54,245,926)	
Less: accrued interest on bonds and other loans	(105,048)	
Less: unamortized premium on debt issues	(457,915)	
Add: debt to be contributed by the school department	13,054	
Less: net OPEB liability	(242,573)	
Less: compensated absences payable	(604,840)	
Less: landfill closure/postclosure care costs	<u>(101,740)</u>	(76,204,988)
(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	\$ 2,810,675	
Less: deferred inflows of resources related to pensions	(5,850,640)	
Add: deferred outflows of resources related to OPEB	58,131	
Less: deferred inflows of resources related to OPEB	<u>(326,782)</u>	(3,308,616)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		5,965,260
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,654,037</u>
Net position of governmental activities (Exhibit A)		<u>\$ 88,915,422</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, 2022

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 15,947,372	\$ 1,489,717	\$ 5,470,508	\$ 1,181,213	\$ 24,088,810
Licenses and Permits	163,794	0	0	0	163,794
Fines, Forfeitures, and Penalties	244,920	0	0	66,461	311,381
Charges for Current Services	4,066,392	300,495	0	63,535	4,430,422
Other Local Revenues	313,296	0	83,823	62,995	460,114
Fees Received From County Officials	2,481,614	0	0	0	2,481,614
State of Tennessee	1,799,827	3,965,684	6,049	84,887	5,856,447
Federal Government	2,898,142	223,894	0	0	3,122,036
Other Governments and Citizens Groups	317,046	0	82,153	0	399,199
Total Revenues	\$ 28,232,403	\$ 5,979,790	\$ 5,642,533	\$ 1,459,091	\$ 41,313,817
<u>Expenditures</u>					
Current:					
General Government	\$ 3,432,266	\$ 0	\$ 0	\$ 0	\$ 3,432,266
Finance	2,118,264	0	0	0	2,118,264
Administration of Justice	1,777,470	0	0	870	1,778,340
Public Safety	9,234,919	0	0	90,348	9,325,267
Public Health and Welfare	4,215,994	0	0	1,384,936	5,600,930
Social, Cultural, and Recreational Services	265,900	0	0	0	265,900
Agriculture and Natural Resources	160,473	0	0	0	160,473
Other Operations	3,606,094	0	0	0	3,606,094
Highways	0	5,315,675	0	87,621	5,403,296
Debt Service:					
Principal on Debt	337,581	87,172	2,807,641	0	3,232,394
Interest on Debt	95,770	5,193	1,647,858	0	1,748,821
Other Debt Service	0	0	99,514	0	99,514

(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	\$ 169,928	\$ 0	\$ 0	\$ 0	\$ 169,928
Capital Projects - Donated	0	0	0	113,354	113,354
Total Expenditures	<u>\$ 25,414,659</u>	<u>\$ 5,408,040</u>	<u>\$ 4,555,013</u>	<u>\$ 1,677,129</u>	<u>\$ 37,054,841</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,817,744</u>	<u>\$ 571,750</u>	<u>\$ 1,087,520</u>	<u>\$ (218,038)</u>	<u>\$ 4,258,976</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 113,354	\$ 113,354
Proceeds from Sale of Capital Assets	893,105	0	0	0	893,105
Insurance Recovery	37,034	6,795	0	0	43,829
Transfers In	2,336,067	355,471	0	3,548,345	6,239,883
Transfers Out	(3,500,000)	0	0	0	(3,500,000)
Total Other Financing Sources (Uses)	<u>\$ (233,794)</u>	<u>\$ 362,266</u>	<u>\$ 0</u>	<u>\$ 3,661,699</u>	<u>\$ 3,790,171</u>
Net Change in Fund Balances	\$ 2,583,950	\$ 934,016	\$ 1,087,520	\$ 3,443,661	\$ 8,049,147
Fund Balance, July 1, 2021	<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>
Fund Balance, June 30, 2022	<u>\$ 16,303,474</u>	<u>\$ 3,373,905</u>	<u>\$ 16,102,940</u>	<u>\$ 5,578,395</u>	<u>\$ 41,358,714</u>

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

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, 2022

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 8,049,147
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,777,323	
Less: current-year depreciation expense	<u>(6,503,210)</u>	(2,725,887)
(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	\$ 139,309	
Less: book value of assets disposed	<u>(91,033)</u>	48,276
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 1,654,037	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(1,464,337)</u>	189,700
(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	\$ 1,130,000	
Add: principal payments on other loans	2,102,394	
Add: change in unamortized premium on debt issues	60,645	
Less: other loan proceeds	(113,354)	
Less: contributions from the school department for other loans	<u>(26,403)</u>	3,153,282
(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	\$ 85,530	
Change in deferred outflows related to OPEB	(9,691)	
Change in deferred inflows related to OPEB	(25,614)	
Change in net pension asset	4,598,652	
Change in deferred outflows related to pensions	1,859,447	
Change in deferred inflows related to pensions	(5,148,783)	
Change in accrued interest payable	9,716	
Change in compensated absences payable	82,736	
Change in landfill postclosure care costs	<u>12,918</u>	1,464,911
(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>(2,617,410)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 7,562,019</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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 15,947,372	\$ 0	\$ 0	\$ 15,947,372	\$ 15,261,788	\$ 15,261,788	\$ 685,584
Licenses and Permits	163,794	0	0	163,794	123,000	123,000	40,794
Fines, Forfeitures, and Penalties	244,920	0	0	244,920	226,100	226,100	18,820
Charges for Current Services	4,066,392	0	0	4,066,392	4,189,580	4,189,580	(123,188)
Other Local Revenues	313,296	0	0	313,296	78,842	645,539	(332,243)
Fees Received From County Officials	2,481,614	0	0	2,481,614	2,242,000	2,242,000	239,614
State of Tennessee	1,799,827	0	0	1,799,827	1,861,345	2,659,238	(859,411)
Federal Government	2,898,142	0	0	2,898,142	4,126,679	4,561,409	(1,663,267)
Other Governments and Citizens Groups	317,046	0	0	317,046	286,620	290,520	26,526
Total Revenues	\$ 28,232,403	\$ 0	\$ 0	\$ 28,232,403	\$ 28,395,954	\$ 30,199,174	\$ (1,966,771)
Expenditures							
General Government							
County Commission	\$ 485,990	\$ 0	\$ 0	\$ 485,990	\$ 656,554	\$ 656,554	\$ 170,564
Board of Equalization	2,100	0	0	2,100	3,500	3,500	1,400
County Mayor/Executive	249,281	0	0	249,281	246,706	250,713	1,432
Personnel Office	133,220	0	0	133,220	190,746	190,746	57,526
County Attorney	49,157	0	0	49,157	75,000	75,000	25,843
Election Commission	368,059	0	0	368,059	399,412	403,424	35,365
Register of Deeds	425,134	0	0	425,134	424,955	428,215	3,081
Planning	64,945	0	0	64,945	92,153	92,153	27,208
Engineering	394,934	0	0	394,934	451,876	461,726	66,792
Codes Compliance	30,259	0	0	30,259	52,944	52,944	22,685
Geographical Information Systems	92,395	0	0	92,395	102,825	103,102	10,707
County Buildings	761,710	0	981	762,691	745,686	927,858	165,167
Other General Administration	356,075	0	0	356,075	365,500	365,500	9,425
Preservation of Records	19,007	0	0	19,007	22,279	22,763	3,756
Finance							
Accounting and Budgeting	638,711	0	1,035	639,746	722,674	722,674	82,928
Property Assessor's Office	350,556	0	0	350,556	403,391	406,521	55,965

(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)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 132,352	\$ 0	\$ 0	\$ 132,352	\$ 157,959	\$ 158,287	\$ 25,935
County Trustee's Office	359,795	0	0	359,795	400,171	400,171	40,376
County Clerk's Office	636,850	(35,200)	0	601,650	615,540	615,540	13,890
<u>Administration of Justice</u>							
Circuit Court	1,202,010	(411)	0	1,201,599	1,261,128	1,267,525	65,926
General Sessions Judge	266,949	0	0	266,949	289,747	290,735	23,786
Chancery Court	245,364	0	13,230	258,594	349,106	364,582	105,988
Probate Court	55,147	0	0	55,147	60,079	60,079	4,932
Other Administration of Justice	8,000	0	0	8,000	45,065	45,065	37,065
<u>Public Safety</u>							
Sheriff's Department	4,110,659	0	3,025	4,113,684	4,065,665	4,543,273	429,589
Administration of the Sexual Offender Registry	267	0	0	267	3,000	3,000	2,733
Jail	3,791,229	0	404	3,791,633	4,127,196	4,092,630	300,997
Juvenile Services	153,880	0	0	153,880	159,172	239,129	85,249
Fire Prevention and Control	274,000	0	0	274,000	274,000	274,000	0
Rescue Squad	80,000	0	0	80,000	80,000	80,000	0
Other Emergency Management	118,746	0	0	118,746	108,838	131,562	12,816
County Coroner/Medical Examiner	156,465	0	0	156,465	142,000	159,325	2,860
Other Public Safety	549,673	0	782	550,455	652,852	652,852	102,397
<u>Public Health and Welfare</u>							
Local Health Center	51,098	0	0	51,098	78,425	78,425	27,327
Rabies and Animal Control	198,994	0	1,106	200,100	234,514	234,514	34,414
Ambulance/Emergency Medical Services	3,234,934	0	3,572	3,238,506	3,510,538	3,464,040	225,534
Dental Health Program	359,720	0	2,155	361,875	633,483	649,536	287,661
Alcohol and Drug Programs	9,323	0	0	9,323	9,323	9,323	0
Other Local Health Services	361,925	0	0	361,925	358,398	373,024	11,099
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	30,000	0	0	30,000	30,000	30,000	0
Libraries	125,000	0	0	125,000	133,817	133,817	8,817

(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)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 110,900	\$ 0	\$ 0	\$ 110,900	\$ 95,900	\$ 110,900	\$ 0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	87,617	0	0	87,617	90,778	90,778	3,161
Soil Conservation	70,856	0	0	70,856	74,712	75,089	4,233
Flood Control	2,000	0	0	2,000	2,000	2,000	0
<u>Other Operations</u>							
Tourism	273,370	0	0	273,370	280,669	290,254	16,884
Industrial Development	42,658	0	0	42,658	765,865	774,048	731,390
Airport	3,012,159	(2,573,584)	838,149	1,276,724	3,854,213	4,667,560	3,390,836
Veterans' Services	55,076	0	0	55,076	58,782	58,782	3,706
Contributions to Other Agencies	217,400	0	0	217,400	218,800	218,800	1,400
Employee Benefits	5,431	0	0	5,431	63,200	63,200	57,769
COVID-19 Grant #1	0	0	0	0	97,302	0	0
COVID-19 Grant #3	0	0	0	0	1,679	1,679	1,679
American Rescue Plan Act Grant #3	0	0	0	0	0	75,000	75,000
<u>Principal on Debt</u>							
General Government	337,581	0	0	337,581	476,693	337,581	0
<u>Interest on Debt</u>							
General Government	95,770	0	0	95,770	0	95,770	0
<u>Capital Projects</u>							
General Administration Projects	168,925	0	0	168,925	0	168,925	0
Public Safety Projects	1,003	0	0	1,003	10,000	10,000	8,997
Total Expenditures	\$ 25,414,659	\$ (2,609,195)	\$ 864,439	\$ 23,669,903	\$ 28,826,810	\$ 30,554,193	\$ 6,884,290
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 2,817,744	\$ 2,609,195	\$ (864,439)	\$ 4,562,500	\$ (430,856)	\$ (355,019)	\$ 4,917,519
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 893,105	\$ 0	\$ 0	\$ 893,105	\$ 0	\$ 0	\$ 893,105

(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)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 37,034	\$ 0	\$ 0	\$ 37,034	\$ 0	\$ 19,049	\$ 17,985
Transfers In	2,336,067	0	0	2,336,067	0	2,336,067	0
Transfers Out	(3,500,000)	0	0	(3,500,000)	0	(3,500,000)	0
Total Other Financing Sources	\$ (233,794)	\$ 0	\$ 0	\$ (233,794)	\$ 0	\$ (1,144,884)	\$ 911,090
Net Change in Fund Balance	\$ 2,583,950	\$ 2,609,195	\$ (864,439)	\$ 4,328,706	\$ (430,856)	\$ (1,499,903)	\$ 5,828,609
Fund Balance, July 1, 2021	13,719,524	(2,609,195)	0	11,110,329	11,009,406	11,009,406	100,923
Fund Balance, June 30, 2022	\$ 16,303,474	\$ 0	\$ (864,439)	\$ 15,439,035	\$ 10,578,550	\$ 9,509,503	\$ 5,929,532

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 (Budgetary Basis) and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	4,520,410	\$ (4,520,410)
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	4,520,410	\$ (4,520,410)
<u>Expenditures</u>						
<u>Other Operations</u>						
American Rescue Plan Act Grant #6	\$ 0	\$ 373,726	\$ 373,726	\$ 0	3,713,159	\$ 3,339,433
Total Expenditures	\$ 0	\$ 373,726	\$ 373,726	\$ 0	3,713,159	\$ 3,339,433
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (373,726)	\$ (373,726)	\$ 0	807,251	\$ (1,180,977)
Net Change in Fund Balance	\$ 0	\$ (373,726)	\$ (373,726)	\$ 0	807,251	\$ (1,180,977)
Fund Balance, July 1, 2021	0	0	0	0	0	0
Fund Balance, June 30, 2022	\$ 0	\$ (373,726)	\$ (373,726)	\$ 0	807,251	\$ (1,180,977)

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

Exhibit C-7

Monroe County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,489,717	\$ 0	\$ 1,489,717	\$ 1,435,666	\$ 1,435,666	\$ 54,051
Charges for Current Services	300,495	0	300,495	200,000	200,000	100,495
State of Tennessee	3,965,684	0	3,965,684	3,410,533	4,210,246	(244,562)
Federal Government	223,894	0	223,894	226,360	206,166	17,728
Total Revenues	\$ 5,979,790	\$ 0	\$ 5,979,790	\$ 5,272,559	\$ 6,052,078	\$ (72,288)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 271,770	\$ 0	\$ 271,770	\$ 283,835	\$ 283,835	\$ 12,065
Highway and Bridge Maintenance	3,426,183	809,492	4,235,675	3,951,671	4,488,915	253,240
Operation and Maintenance of Equipment	823,398	0	823,398	781,993	867,120	43,722
Other Charges	294,926	0	294,926	312,000	296,500	1,574
Employee Benefits	0	0	0	5,000	0	0
Capital Outlay	499,398	0	499,398	744,371	910,699	411,301
<u>Principal on Debt</u>						
Highways and Streets	87,172	0	87,172	0	87,172	0
<u>Interest on Debt</u>						
Highways and Streets	5,193	0	5,193	0	5,193	0
Total Expenditures	\$ 5,408,040	\$ 809,492	\$ 6,217,532	\$ 6,078,870	\$ 6,939,434	\$ 721,902
Excess (Deficiency) of Revenues Over Expenditures	\$ 571,750	\$ (809,492)	\$ (237,742)	\$ (806,311)	\$ (887,356)	\$ 649,614
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,795	\$ 0	\$ 6,795	\$ 0	\$ 6,795	\$ 0
Transfers In	355,471	0	355,471	0	355,471	0
Total Other Financing Sources	\$ 362,266	\$ 0	\$ 362,266	\$ 0	\$ 362,266	\$ 0

(Continued)

Exhibit C-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 934,016	\$ (809,492)	\$ 124,524	\$ (806,311)	\$ (525,090)	\$ 649,614
Fund Balance, July 1, 2021	2,439,889	0	2,439,889	2,255,466	2,255,466	184,423
Fund Balance, June 30, 2022	\$ 3,373,905	\$ (809,492)	\$ 2,564,413	\$ 1,449,155	\$ 1,730,376	\$ 834,037

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

Monroe County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund <hr/> Employee Health Insurance Fund <hr/>
<u>Operating Revenues</u>	
Commercial Insurance Premiums	\$ 2,318,104
Total Operating Revenues	<u>\$ 2,318,104</u>
<u>Operating Expenses</u>	
Fiscal Agent Charges	\$ 1,120
Insurance Premiums	1,854,482
Other Fringe Benefits	340,029
Total Operating Expenses	<u>\$ 2,195,631</u>
Operating Income (Loss)	<u>\$ 122,473</u>
Transfers Out	<u>\$ (2,739,883)</u>
Change in Net Position	\$ (2,617,410)
Net Position, July 1, 2021	<u>2,617,410</u>
Net Position, June, 30, 2022	<u><u>\$ 0</u></u>

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

Exhibit D-2

Monroe County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
	Employee Health Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Commercial Insurance Premiums	\$ 2,318,104
Payments to Fiscal Agents	(1,120)
Payments to Insurers	(1,854,482)
Payments for Other Fringe Benefits	(353,064)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 109,438</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
Transfers Out	<u>\$ (2,739,883)</u>
Increase (Decrease) in Cash	\$ (2,630,445)
Cash, July 1, 2021	<u>2,630,445</u>
Cash, June 30, 2022	<u><u>\$ 0</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 122,473
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>(13,035)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 109,438</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, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,496,688
Equity in Pooled Cash and Investments	2,718
Due from Other Governments	1,438,082
Property Taxes Receivable	1,677,143
Allowance for Uncollectible Property Taxes	<u>(38,962)</u>
Total Assets	<u>\$ 6,575,669</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,471,672</u>
Total Liabilities	<u>\$ 1,471,672</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,607,309</u>
Total Deferred Inflows of Resources	<u>\$ 1,607,309</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 3,496,688</u>
Total Net Position	<u><u>\$ 3,496,688</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, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,679,049
ADA - Educational Funds Collected for Cities	3,410,477
Fines/Fees and Other Collections	<u>10,290,586</u>
Total Additions	<u>\$ 19,380,112</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections for Other Governments	\$ 5,679,049
Payments to City School Systems	3,410,477
Payments to State	6,616,597
Payments to Individuals and Others	<u>2,603,934</u>
Total Deductions	<u>\$ 18,310,057</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ 1,070,055
Net Position July 1, 2021	<u>2,426,633</u>
Net Position June 30, 2022	<u><u>\$ 3,496,688</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, 2022

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. Other loans of \$113,354 were issued and contributed by the county to the school department during the year ended June 30, 2022. Other significant transactions between the primary government and the school department during the year include: \$74,965 paid from the General Purpose School Fund to the county's General Debt Service Fund for principal and

interest requirements on other loans issued for the benefit of the school department, and \$273,446 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, including lease obligations, 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.

Other Special Revenue Fund – This fund is used to account for financial resources and expenditures relating to the American Rescue Plan Act.

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 was used to account for the county’s employee health program. This fund was closed during the year.

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 22) 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 21) 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 had 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. This fund was closed during the year.

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 1.2 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. Due to Other Governments on the Statement of Net Position for the primary government represents American Rescue Plan Act funds received in advance.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, and proportion; pension and OPEB contributions after the measurement date; and OPEB changes in experience, assumptions, and proportion.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience, investment earnings, and proportion; OPEB changes in experience, assumptions, and 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 \$25,380,882 of restricted net position, of which \$532,714 is restricted by enabling legislation.

As of June 30, 2022, Monroe County had \$39,102,937 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 for fund balance appropriated for use in the 2022-23 year budget totaling \$1,421,091, amounts assigned for encumbrances \$26,290, general government \$81,580, and public safety \$97,580. Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances of \$876,043.

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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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.

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, 2022, Monroe County and the Monroe County School Department reported the following encumbrances:

Funds	Amount
Primary Government	
Major Funds:	
General	\$ 864,439
Other Special Revenue Fund	373,726
Highway/Public Works Fund	809,492
Nonmajor Governmental Funds	5,438
School Department:	
Major Funds:	
General Purpose School	876,043
School Federal Projects	1,450,373
Central Cafeteria	39,640

B. Expenditures Exceeded Appropriations

Discretely Presented Monroe County School Department

Expenditures exceeded appropriations approved by the county commission in the Board of Education major appropriation category (the legal level of control) of the General Purpose School Fund by \$2,841. Expenditures exceeded appropriations approved by the county commission in the Career and Technical Education Program major appropriation category (the legal level of control) of the School Federal Projects Fund by \$91. 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 and School Federal Projects Fund.

C. Budgetary Basis Fund Deficits

Encumbrances of \$373,726 are reflected in the primary government's Other Special Revenue Fund, and encumbrances of \$1,450,373 are reflected in the school department's School Federal Projects Fund. These encumbrances were recorded in order to reflect outstanding obligations which will be funded by federal grants in subsequent fiscal years. Recording the encumbrances resulted in budgetary basis fund deficits of \$373,726 in the primary government's Other Special Revenue Fund and \$835,430 in the school department's School Federal Projects Fund. The deficits will be liquidated upon the recognition of revenues from federal grants after year-end.

D. Competitive Bids were not Solicited for Various Roofing Projects

Competitive bids were not solicited for various roofing projects totaling \$630,196. Monroe County operates under the provisions of the County Financial Management System of 1981. Under this act, purchases exceeding \$10,000 are required to be competitively bid. See the Single Audit Section of this report for further details of these purchases.

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 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose fair 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, 2022.

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, 2022, 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	\$ 109,080
Developed Market International Equity	N/A	N/A	49,262
Emerging Market International Equity	N/A	N/A	14,075
U.S. Fixed Income	N/A	N/A	70,374
Real Estate	N/A	N/A	35,187
Short-term Securities	N/A	N/A	3,519
NAV - Private Equity and Strategic Lending	N/A	N/A	70,374
 Total			 \$ 351,871

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/ag21066.pdf>.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance		Balance	
	7-1-21	Increases	Decreases	6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,383,671	\$ 0	\$ (85,511)	\$ 1,298,160
Construction in Progress	3,617,968	2,461,477	0	6,079,445
Total Capital Assets Not Depreciated	\$ 5,001,639	\$ 2,461,477	\$ (85,511)	\$ 7,377,605
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,158,307	\$ 7,559	\$ 0	\$ 43,165,866
Infrastructure	171,714,266	417,741	(41,471)	172,090,536
Other Capital Assets	14,807,210	1,029,855	(176,441)	15,660,624
Total Capital Assets Depreciated	\$ 229,679,783	\$ 1,455,155	\$ (217,912)	\$ 230,917,026
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,443,551	\$ 1,036,567	\$ 0	\$ 7,480,118
Infrastructure	97,452,910	4,252,522	(41,471)	101,663,961
Other Capital Assets	8,656,335	1,214,121	(170,919)	9,699,537
Total Accumulated Depreciation	\$ 112,552,796	\$ 6,503,210	\$ (212,390)	\$ 118,843,616
Total Capital Assets Depreciated, Net	\$ 117,126,987	\$ (5,048,055)	\$ (5,522)	\$ 112,073,410
Governmental Activities Capital Assets, Net	\$ 122,128,626	\$ (2,586,578)	\$ (91,033)	\$ 119,451,015

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

Governmental Activities:

General Government	\$ 621,068
Finance	14,531
Administration of Justice	2,405
Public Safety	1,135,877
Public Health and Welfare	279,421
Highways	<u>4,449,908</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,503,210</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 119,451,015
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(35,602,989)</u>
Net Investment in Capital Assets	<u><u>\$ 83,848,026</u></u>

Discretely Presented Monroe County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 864,562	\$ 0	\$ 0	\$ 864,562
Construction in Progress	257,567	1,243,432	(420,999)	1,080,000
Total Capital Assets Not Depreciated	\$ 1,122,129	\$ 1,243,432	\$ (420,999)	\$ 1,944,562
Capital Assets Depreciated:				
Buildings and Improvements	\$ 74,124,135	\$ 0	\$ 0	\$ 74,124,135
Other Capital Assets	5,031,250	1,528,416	(67,228)	6,492,438
Total Capital Assets Depreciated	\$ 79,155,385	\$ 1,528,416	\$ (67,228)	\$ 80,616,573
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 37,034,771	\$ 1,656,382	\$ 0	\$ 38,691,153
Other Capital Assets	2,416,276	600,029	(34,174)	2,982,131
Total Accumulated Depreciation	\$ 39,451,047	\$ 2,256,411	\$ (34,174)	\$ 41,673,284
Total Capital Assets Depreciated, Net	\$ 39,704,338	\$ (727,995)	\$ (33,054)	\$ 38,943,289
Governmental Activities Capital Assets, Net	\$ 40,826,467	\$ 515,437	\$ (454,053)	\$ 40,887,851

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

Governmental Activities:

Instruction	\$ 318,959
Support Services	1,923,025
Operation of Non-instructional Services	14,427
Total Depreciation Expense - Governmental Activities	\$ 2,256,411

C. Construction and Renovation Contract Commitments

Primary Government

At June 30, 2022, the General Fund had uncompleted construction contracts of approximately \$838,149 for various 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, 2022, the Monroe County School Department’s General Purpose School Fund had uncompleted renovation contracts of \$760,383 for roofing and facility upgrades. The School Federal Projects Fund had uncompleted renovation contracts of approximately \$1,440,000 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.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 4,850
Highway/Public Works	"	1,955
Discretely Presented Monroe County School Department:		
General Purpose School	School Federal Projects	1,080,000

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
Central Cafeteria	General	\$ 93,651

An additional amount of \$13,054 is reflected as due to primary government from the discretely presented school department on the government-wide Statement of Net Position for other loans issued by the primary government, which are being retired by the school department. This receivable is expected to be received within one year.

Interfund Transfers:

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

Primary Government:

Transfers Out	Transfers In			Purpose
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds	
General Fund	\$ 0	\$ 0	\$ 3,500,000	Capital projects
Internal Service Fund	2,336,067	355,471	48,345	To close fund
Total	\$ 2,336,067	\$ 355,471	\$ 3,548,345	

The residual equity transfers are from the close out of the Employee Health Insurance fund as approved by county commission.

Discretely Presented Monroe County School Department:

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
General Purpose School Fund	\$ 0	\$ 300,000	Cash flow
School Federal Projects Fund	29,914	0	Indirect costs
Total	\$ 29,914	\$ 300,000	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General and General Purpose School funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Debt

Primary Government

In FY 2022, the county implemented GASB Statement 87, *Leases*, which changed the accounting and reporting for items which were previously reported as capital leases. See footnote V.B. – Accounting Changes for details of GASB Statement 87, *Leases*. In prior years, Monroe County and the Monroe

County School Department had entered into various financed purchase agreements for vehicles and equipment, with various funds making the principal and interest payments. These agreements have been reclassified from capital leases to other loans for reporting purposes and are included in the long-term debt disclosures below.

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 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Monroe County issues other loans and capital outlay notes to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department and to fund 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, 2022. Other loans 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 other loans included in long-term debt as of June 30, 2022, will be retired from the General, General Debt Service and Highway/Public Works funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Refunding Bonds	2 to 3.25 %	6-1-38	\$ 34,950,000	\$ 20,460,000
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate -				
Public Improvement and Refunding	Variable	6-1-39	31,965,000	21,785,000
Other Loans - Fixed Rate:				
Cash Borrowings	0 to 2.875	6-5-59	30,989,020	29,624,793
Financed Purchases	2.99 to 4.99	10-1-29	3,789,551	2,836,133

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 Series E-7-A loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent weekly. In addition, the county pays various other fees (trustee, letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2022, the variable interest rate was 1.03 percent and other fees totaled .84 percent.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2022, 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, 2022.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 1,190,000	\$ 499,275	\$ 1,689,275
2024	1,280,000	473,475	1,753,475
2025	1,290,000	445,425	1,735,425
2026	1,185,000	418,425	1,603,425
2027	1,255,000	393,550	1,648,550
2028-2032	5,800,000	1,576,863	7,376,863
2033-2037	6,850,000	895,975	7,745,975
2038	1,610,000	52,325	1,662,325
Total	\$ 20,460,000	\$ 4,755,313	\$ 25,215,313

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2023	\$ 2,023,401	\$ 1,067,995	\$ 183,194	\$ 3,274,590
2024	2,002,605	1,031,609	173,482	3,207,696
2025	1,952,803	998,112	163,979	3,114,894
2026	2,121,959	969,470	154,309	3,245,738
2027	2,159,078	939,514	143,419	3,242,011
2028-2032	11,310,322	4,233,117	538,904	16,082,343
2033-2037	9,554,510	3,571,469	241,891	13,367,870
2038-2042	5,657,365	2,812,885	19,635	8,489,885
2043-2047	4,297,087	2,214,114	0	6,511,201
2048-2052	4,960,543	1,550,657	0	6,511,200
2053-2057	5,726,435	784,764	0	6,511,199
2058-2059	2,479,818	73,415	0	2,553,233
Total	\$ 54,245,926	\$ 20,247,121	\$ 1,618,813	\$ 76,111,860

There is \$16,102,940 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$442, based on the 2020 federal census. Total debt per capita, including bonds and other loans, totaled \$1,615, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Other Loans - Direct Placement	Capital Leases - Direct Placement
Balance, July 1, 2021	\$ 51,657,276	\$ 22,948,326	\$ 3,219,364
*Restatement/Reclassification	(30,067,276)	33,286,640	(3,219,364)
Additions	0	113,354	0
Reductions	(1,130,000)	(2,102,394)	0
Balance, June 30, 2022	\$ 20,460,000	\$ 54,245,926	\$ 0
Balance Due Within One Year	\$ 1,190,000	\$ 2,023,401	\$ 0

*\$30,067,276 of debt previously reported as bonds (USDA loan) has been reclassified as other loans. The balance July 1, 2021, for other loans has also

been restated due to transitional requirements of GASB Statement No. 87 to include \$3,219,364 of liabilities previously reported as capital leases.

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 74,705,926
Less: Balance Due Within One Year - Debt	(3,213,401)
Add: Unamortized Premium on Debt	<u>457,915</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 71,950,440</u></u>

F. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Comp- ensated Absences
Balance, July 1, 2021	\$ 114,658	\$ 328,103	\$ 687,576
Additions	0	19,127	0
Reductions	<u>(12,918)</u>	<u>(104,657)</u>	<u>(82,736)</u>
Balance, June 30, 2022	<u><u>\$ 101,740</u></u>	<u><u>\$ 242,573</u></u>	<u><u>\$ 604,840</u></u>
Balance Due Within One Year	<u><u>\$ 14,332</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 302,420</u></u>

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

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 949,153
Less: Balance Due Within One Year - Other	<u>(316,752)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u><u>\$ 632,401</u></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, 2022, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Former Director of Schools Buyout Agreement Liability
Balance, July 1, 2021	\$ 11,112,088	\$ 236,812
Additions	906,323	0
Reductions	(931,030)	(118,406)
	<u>\$ 11,087,381</u>	<u>\$ 118,406</u>
Balance, June 30, 2022	<u>\$ 11,087,381</u>	<u>\$ 118,406</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, 2022	\$ 11,205,787
Less: Balance Due Within One Year - Other	<u>(118,406)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 11,087,381</u>

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

G. 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, 2022, were \$123,472 and \$45,016, 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. During this fiscal year, Monroe County closed the Employee Insurance Health Fund and transferred the residual balance to the contributing funds.

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. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3)

report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

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

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

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

consistency, and comparability of reported information.

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

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

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. 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, 2022, future principal and interest requirements for which the county is contingently liable were \$1,616,372 and \$103,045, respectively, for the State of Tennessee revolving loan.

D. 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 \$101,740 reported as postclosure care liability at June 30, 2022, represents amounts based on what it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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, 2022.

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

F. 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.

G. 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 67.27 percent, the non-certified employees of the discretely presented school department comprise 32.73 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	268
Inactive Employees Entitled to But Not Yet Receiving Benefits	452
Active Employees	461
Total	<u><u>1,181</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. 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, 2022, the employer contributions for Monroe County were \$747,786 based on a rate of 4.35 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, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88	%
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	<u>1</u>
Total		<u><u>100</u></u> %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2020	\$ 49,065,328	\$ 51,108,395	\$ (2,043,067)
Changes for the Year:			
Service Cost	\$ 1,445,337	\$ 0	\$ 1,445,337
Interest	3,588,254	0	3,588,254
Differences Between Expected and Actual Experience	(1,280,316)	0	(1,280,316)
Changes in Assumptions	4,073,138	0	4,073,138
Contributions-Employer	0	716,976	(716,976)
Contributions-Employees	0	856,005	(856,005)
Net Investment Income	0	13,119,437	(13,119,437)
Benefit Payments, Including Refunds of Employee Contributions	(2,035,008)	(2,035,008)	0
Administrative Expense	0	(41,434)	41,434
Net Changes	<u>\$ 5,791,405</u>	<u>\$ 12,615,976</u>	<u>\$ (6,824,571)</u>
Balance, June 30, 2021	<u>\$ 54,856,733</u>	<u>\$ 63,724,371</u>	<u>\$ (8,867,638)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	67.27%	\$ 36,902,124	\$ 42,867,384	\$ (5,965,260)
School Department	32.73%	17,954,609	20,856,987	(2,902,378)
Total		\$ 54,856,733	\$ 63,724,371	\$ (8,867,638)

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 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Monroe County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (1,193,253) \$ (8,867,638) \$ (15,186,299)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Monroe County recognized pension expense (negative pension expense) of (\$1,186,502).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 18,564	\$ 1,697,789
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,999,462
Changes in Assumptions	3,416,220	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	747,786	N/A
Total	<u>\$ 4,182,570</u>	<u>\$ 8,697,251</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,810,675	\$ 5,850,641
School Department	<u>1,371,895</u>	<u>2,846,610</u>
Total	<u>\$ 4,182,570</u>	<u>\$ 8,697,251</u>

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

Year Ending June 30	Amount
2023	\$ (1,339,138)
2024	(1,302,091)
2025	(1,293,341)
2026	(1,327,897)
2027	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, 2022, Monroe County reported a payable of \$95,078 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2022.

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 67.27 percent and the non-certified employees of the discretely presented school department comprise 32.73 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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except

in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were \$109,046, which is 2.01 percent of covered payroll. In addition, employer contributions of \$95,681 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$324,411) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .299490 percent. The proportion as of June 30, 2020, was .308281 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of \$40,492.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,644	\$ 59,361
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	186,740
Changes in Assumptions	117,012	0
Changes in Proportion of Net Pension Liability (Asset)	12,907	2,526
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	109,046	N/A
Total	<u>\$ 244,609</u>	<u>\$ 248,627</u>

The school department's employer contributions of \$109,046, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (39,921)
2024	(38,899)
2025	(38,608)
2026	(43,307)
2027	6,501
Thereafter	41,170

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 111,524 \$ (324,411) \$ (645,929)

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, 2022, the Monroe County School Department reported a payable of \$31,466 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Monroe County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$1,703,329, which is 10.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$22,035,999) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2021, the school department's proportion was .510892 percent. The proportion measured at June 30, 2020, was .504270 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of \$(3,470,935).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 74,053	\$ 1,837,874
Changes in Assumptions	5,887,651	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	17,573,217
Changes in Proportion of Net Pension Liability (Asset)	13,579	40,064
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	1,703,329	N/A
	<u>1,703,329</u>	<u>N/A</u>
Total	<u>\$ 7,678,612</u>	<u>\$ 19,451,155</u>

The school department's employer contributions of \$1,703,329 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (3,199,817)
2024	(3,039,463)
2025	(2,494,087)
2026	(4,742,505)
2027	0
Thereafter	0

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (3,921,666) \$ (22,035,999) \$ (37,110,737)

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, 2022, the Monroe County School Department reported a payable of \$207,031 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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 \$255,817 and teachers contributed \$111,996 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%. 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 2.16 percent, based on the daily rate of the Bond Buyers 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement

System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19% load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to But Not Yet Receiving Benefits	15
Active Employees Eligible for Benefits	150
 Total	 <u>175</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, 2022, the county paid \$5,164 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 328,103
Changes for the Year:	
Service Cost	\$ 11,685
Interest	7,442
Difference between Expected and Actuarial Experience	(30,954)
Changes in Assumption and Other Inputs	(67,564)
Benefit Payments	(6,139)
Net Changes	<u>\$ (85,530)</u>
Balance June 30, 2021	<u>\$ 242,573</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized negative OPEB expense of \$45,061. At June 30, 2022, 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	\$ 4,687	\$ 237,651
Changes of Assumptions/Inputs	48,280	89,131
Benefits Paid After the Measurement Date of June 30, 2021	<u>5,164</u>	<u>0</u>
Total	<u>\$ 58,131</u>	<u>\$ 326,782</u>

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

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

Year Ending June 30	County
2023	\$ (64,188)
2024	(64,188)
2025	(64,188)
2026	(63,436)
2027	(5,255)
Thereafter	(12,560)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 282,095	\$ 242,573	\$ 210,001

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, 2021, 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	101
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	45
Active Employees Eligible for Benefits	482
 Total	 <u>628</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, 2022, the school department paid \$11,122 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		Total OPEB Liability
	Monroe County School Department 19.8116%	State of TN 80.1884%	
Balance July 1, 2020	\$ 356,298	\$ 1,594,611	\$ 1,950,909
Changes for the Year:			
Service Cost	\$ 10,898	\$ 44,110	\$ 55,008
Interest	8,662	35,062	43,724
Difference between Expected and Actuarial Experience	(178)	(719)	(897)
Change in Proportion	30,210	(30,210)	0
Changes in Assumption and Other Inputs	(51,926)	(210,173)	(262,099)
Benefit Payments	(10,947)	(44,307)	(55,254)
Net Changes	\$ (13,281)	\$ (206,237)	\$ (219,518)
Balance June 30, 2021	\$ 343,017	\$ 1,388,374	\$ 1,731,391

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 revenues \$251,250 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 19.8116 percent and the State of Tennessee's share was 80.1884 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$125,497, which includes expenses funded by nonemployer contributing entities.

At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 40,207
Changes of Assumptions/Inputs	157,643	75,336
Changes in Proportion	253,051	1,174,000
Benefits Paid After the Measurement Date of June 30, 2021	11,122	0
Total	<u>\$ 421,816</u>	<u>\$ 1,289,543</u>

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

Year Ending June 30	School Department
2023	\$ (145,312)
2024	(145,312)
2025	(145,312)
2026	(145,312)
2027	(126,891)
Thereafter	(170,710)

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% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%

Proportionate Share of the Collective Total OPEB Liability	\$ 397,335	\$ 343,017	\$ 298,563
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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 \$256 to \$352 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. 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	29
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	439
Total	<u>469</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 \$306,511 to the LEP 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 73.8669%	State of TN 26.1331%	
Balance July 1, 2020	\$ 10,755,790	\$ 3,554,450	\$ 14,310,240
Changes for the Year:			
Service Cost	\$ 544,301	\$ 192,566	\$ 736,867
Interest	241,879	85,573	327,452
Difference between Expected and Actuarial Experience	100,761	35,648	136,409
Change in Proportion	(185,260)	185,260	0
Changes in Assumption and Other Inputs	(371,045)	(131,270)	(502,315)
Benefit Payments	(342,062)	(121,017)	(463,079)
Net Changes	<u>\$ (11,426)</u>	<u>\$ 246,760</u>	<u>\$ 235,334</u>
Balance June 30, 2021	<u>\$ 10,744,364</u>	<u>\$ 3,801,210</u>	<u>\$ 14,545,574</u>

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 \$258,062 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 73.8669 percent and the State of Tennessee's share was 26.1331 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$1,283,542, which includes expenses funded by nonemployer contributing entities. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 1,140,058	\$ 137,552
Changes of Assumptions and Other Inputs	1,000,447	950,076
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	587,535	146,418
Benefits Paid After the Measurement Date June 30, 2021	<u>306,511</u>	<u>0</u>
Total	<u>\$ 3,034,551</u>	<u>\$ 1,234,046</u>

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

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

Year Ending June 30	School Department
2023	\$ 239,300
2024	239,300
2025	239,300
2026	239,300
2027	239,300
Thereafter	297,494

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	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Proportionate Share of the Collective Total OPEB Liability	\$ 11,520,183	\$ 10,744,364	\$ 9,999,852

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	Curent Rates	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 9,560,526	\$ 10,744,364	\$ 12,128,549

I. 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.

J. 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. Prior to March 22, 2022, competitive bids were required for purchases exceeding \$10,000 for the County Mayor's Office and the Monroe County School Department. On March 22, 2022, county commission adopted a resolution raising that bid threshold to \$25,000. 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 \$25,000.

K. Subsequent Events

On August 8, 2022, Elizabeth Hicks left the office of Finance Director and was succeeded by the Assistant Finance Director, Gail Sensibaugh.

On August 31, 2022, Martha Cook left the office of Circuit and General Sessions Courts Clerk and was succeeded by Dewayna Martin.

On October 25, 2022, county commission approved raising the bid limit for purchases from \$25,000 to \$50,000.

**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	2021
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	\$ 1,445,337
Interest	2,495,328	2,580,285	2,781,134	2,931,126	3,082,757	3,240,783	3,448,980	3,588,254
Differences Between Actual and Expected Experience	(1,154,371)	402,476	(488,694)	(84,832)	(452,607)	46,410	(948,128)	(1,280,316)
Changes in Assumptions	0	0	0	946,250	0	0	0	4,073,138
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)	(2,035,008)
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	\$ 5,791,405
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	49,065,328
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	\$ 54,856,733
Plan Fiduciary Net Position								
Contributions - Employer	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338	\$ 716,976
Contributions - Employee	657,563	678,593	698,994	726,863	751,139	785,812	812,727	856,005
Net Investment Income	5,207,555	1,134,720	1,008,740	4,403,290	3,559,142	3,425,776	2,428,010	13,119,437
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)	(2,035,008)
Administrative Expense	(18,010)	(23,396)	(33,832)	(38,423)	(43,159)	(41,029)	(41,826)	(41,434)
Other	0	0	0	2,599	0	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	\$ 12,615,976
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	51,108,395
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	\$ 63,724,371
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)	\$ (8,867,638)
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%	116.17%
Covered Payroll	\$ 13,065,224	\$ 13,565,312	\$ 13,997,097	\$ 14,507,298	\$ 14,934,192	\$ 15,712,716	\$ 16,127,886	\$ 16,482,222
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.30%)	(10.03%)	(3.22%)	(7.30%)	(13.20%)	(13.85%)	(12.67%)	(53.80%)

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	2022
Actuarially Determined Contribution	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338	\$ 716,976	\$ 747,786
Less: Contributions in Relation to the Actuarially Determined Contribution	(867,537)	(884,358)	(911,140)	(658,612)	(661,551)	(714,928)	(703,338)	(716,976)	(747,786)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 16,482,222	\$ 17,190,507
Contributions as a Percentage of Covered Payroll	6.64%	6.52%	6.51%	4.54%	4.43%	4.55%	4.36%	4.35%	4.35%

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	2022
Contractually Required Contribution	\$ 27,263	\$ 56,931	\$ 83,017	\$ 114,395	\$ 67,467	\$ 78,972	\$ 87,311	\$ 109,046
Less: Contributions in Relation to the Contractually Required Contribution	(27,263)	(56,931)	(83,017)	(114,395)	(67,467)	(78,972)	(87,311)	(109,046)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 4,322,360	\$ 5,425,128
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.99%	3.98%	1.94%	2.03%	2.02%	2.01%

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%

2022: Pension - 2.01%, SRT - 1.99%

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	2022
Contractually Required Contribution	\$ 1,429,001	\$ 1,610,641	\$ 1,548,796	\$ 1,529,821	\$ 1,549,424	\$ 1,787,037	\$ 1,784,076	\$ 1,722,109	\$ 1,703,329
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)	(1,722,109)	(1,703,329)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 16,537,199
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.09%	10.46%	10.63%	10.27%	10.30%

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.321270%	0.323468%	0.316211%	0.327262%	0.328640%	0.308281%	0.299490%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,197)	\$ (33,674)	\$ (83,428)	\$ (148,422)	\$ (185,513)	\$ (175,301)	\$ (324,411)
Covered Payroll	\$ 681,586	\$ 1,423,268	\$ 2,080,484	\$ 2,874,414	\$ 3,477,658	\$ 3,890,266	\$ 4,322,360
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%)	(7.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

Exhibit F-6

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.409997%	0.475940%	0.474617%	0.478728%	0.487314%	0.509507%	0.504270%	0.510892%
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)	\$ (22,035,999)
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
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%)	(131.41%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

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	2021
Total OPEB Liability					
Service Cost	\$ 30,976	\$ 26,406	\$ 7,225	\$ 8,169	\$ 11,685
Interest	19,346	22,632	8,986	9,533	7,442
Differences Between Actual and Expected Experience	0	(409,069)	7,243	(8,249)	(30,954)
Changes in Assumptions or Other Inputs	(66,968)	(2,218)	5,745	58,939	(67,564)
Benefit Payments	(5,250)	(5,938)	(6,188)	(7,385)	(6,139)
Net Change in Total OPEB Liability	\$ (21,896)	\$ (368,187)	\$ 23,011	\$ 61,007	\$ (85,530)
Total OPEB Liability, Beginning	634,168	612,272	244,085	267,096	328,103
Total OPEB Liability, Ending	\$ 612,272	\$ 244,085	\$ 267,096	\$ 328,103	\$ 242,573
Covered Employee Payroll	N/A	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	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%
2021	2.16%

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	2021
Total OPEB Liability					
Service Cost	\$ 642,656	\$ 596,357	\$ 764,496	\$ 575,341	\$ 736,867
Interest	318,694	390,983	499,126	432,794	327,452
Changes in Benefit Terms	0	(360,636)	(971,790)	0	0
Differences Between Actual and Expected Experience	0	1,965,213	(280,584)	317,728	136,409
Changes in Assumptions or Other Inputs	(506,033)	421,952	(881,559)	1,434,418	(502,315)
Benefit Payments	(314,232)	(366,829)	(389,974)	(406,514)	(463,079)
Net Change in Total OPEB Liability	\$ 141,085	\$ 2,647,040	\$ (1,260,285)	\$ 2,353,767	\$ 235,334
Total OPEB Liability, Beginning	10,428,633	10,569,718	13,216,758	11,956,473	14,310,240
Total OPEB Liability, Ending	\$ 10,569,718	\$ 13,216,758	\$ 11,956,473	\$ 14,310,240	\$ 14,545,574
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,546,214	\$ 3,442,186	\$ 3,076,497	\$ 3,554,450	\$ 3,801,210
Employer Proportionate Share of the Total OPEB Liability	7,023,504	9,774,572	8,879,976	10,755,790	10,744,364
Covered Employee Payroll	\$ 20,259,007	\$ 20,558,208	\$ 20,676,848	\$ 27,090,167	\$ 28,455,692
Total OPEB Liability as a percentage of Covered Employee Payroll	52.17%	64.29%	57.83%	52.82%	51.12%

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%
2021	2.16%

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

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

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

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	2021
Total OPEB Liability					
Service Cost	\$ 105,246	\$ 86,326	\$ 66,833	\$ 134,491	\$ 55,008
Interest	99,703	113,591	104,894	133,154	43,724
Changes in Benefit Terms	0	(146,769)	0	(2,184,193)	0
Differences Between Actual and Expected Experience	0	(199,222)	(125,848)	(25,593)	(897)
Changes in Assumptions or Other Inputs	(309,424)	(24,744)	888,204	287,643	(262,099)
Benefit Payments	(99,300)	(101,375)	(105,219)	(106,390)	(55,254)
Net Change in Total OPEB Liability	\$ (203,775)	\$ (272,193)	\$ 828,864	\$ (1,760,888)	\$ (219,518)
Total OPEB Liability, Beginning	3,358,901	3,155,126	2,882,933	3,711,797	1,950,909
Total OPEB Liability, Ending	\$ 3,155,126	\$ 2,882,933	\$ 3,711,797	\$ 1,950,909	\$ 1,731,391
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,428,856	\$ 1,354,402	\$ 1,329,220	\$ 1,594,611	\$ 1,388,374
Employer Proportionate Share of the Total OPEB Liability	1,726,270	1,528,531	2,382,577	356,298	343,017
Covered Employee Payroll	N/A	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	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%
2021	2.16%

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, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Monroe County that is subsequently contributed to the discretely presented Monroe County School Department. This fund was open and closed during the year.

Exhibit G-1

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

	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	\$ 4,802	\$ 5,012	\$ 0	\$ 5,012
Equity in Pooled Cash and Investments	815,953	62,687	0	878,640	4,781,200	5,659,840
Accounts Receivable	13,476	0	48	13,524	0	13,524
Due from Other Governments	8,533	0	0	8,533	0	8,533
Property Taxes Receivable	1,201,268	0	0	1,201,268	0	1,201,268
Allowance for Uncollectible Property Taxes	(27,906)	0	0	(27,906)	0	(27,906)
Total Assets	\$ 2,011,534	\$ 62,687	\$ 4,850	\$ 2,079,071	\$ 4,781,200	\$ 6,860,271
<u>LIABILITIES</u>						
Accounts Payable	\$ 66,825	\$ 0	\$ 0	\$ 66,825	\$ 0	\$ 66,825
Accrued Payroll	11,521	362	0	11,883	0	11,883
Payroll Deductions Payable	21,176	0	0	21,176	0	21,176
Due to Other Funds	0	1,955	4,850	6,805	0	6,805
Total Liabilities	\$ 99,522	\$ 2,317	\$ 4,850	\$ 106,689	\$ 0	\$ 106,689
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,151,249	\$ 0	\$ 0	\$ 1,151,249	\$ 0	\$ 1,151,249
Deferred Delinquent Property Taxes	18,466	0	0	18,466	0	18,466
Other Deferred/Unavailable Revenue	5,472	0	0	5,472	0	5,472
Total Deferred Inflows of Resources	\$ 1,175,187	\$ 0	\$ 0	\$ 1,175,187	\$ 0	\$ 1,175,187

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	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	\$ 60,370	\$ 0	\$ 60,370	\$ 0	\$ 60,370
Restricted for Public Health and Welfare	368,646	0	0	368,646	0	368,646
Restricted for Capital Projects	0	0	0	0	1,281,200	1,281,200
Committed:						
Committed for Public Health and Welfare	368,179	0	0	368,179	0	368,179
Committed for Capital Projects	0	0	0	0	3,500,000	3,500,000
Total Fund Balances	<u>\$ 736,825</u>	<u>\$ 60,370</u>	<u>\$ 0</u>	<u>\$ 797,195</u>	<u>\$ 4,781,200</u>	<u>\$ 5,578,395</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,011,534</u>	<u>\$ 62,687</u>	<u>\$ 4,850</u>	<u>\$ 2,079,071</u>	<u>\$ 4,781,200</u>	<u>\$ 6,860,271</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, 2022

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,181,213	\$ 0	\$ 0	\$ 1,181,213	\$ 0
Fines, Forfeitures, and Penalties	0	66,461	0	66,461	0
Charges for Current Services	62,665	0	870	63,535	0
Other Local Revenues	41,147	21,848	0	62,995	0
State of Tennessee	84,887	0	0	84,887	0
Total Revenues	<u>\$ 1,369,912</u>	<u>\$ 88,309</u>	<u>\$ 870</u>	<u>\$ 1,459,091</u>	<u>\$ 0</u>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 870	\$ 870	\$ 0
Public Safety	0	90,348	0	90,348	0
Public Health and Welfare	1,384,936	0	0	1,384,936	0
Highways	87,621	0	0	87,621	0
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	<u>\$ 1,472,557</u>	<u>\$ 90,348</u>	<u>\$ 870</u>	<u>\$ 1,563,775</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (102,645)</u>	<u>\$ (2,039)</u>	<u>\$ 0</u>	<u>\$ (104,684)</u>	<u>\$ 0</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	48,345	0	0	48,345	3,500,000
Total Other Financing Sources (Uses)	<u>\$ 48,345</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,345</u>	<u>\$ 3,500,000</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	\$ (54,300)	\$ (2,039)	\$ 0	\$ (56,339)	\$ 3,500,000
Fund Balance, July 1, 2021	791,125	62,409	0	853,534	1,281,200
Fund Balance, June 30, 2022	\$ 736,825	\$ 60,370	\$ 0	\$ 797,195	\$ 4,781,200

(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
	Education Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 1,181,213
Fines, Forfeitures, and Penalties	0	0	66,461
Charges for Current Services	0	0	63,535
Other Local Revenues	0	0	62,995
State of Tennessee	0	0	84,887
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,459,091</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 870
Public Safety	0	0	90,348
Public Health and Welfare	0	0	1,384,936
Highways	0	0	87,621
Capital Projects - Donated	113,354	113,354	113,354
Total Expenditures	<u>\$ 113,354</u>	<u>\$ 113,354</u>	<u>\$ 1,677,129</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (113,354)</u>	<u>\$ (113,354)</u>	<u>\$ (218,038)</u>
<u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$ 113,354	\$ 113,354	\$ 113,354
Transfers In	0	3,500,000	3,548,345
Total Other Financing Sources (Uses)	<u>\$ 113,354</u>	<u>\$ 3,613,354</u>	<u>\$ 3,661,699</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
	Education Capital Projects	Total	
Net Change in Fund Balances	\$ 0	\$ 3,500,000	\$ 3,443,661
Fund Balance, July 1, 2021	0	1,281,200	2,134,734
Fund Balance, June 30, 2022	\$ 0	\$ 4,781,200	\$ 5,578,395

Exhibit G-3

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,181,213	\$ 0	\$ 1,181,213	\$ 1,206,508	\$ 1,206,508	\$ (25,295)
Charges for Current Services	62,665	0	62,665	43,000	43,000	19,665
Other Local Revenues	41,147	0	41,147	15,000	15,000	26,147
State of Tennessee	84,887	0	84,887	88,700	88,700	(3,813)
Total Revenues	\$ 1,369,912	\$ 0	\$ 1,369,912	\$ 1,353,208	\$ 1,353,208	\$ 16,704
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Education/Information	\$ 694,822	\$ 0	\$ 694,822	\$ 696,808	\$ 716,508	\$ 21,686
Convenience Centers	666,294	5,438	671,732	682,121	727,461	55,729
Postclosure Care Costs	23,820	0	23,820	25,000	24,000	180
<u>Highways</u>						
Litter and Trash Collection	87,621	0	87,621	90,420	90,420	2,799
Total Expenditures	\$ 1,472,557	\$ 5,438	\$ 1,477,995	\$ 1,494,349	\$ 1,558,389	\$ 80,394
Excess (Deficiency) of Revenues Over Expenditures	\$ (102,645)	\$ (5,438)	\$ (108,083)	\$ (141,141)	\$ (205,181)	\$ 97,098
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 48,345	\$ 0	\$ 48,345	\$ 0	\$ 48,345	\$ 0
Total Other Financing Sources	\$ 48,345	\$ 0	\$ 48,345	\$ 0	\$ 48,345	\$ 0
Net Change in Fund Balance	\$ (54,300)	\$ (5,438)	\$ (59,738)	\$ (141,141)	\$ (156,836)	\$ 97,098
Fund Balance, July 1, 2021	791,125	0	791,125	794,568	794,568	(3,443)
Fund Balance, June 30, 2022	\$ 736,825	\$ (5,438)	\$ 731,387	\$ 653,427	\$ 637,732	\$ 93,655

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 66,461	\$ 125,000	\$ 125,000	\$ (58,539)
Other Local Revenues	21,848	0	21,848	0
Total Revenues	<u>\$ 88,309</u>	<u>\$ 125,000</u>	<u>\$ 146,848</u>	<u>\$ (58,539)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 90,348	\$ 111,069	\$ 132,917	\$ 42,569
Total Expenditures	<u>\$ 90,348</u>	<u>\$ 111,069</u>	<u>\$ 132,917</u>	<u>\$ 42,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,039)</u>	<u>\$ 13,931</u>	<u>\$ 13,931</u>	<u>\$ (15,970)</u>
Net Change in Fund Balance	\$ (2,039)	\$ 13,931	\$ 13,931	\$ (15,970)
Fund Balance, July 1, 2021	<u>62,409</u>	<u>64,170</u>	<u>64,170</u>	<u>(1,761)</u>
Fund Balance, June 30, 2022	<u>\$ 60,370</u>	<u>\$ 78,101</u>	<u>\$ 78,101</u>	<u>\$ (17,731)</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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,470,508	\$ 5,446,100	\$ 5,446,100	\$ 24,408
Other Local Revenues	83,823	100,000	100,000	(16,177)
State of Tennessee	6,049	10,000	10,000	(3,951)
Other Governments and Citizens Groups	82,153	7,188	82,153	0
Total Revenues	<u>\$ 5,642,533</u>	<u>\$ 5,563,288</u>	<u>\$ 5,638,253</u>	<u>\$ 4,280</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 443,621	\$ 442,889	\$ 443,621	\$ 0
Education	2,364,020	2,192,188	2,364,020	0
<u>Interest on Debt</u>				
General Government	858,619	858,661	858,619	0
Education	789,239	927,262	858,311	69,072
<u>Other Debt Service</u>				
General Government	2,500	3,000	3,000	500
Education	97,014	108,000	107,310	10,296
Total Expenditures	<u>\$ 4,555,013</u>	<u>\$ 4,532,000</u>	<u>\$ 4,634,881</u>	<u>\$ 79,868</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,087,520</u>	<u>\$ 1,031,288</u>	<u>\$ 1,003,372</u>	<u>\$ 84,148</u>
Net Change in Fund Balance	\$ 1,087,520	\$ 1,031,288	\$ 1,003,372	\$ 84,148
Fund Balance, July 1, 2021	<u>15,015,420</u>	<u>15,119,659</u>	<u>15,119,659</u>	<u>(104,239)</u>
Fund Balance, June 30, 2022	<u>\$ 16,102,940</u>	<u>\$ 16,150,947</u>	<u>\$ 16,123,031</u>	<u>\$ (20,091)</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, 2022

	Custodial Funds			Total
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Custodial	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 3,496,688	\$ 3,496,688
Equity in Pooled Cash and Investments	0	2,718	0	2,718
Due from Other Governments	1,128,026	310,056	0	1,438,082
Property Taxes Receivable	0	1,677,143	0	1,677,143
Allowance for Uncollectible Property Taxes	0	(38,962)	0	(38,962)
Total Assets	\$ 1,128,026	\$ 1,950,955	\$ 3,496,688	\$ 6,575,669
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 1,128,026	\$ 343,646	\$ 0	\$ 1,471,672
Total Liabilities	\$ 1,128,026	\$ 343,646	\$ 0	\$ 1,471,672
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,607,309	\$ 0	\$ 1,607,309
Total Deferred Inflows of Resources	\$ 0	\$ 1,607,309	\$ 0	\$ 1,607,309
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 3,496,688	\$ 3,496,688
Total Net Position	\$ 0	\$ 0	\$ 3,496,688	\$ 3,496,688

Exhibit I-2

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

	<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	\$ 5,679,049	\$ 0	\$ 0	\$ 5,679,049
ADA - Educational Funds Collected for Cities	0	3,410,477	0	3,410,477
Fines/Fees and Other Collections	0	0	10,290,586	10,290,586
Total Additions	<u>\$ 5,679,049</u>	<u>\$ 3,410,477</u>	<u>\$ 10,290,586</u>	<u>\$ 19,380,112</u>
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 5,679,049	\$ 0	\$ 0	\$ 5,679,049
Payments to City School Systems	0	3,410,477	0	3,410,477
Payments to State	0	0	6,616,597	6,616,597
Payments to Individuals and Others	0	0	2,603,934	2,603,934
Total Deductions	<u>\$ 5,679,049</u>	<u>\$ 3,410,477</u>	<u>\$ 9,220,531</u>	<u>\$ 18,310,057</u>
Change in Net Position	\$ 0	\$ 0	\$ 1,070,055	\$ 1,070,055
Net Position July 1, 2021	0	0	2,426,633	2,426,633
Net Position June 30, 2022	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,496,688</u>	<u>\$ 3,496,688</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, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 28,675,842	\$ 0	\$ 6,721,365	\$ 36,312	\$ (21,918,165)
Support Services	19,562,272	0	690,462	3,624,191	(15,247,619)
Operation of Non-instructional Services	4,849,392	474,664	5,449,702	107,280	1,182,254
Total Governmental Activities	\$ 53,087,506	\$ 474,664	\$ 12,861,529	\$ 3,767,783	\$ (35,983,530)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,486,199
Local Option Sales Taxes					6,432,338
Business Tax					198,989
Mixed Drink Tax					8,172
Other Local Taxes					9,608
Grants and Contributions Not Restricted for Specific Programs					33,180,757
Gain on Sale of Capital Assets					6,946
Miscellaneous					205,898
Total General Revenues					\$ 46,528,907
Change in Net Position					\$ 10,545,377
Net Position, July 1, 2021					46,895,226
Net Position, June 30, 2022					\$ 57,440,603

Exhibit J-2

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,318	\$ 972,743	\$ 974,061
Equity in Pooled Cash and Investments	12,131,698	691,983	3,990,684	0	16,814,365
Accounts Receivable	4,744	0	0	0	4,744
Due from Other Governments	2,450,016	1,585,395	91,400	0	4,126,811
Due from Other Funds	1,080,000	0	0	0	1,080,000
Due from Primary Government	0	0	93,651	0	93,651
Property Taxes Receivable	6,614,054	0	0	0	6,614,054
Allowance for Uncollectible Property Taxes	(153,651)	0	0	0	(153,651)
Restricted Assets	351,871	0	0	0	351,871
Total Assets	\$ 22,478,732	\$ 2,277,378	\$ 4,177,053	\$ 972,743	\$ 29,905,906
<u>LIABILITIES</u>					
Accounts Payable	\$ 53,565	\$ 1,919	\$ 1,294	\$ 0	\$ 56,778
Accrued Payroll	3,929,403	428,401	54,254	0	4,412,058
Payroll Deductions Payable	1,876,726	152,115	82,271	0	2,111,112
Contracts Payable	1,080,000	0	0	0	1,080,000
Due to Other Funds	0	1,080,000	0	0	1,080,000
Total Liabilities	\$ 6,939,694	\$ 1,662,435	\$ 137,819	\$ 0	\$ 8,739,948
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,338,655	\$ 0	\$ 0	\$ 0	\$ 6,338,655
Deferred Delinquent Property Taxes	101,669	0	0	0	101,669
Other Deferred/Unavailable Revenue	606,324	0	0	0	606,324
Total Deferred Inflows of Resources	\$ 7,046,648	\$ 0	\$ 0	\$ 0	\$ 7,046,648

(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	\$ 185,004	\$ 14,943	\$ 4,039,234	\$ 972,743	\$ 5,211,924
Restricted for Hybrid Retirement Stabilization Funds	351,871	0	0	0	351,871
Committed:					
Committed for Education	0	600,000	0	0	600,000
Assigned:					
Assigned for Education	876,043	0	0	0	876,043
Unassigned	7,079,472	0	0	0	7,079,472
Total Fund Balances	<u>\$ 8,492,390</u>	<u>\$ 614,943</u>	<u>\$ 4,039,234</u>	<u>\$ 972,743</u>	<u>\$ 14,119,310</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,478,732</u>	<u>\$ 2,277,378</u>	<u>\$ 4,177,053</u>	<u>\$ 972,743</u>	<u>\$ 29,905,906</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, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 14,119,310
(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	1,080,000	
Add: buildings and improvements net of accumulated depreciation	35,432,982	
Add: other capital assets net of accumulated depreciation	<u>3,510,307</u>	40,887,851
(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 other loans	\$ (13,054)	
Less: net OPEB liability	(11,087,381)	
Less: former director of schools buyout agreement liability	<u>(118,406)</u>	(11,218,841)
(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	\$ 9,295,116	
Less: deferred inflows of resources related to pensions	(22,546,392)	
Add: deferred outflows of resources related to OPEB	3,456,367	
Less: deferred inflows of resources related to OPEB	<u>(2,523,589)</u>	(12,318,498)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 2,902,378	
Add: net pension asset - teacher retirement plan	324,411	
Add: net pension asset - teacher legacy pension plan	<u>22,035,999</u>	25,262,788
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>707,993</u>
Net position of governmental activities (Exhibit A)		<u>\$ 57,440,603</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, 2022

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 13,027,505	\$ 0	\$ 0	\$ 0	\$ 13,027,505
Licenses and Permits	2,612	0	0	0	2,612
Charges for Current Services	383,679	0	90,985	0	474,664
Other Local Revenues	189,507	0	3	1,337,733	1,527,243
State of Tennessee	32,780,768	0	40,927	0	32,821,695
Federal Government	919,289	10,136,240	4,108,717	0	15,164,246
Other Governments and Citizens Groups	134,240	0	0	0	134,240
Total Revenues	\$ 47,437,600	\$ 10,136,240	\$ 4,240,632	\$ 1,337,733	\$ 63,152,205
<u>Expenditures</u>					
Current:					
Instruction	\$ 27,047,434	\$ 5,298,234	\$ 0	\$ 0	\$ 32,345,668
Support Services	16,669,183	4,700,367	0	0	21,369,550
Operation of Non-Instructional Services	389,411	0	3,256,464	1,337,201	4,983,076
Capital Outlay	113,354	132,329	0	0	245,683
Debt Service:					
Other Debt Service	74,965	0	0	0	74,965
Total Expenditures	\$ 44,294,347	\$ 10,130,930	\$ 3,256,464	\$ 1,337,201	\$ 59,018,942
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,143,253	\$ 5,310	\$ 984,168	\$ 532	\$ 4,133,263
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 40,000
Insurance Recovery	740,405	0	0	0	740,405

(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	
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers In	\$ 29,914	\$ 300,000	\$ 0	\$ 0	\$ 329,914
Transfers Out	(300,000)	(29,914)	0	0	(329,914)
Total Other Financing Sources (Uses)	\$ 510,319	\$ 270,086	\$ 0	\$ 0	\$ 780,405
Net Change in Fund Balances	\$ 3,653,572	\$ 275,396	\$ 984,168	\$ 532	\$ 4,913,668
Fund Balance, July 1, 2021	4,838,818	339,547	3,055,066	972,211	9,205,642
Fund Balance, June 30, 2022	\$ 8,492,390	\$ 614,943	\$ 4,039,234	\$ 972,743	\$ 14,119,310

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, 2022

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 4,913,668
(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	\$ 2,350,849	
Less: current-year depreciation expense	<u>(2,256,411)</u>	94,438
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of assets disposed		(33,054)
(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, 2022	\$ 707,993	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(575,086)</u>	132,907
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on other loans to primary government		26,403
(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	\$ 24,707	
Change in deferred outflows related to OPEB	(439,826)	
Change in deferred inflows related to OPEB	(166,975)	
Change in net pension asset/liability	20,565,598	
Change in deferred outflows related to pensions	5,599,938	
Change in deferred inflows related to pensions	(20,290,833)	
Change in director of schools buyout agreement liability	<u>118,406</u>	<u>5,411,015</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 10,545,377</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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,027,505	\$ 0	\$ 0	\$ 13,027,505	\$ 11,372,325	\$ 12,299,819	\$ 727,686
Licenses and Permits	2,612	0	0	2,612	3,000	3,000	(388)
Charges for Current Services	383,679	0	0	383,679	362,000	363,000	20,679
Other Local Revenues	189,507	0	0	189,507	196,509	211,019	(21,512)
State of Tennessee	32,780,768	0	0	32,780,768	32,279,873	33,108,021	(327,253)
Federal Government	919,289	0	0	919,289	100,000	996,776	(77,487)
Other Governments and Citizens Groups	134,240	0	0	134,240	55,000	182,751	(48,511)
Total Revenues	\$ 47,437,600	\$ 0	\$ 0	\$ 47,437,600	\$ 44,368,707	\$ 47,164,386	\$ 273,214
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,964,954	\$ 0	\$ 962	\$ 20,965,916	\$ 21,513,054	\$ 21,852,477	\$ 886,561
Alternative Instruction Program	91,158	0	0	91,158	96,571	96,571	5,413
Special Education Program	4,063,298	0	92,486	4,155,784	3,984,874	4,188,862	33,078
Career and Technical Education Program	1,928,024	0	0	1,928,024	1,939,136	2,116,537	188,513
<u>Support Services</u>							
Attendance	40,745	0	0	40,745	40,821	40,821	76
Health Services	1,248,421	(329)	355	1,248,447	1,324,872	1,331,763	83,316
Other Student Support	1,034,642	0	0	1,034,642	1,087,667	1,088,123	53,481
Regular Instruction Program	990,998	0	0	990,998	1,146,554	1,017,882	26,884
Special Education Program	370,767	0	0	370,767	495,002	383,873	13,106
Technology	837,487	0	1,018	838,505	872,609	853,086	14,581
Other Programs	761,962	0	0	761,962	0	874,104	112,142
Board of Education	633,533	0	300	633,833	630,992	630,992	(2,841)
Director of Schools	491,190	0	0	491,190	353,213	507,105	15,915
Office of the Principal	2,509,715	0	0	2,509,715	2,533,445	2,545,045	35,330
Operation of Plant	3,445,918	0	11,710	3,457,628	3,662,026	3,664,060	206,432
Maintenance of Plant	1,707,752	(60,397)	769,212	2,416,567	1,679,840	2,813,275	396,708
Transportation	2,596,053	0	0	2,596,053	2,482,728	2,674,937	78,884

(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 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 54,835	\$ 0	\$ 0	\$ 54,835	\$ 55,829	\$ 71,823	\$ 16,988
Early Childhood Education	334,576	(6,952)	0	327,624	344,472	351,461	23,837
<u>Capital Outlay</u>							
Regular Capital Outlay	113,354	0	0	113,354	150,000	263,354	150,000
<u>Other Debt Service</u>							
Education	74,965	0	0	74,965	0	74,965	0
Total Expenditures	\$ 44,294,347	\$ (67,678)	\$ 876,043	\$ 45,102,712	\$ 44,393,705	\$ 47,441,116	\$ 2,338,404
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,143,253	\$ 67,678	\$ (876,043)	\$ 2,334,888	\$ (24,998)	\$ (276,730)	\$ 2,611,618
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 40,000	\$ 0	\$ 0	\$ 40,000	\$ 0	\$ 40,000	\$ 0
Insurance Recovery	740,405	0	0	740,405	0	785,901	(45,496)
Transfers In	29,914	0	0	29,914	25,000	54,914	(25,000)
Transfers Out	(300,000)	0	0	(300,000)	0	(300,000)	0
Total Other Financing Sources	\$ 510,319	\$ 0	\$ 0	\$ 510,319	\$ 25,000	\$ 580,815	\$ (70,496)
Net Change in Fund Balance	\$ 3,653,572	\$ 67,678	\$ (876,043)	\$ 2,845,207	\$ 2	\$ 304,085	\$ 2,541,122
Fund Balance, July 1, 2021	4,838,818	(67,678)	0	4,771,140	2,858,541	2,858,541	1,912,599
Fund Balance, June 30, 2022	\$ 8,492,390	\$ 0	\$ (876,043)	\$ 7,616,347	\$ 2,858,543	\$ 3,162,626	\$ 4,453,721

Exhibit J-7

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 10,136,240	\$ 0	\$ 0	\$ 10,136,240	\$ 3,386,847	\$ 19,731,443	\$ (9,595,203)
Total Revenues	\$ 10,136,240	\$ 0	\$ 0	\$ 10,136,240	\$ 3,386,847	\$ 19,731,443	\$ (9,595,203)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 4,295,625	\$ (204,104)	\$ 0	\$ 4,091,521	\$ 1,507,218	\$ 7,960,959	\$ 3,869,438
Special Education Program	884,524	0	0	884,524	919,462	1,274,033	389,509
Career and Technical Education Program	118,085	0	10,373	128,458	97,160	128,367	(91)
<u>Support Services</u>							
Attendance	0	0	0	0	0	50,616	50,616
Health Services	88,347	0	0	88,347	0	90,808	2,461
Other Student Support	52,808	0	0	52,808	111,013	151,844	99,036
Regular Instruction Program	964,954	0	0	964,954	797,244	1,924,277	959,323
Special Education Program	217,368	0	0	217,368	214,037	223,757	6,389
Career and Technical Education Program	6,676	0	0	6,676	5,000	6,676	0
Technology	30,379	0	0	30,379	0	41,984	11,605
Operation of Plant	0	0	0	0	0	1,100,000	1,100,000
Maintenance of Plant	3,309,062	(913,433)	1,440,000	3,835,629	0	6,375,393	2,539,764
Transportation	30,773	0	0	30,773	5,000	267,402	236,629
<u>Capital Outlay</u>							
Regular Capital Outlay	132,329	(73,429)	0	58,900	0	135,329	76,429
Total Expenditures	\$ 10,130,930	\$ (1,190,966)	\$ 1,450,373	\$ 10,390,337	\$ 3,656,134	\$ 19,731,445	\$ 9,341,108
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,310	\$ 1,190,966	\$ (1,450,373)	\$ (254,097)	\$ (269,287)	\$ (2)	\$ (254,095)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 269,287	\$ 300,000	\$ 0
Transfers Out	(29,914)	0	0	(29,914)	0	(29,914)	0
Total Other Financing Sources	\$ 270,086	\$ 0	\$ 0	\$ 270,086	\$ 269,287	\$ 270,086	\$ 0

(Continued)

Exhibit J-7

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)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 275,396	\$ 1,190,966	\$ (1,450,373)	\$ 15,989	\$ 0	\$ 270,084	\$ (254,095)
Fund Balance, July 1, 2021	339,547	(1,190,966)	0	(851,419)	330,239	330,239	(1,181,658)
Fund Balance, June 30, 2022	\$ 614,943	\$ 0	\$ (1,450,373)	\$ (835,430)	\$ 330,239	\$ 600,323	\$ (1,435,753)

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 90,985	\$ 0	\$ 0	\$ 90,985	\$ 447,450	\$ 447,450	\$ (356,465)
Other Local Revenues	3	0	0	3	0	0	3
State of Tennessee	40,927	0	0	40,927	25,150	25,150	15,777
Federal Government	4,108,717	0	0	4,108,717	3,107,562	3,209,530	899,187
Total Revenues	\$ 4,240,632	\$ 0	\$ 0	\$ 4,240,632	\$ 3,580,162	\$ 3,682,130	\$ 558,502
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,256,464	\$ (45,000)	\$ 39,640	\$ 3,251,104	\$ 3,580,162	\$ 3,950,606	\$ 699,502
Total Expenditures	\$ 3,256,464	\$ (45,000)	\$ 39,640	\$ 3,251,104	\$ 3,580,162	\$ 3,950,606	\$ 699,502
Excess (Deficiency) of Revenues Over Expenditures	\$ 984,168	\$ 45,000	\$ (39,640)	\$ 989,528	\$ 0	\$ (268,476)	\$ 1,258,004
Net Change in Fund Balance	\$ 984,168	\$ 45,000	\$ (39,640)	\$ 989,528	\$ 0	\$ (268,476)	\$ 1,258,004
Fund Balance, July 1, 2021	3,055,066	(45,000)	0	3,010,066	2,253,782	2,253,782	756,284
Fund Balance, June 30, 2022	\$ 4,039,234	\$ 0	\$ (39,640)	\$ 3,999,594	\$ 2,253,782	\$ 1,985,306	\$ 2,014,288

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School Refunding Bonds, Series 2015	\$ 7,810,000	2 to 3 %	11-24-15	6-1-24	\$ 1,080,000	\$ 0	\$ 315,000	\$ 765,000
General Obligation School Refunding Bonds, Series 2016	8,005,000	2	9-14-16	6-1-24	1,600,000	0	540,000	1,060,000
General Obligation School Refunding Bonds, Series 2017	9,725,000	2.5 to 3.25	7-28-17	6-1-38	9,500,000	0	175,000	9,325,000
General Obligation School Refunding Bonds, Series 2021	9,410,000	2	6-25-21	6-1-35	9,410,000	0	100,000	9,310,000
Total Bonds Payable					\$ 21,590,000	\$ 0	\$ 1,130,000	\$ 20,460,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Fund</u>								
Ambulance - Lifepack Defibrillators	214,535	4.90	10-10-17	10-10-21	\$ 42,907 (2)	\$ 0	\$ 42,907	\$ 0
Property Assessor Vehicle - 2019 Jeep Compass	21,816	4.99	2-10-19	2-10-23	8,727 (2)	0	4,363	4,364
EMA Vehicle - 2018 Dodge 3500	25,081	4.91	4-10-19	4-10-22	6,271 (2)	0	6,271	0
Sheriff Vehicle - 2019 Dodge Durango	30,433	4.65	8-10-19	8-10-24	18,256 (2)	0	6,087	12,169
Motorola Radio System	3,210,000	3.16	10-1-19	10-1-29	2,842,232 (2)	0	277,953	2,564,279
Total Payable through General Fund					\$ 2,918,393	\$ 0	\$ 337,581	\$ 2,580,812
<u>Payable through General Debt Service Fund</u>								
Public Improvement and Refunding, Series E-7-A	31,965,000	Variable	2-19-09	6-1-39	\$ 22,940,000	\$ 0	\$ 1,155,000	\$ 21,785,000
Fort Loudoun Electric Cooperative Interest-Free Loan	71,820	0	9-13-12	8-20-22	8,326	0	7,188	1,138
USDA Loan, Series 2019	30,917,200	2.875	6-5-19	6-5-59	30,067,276 (1)	0	443,621	29,623,655
Caterpillar Excavator and Track Loader	113,354	2.99	1-26-22	1-26-27	0	113,354	45,429	67,925
Total Payable through General Debt Service Fund					\$ 53,015,602	\$ 113,354	\$ 1,651,238	\$ 51,477,718
<u>Payable through Highway/Public Works Fund</u>								
Three 2021 International Dump Trucks	348,686	3.93	10-10-20	10-10-23	\$ 261,514 (2)	\$ 0	\$ 87,172	\$ 174,342
Total Payable through Highway/Public Works Fund					\$ 261,514	\$ 0	\$ 87,172	\$ 174,342
<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	\$ 3,621 (2)	\$ 0	\$ 3,621	\$ 0
2018 Dodge Ram 3500	48,649	4.65	4-10-18	4-10-22	9,730 (2)	0	9,730	0
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	9,191 (2)	0	4,595	4,596
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	9,191 (2)	0	4,595	4,596
2019 Dodge Caravan	19,310	4.99	4-10-19	4-10-23	7,724 (2)	0	3,862	3,862
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					\$ 39,457	\$ 0	\$ 26,403	\$ 13,054
Total Other Loans Payable					\$ 56,234,966	\$ 113,354	\$ 2,102,394	\$ 54,245,926

(1) This loan was previously reported as a bond payable.

(2) These amounts which were previously reported as capital leases payable have been reclassified as other loans payable due to the implementation of GASB Statement No. 87.

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 1,190,000	\$ 499,275	\$ 1,689,275
2024	1,280,000	473,475	1,753,475
2025	1,290,000	445,425	1,735,425
2026	1,185,000	418,425	1,603,425
2027	1,255,000	393,550	1,648,550
2028	1,200,000	367,300	1,567,300
2029	1,250,000	342,175	1,592,175
2030	1,170,000	315,488	1,485,488
2031	1,340,000	290,437	1,630,437
2032	840,000	261,463	1,101,463
2033	810,000	242,525	1,052,525
2034	1,505,000	223,475	1,728,475
2035	1,445,000	183,575	1,628,575
2036	1,455,000	145,025	1,600,025
2037	1,635,000	101,375	1,736,375
2038	1,610,000	52,325	1,662,325
Total	\$ 20,460,000	\$ 4,755,313	\$ 25,215,313

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2023	\$ 2,023,401	\$ 1,067,995	\$ 183,194	\$ 3,274,590
2024	2,002,605	1,031,609	173,482	3,207,696
2025	1,952,803	998,112	163,979	3,114,894
2026	2,121,959	969,470	154,309	3,245,738
2027	2,159,078	939,514	143,419	3,242,011
2028	2,282,030	908,972	132,403	3,323,405
2029	2,332,969	877,606	120,462	3,331,037
2030	2,504,690	845,201	108,310	3,458,201
2031	2,019,449	811,418	94,940	2,925,807
2032	2,171,184	789,920	82,789	3,043,893
2033	2,253,406	767,463	69,502	3,090,371
2034	1,491,130	744,296	55,669	2,291,095
2035	1,604,371	717,146	48,395	2,369,912
2036	2,128,142	688,486	40,322	2,856,950
2037	2,077,461	654,078	28,003	2,759,542
2038	2,237,342	619,828	16,272	2,873,442
2039	1,122,803	583,557	3,363	1,709,723

(continued)

Exhibit K-2

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

Year Ending June 30	Other Loans - Direct Placement (cont.)			
	Principal	Interest	Other Fees	Total
2040	\$ 743,859	\$ 558,381	\$ 0	\$ 1,302,240
2041	765,530	536,710	0	1,302,240
2042	787,831	514,409	0	1,302,240
2043	810,782	491,458	0	1,302,240
2044	834,401	467,839	0	1,302,240
2045	858,709	443,531	0	1,302,240
2046	883,725	418,515	0	1,302,240
2047	909,470	392,771	0	1,302,241
2048	935,964	366,276	0	1,302,240
2049	963,230	339,010	0	1,302,240
2050	991,291	310,949	0	1,302,240
2051	1,020,169	282,071	0	1,302,240
2052	1,049,889	252,351	0	1,302,240
2053	1,080,474	221,766	0	1,302,240
2054	1,111,950	190,290	0	1,302,240
2055	1,144,343	157,896	0	1,302,239
2056	1,177,680	124,560	0	1,302,240
2057	1,211,988	90,252	0	1,302,240
2058	1,247,296	54,944	0	1,302,240
2059	1,232,522	18,471	0	1,250,993
Total	\$ 54,245,926	\$ 20,247,121	\$ 1,618,813	\$ 76,111,860

Exhibit K-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 3,500,000
Employee Health Insurance	General	To close fund	2,336,067
"	Solid Waste/Sanitation	"	48,345
"	Highway/Public Works	"	<u>355,471</u>
Total Transfers Primary Government			<u>\$ 6,239,883</u>
<u>DISCRETELY PRESENTED MONROE COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 300,000
School Federal Projects	General Purpose School	Indirect costs	<u>29,914</u>
Total Transfers Discretely Presented Monroe County School Department			<u>\$ 329,914</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, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> and County Commission	\$ 103,675	\$ 400,000	Tennessee Risk Management Trust
Road Superintendent	Section 8-24-102, <i>TCA</i>	93,738	400,000	"
Director of Schools	State Board of Education and County Board of Education	119,600 (1) (2) (3)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	85,216	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	85,216	400,000	"
Director of Finance	County Commission	92,228 (4)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	85,216	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	85,216	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	85,216 (5)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	85,216	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	98,738 (6)	400,000	"
Employee Blanket Bond Coverage: Monroe County and Monroe County School Department: Public Employee Dishonesty			400,000	Tennessee Risk Management Trust

(1) Includes a mileage allowance of \$9,600.

(2) Does not include a stipend of \$2,000 paid out of ESSER grant funds to all certified staff members and \$300 sick leave incentive.

(3) Does not include amounts paid to former director of schools, DeAnna McClendon. Ms. McClendon was paid a total of \$109,992 during the year for payments under the terms of a buyout agreement. Social Security and Medicare taxes totaling \$8,414, were also paid by the school department under the terms of the agreement.

(4) Does not include longevity pay of \$1,000.

(5) Does not include special commissioner fees of \$870.

(6) 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, 2022

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,666,057	\$ 1,039,771	\$ 0	\$ 0	\$ 1,109,794
Trustee's Collections - Prior Year	183,630	17,904	0	0	19,109
Circuit Clerk/Clerk and Master Collections - Prior Years	201,817	19,652	0	0	20,975
Interest and Penalty	45,250	4,412	0	0	4,708
Payments in-Lieu-of Taxes - T.V.A.	12,158	1,185	0	0	1,265
Payments in-Lieu-of Taxes - Local Utilities	954,278	93,027	0	0	99,292
Payments in-Lieu-of Taxes - Other	101,854	181	0	0	158,830
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,734,180	0	0	0	0
Hotel/Motel Tax	310,284	0	0	0	0
Wheel Tax	1,098,316	0	0	0	0
Litigation Tax - General	36,208	0	0	0	0
Litigation Tax - Special Purpose	34,835	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	173,785	0	0	0	0
Business Tax	259,978	0	0	0	12,092
Mixed Drink Tax	10,394	0	0	0	0
Mineral Severance Tax	0	0	0	0	58,229
<u>Statutory Local Taxes</u>					
Bank Excise Tax	52,118	5,081	0	0	5,423
Wholesale Beer Tax	72,230	0	0	0	0
Total Local Taxes	\$ 15,947,372	\$ 1,181,213	\$ 0	\$ 0	\$ 1,489,717
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 53,266	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	89,153	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	\$ 21,375	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 163,794	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 5,975	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	23,529	0	0	0	0
Jail Fees	8,541	0	0	0	0
DUI Treatment Fines	1,235	0	0	0	0
Data Entry Fee - Circuit Court	2,939	0	0	0	0
Courtroom Security Fee	186	0	0	0	0
<u>General Sessions Court</u>					
Fines	39,120	0	0	0	0
Officers Costs	46,688	0	0	0	0
Jail Fees	43,473	0	0	0	0
DUI Treatment Fines	8,949	0	0	0	0
Data Entry Fee - General Sessions Court	13,234	0	0	0	0
Courtroom Security Fee	1,112	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,329	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Control Fines	15,260	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	106	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	\$ 66,461	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties	32,244	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 244,920	\$ 0	\$ 66,461	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 62,665	\$ 0	\$ 0	\$ 0
Patient Charges	2,978,229	0	0	0	0
Other General Service Charges	323,481	0	0	0	300,495
<u>Fees</u>					
Airport Fees	437,858	0	0	0	0
Copy Fees	1,497	0	0	0	0
Archives and Records Management Fee	312	0	0	0	0
Telephone Commissions	164,858	0	0	0	0
Tourism Fees	108,786	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	870	0
Data Processing Fee - Register	20,762	0	0	0	0
Data Processing Fee - Sheriff	13,604	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,800	0	0	0	0
Data Processing Fee - County Clerk	8,205	0	0	0	0
Total Charges for Current Services	\$ 4,066,392	\$ 62,665	\$ 0	\$ 870	\$ 300,495
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 2	\$ 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>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Commissary Sales	\$ 55,094	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Recycled Materials	4,775	22,289	0	0	0
Miscellaneous Refunds	1,170	208	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	85,312	18,650	21,848	0	0
Sale of Property	136,251	0	0	0	0
Contributions and Gifts	6,364	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	24,328	0	0	0	0
Total Other Local Revenues	\$ 313,296	\$ 41,147	\$ 21,848	\$ 0	\$ 0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 604,940	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	231,019	0	0	0	0
General Sessions Court Clerk	248,253	0	0	0	0
Clerk and Master	171,437	0	0	0	0
Register	314,524	0	0	0	0
Sheriff	21,104	0	0	0	0
Trustee	890,337	0	0	0	0
Total Fees Received From County Officials	\$ 2,481,614	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	14,830	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>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 35,200	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	417,741
Litter Program	0	47,910	0	0	0
<u>Other State Revenues</u>					
Income Tax	17,116	1,669	0	0	1,781
Beer Tax	19,194	0	0	0	0
Vehicle Certificate of Title Fees	10,755	0	0	0	0
Alcoholic Beverage Tax	131,281	0	0	0	0
State Revenue Sharing - T.V.A.	150,000	0	0	0	21,000
State Revenue Sharing - Telecommunications	53,840	0	0	0	0
State Shared Sports Gaming Privilege Tax	31,302	0	0	0	0
Prisoner Transportation	38,599	0	0	0	0
Contracted Prisoner Boarding	985,647	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	3,010,391
Petroleum Special Tax	0	0	0	0	30,891
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	280,705	0	0	0	20,194
Other State Revenues	7,194	35,308	0	0	463,686
Total State of Tennessee	\$ 1,799,827	\$ 84,887	\$ 0	\$ 0	3,965,684
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	121,166
Homeland Security Grants	17,440	0	0	0	0
Other Federal through State	2,858,550	0	0	0	102,728

(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>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Forest Service	\$ 6,298	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	15,854	0	0	0	0
Total Federal Government	<u>\$ 2,898,142</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 223,894</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 303,346	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	13,700	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 317,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 28,232,403</u>	<u>\$ 1,369,912</u>	<u>\$ 88,309</u>	<u>\$ 870</u>	<u>\$ 5,979,790</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	\$ 3,769,671	\$ 16,585,293
Trustee's Collections - Prior Year	64,911	285,554
Circuit Clerk/Clerk and Master Collections - Prior Years	71,215	313,659
Interest and Penalty	15,994	70,364
Payments in-Lieu-of Taxes - T.V.A.	4,297	18,905
Payments in-Lieu-of Taxes - Local Utilities	337,267	1,483,864
Payments in-Lieu-of Taxes - Other	655	261,520
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	1,734,180
Hotel/Motel Tax	0	310,284
Wheel Tax	1,066,710	2,165,026
Litigation Tax - General	36,724	72,932
Litigation Tax - Special Purpose	0	34,835
Litigation Tax - Jail, Workhouse, or Courthouse	0	173,785
Business Tax	84,644	356,714
Mixed Drink Tax	0	10,394
Mineral Severance Tax	0	58,229
<u>Statutory Local Taxes</u>		
Bank Excise Tax	18,420	81,042
Wholesale Beer Tax	0	72,230
Total Local Taxes	<u>\$ 5,470,508</u>	<u>\$ 24,088,810</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 53,266
Cable TV Franchise	0	89,153

(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>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Building Permits	\$ 0	\$ 21,375
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 163,794</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 5,975
Officers Costs	0	23,529
Jail Fees	0	8,541
DUI Treatment Fines	0	1,235
Data Entry Fee - Circuit Court	0	2,939
Courtroom Security Fee	0	186
<u>General Sessions Court</u>		
Fines	0	39,120
Officers Costs	0	46,688
Jail Fees	0	43,473
DUI Treatment Fines	0	8,949
Data Entry Fee - General Sessions Court	0	13,234
Courtroom Security Fee	0	1,112
<u>Chancery Court</u>		
Officers Costs	0	2,329
<u>Other Courts - In-county</u>		
Drug Control Fines	0	15,260
<u>Judicial District Drug Program</u>		
Courtroom Security Fee	0	106

(Continued)

Exhibit K-5

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

	<u>Debt Service Fund</u>		<u>General Debt Service</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	\$	0	\$	66,461
Other Fines, Forfeitures, and Penalties		0		32,244
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>311,381</u>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Tipping Fees	\$	0	\$	62,665
Patient Charges		0		2,978,229
Other General Service Charges		0		623,976
<u>Fees</u>				
Airport Fees		0		437,858
Copy Fees		0		1,497
Archives and Records Management Fee		0		312
Telephone Commissions		0		164,858
Tourism Fees		0		108,786
Special Commissioner Fees/Special Master Fees		0		870
Data Processing Fee - Register		0		20,762
Data Processing Fee - Sheriff		0		13,604
Sexual Offender Registration Fee - Sheriff		0		8,800
Data Processing Fee - County Clerk		0		8,205
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>4,430,422</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	83,823	\$	83,825

(Continued)

Exhibit K-5

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

	<u>Debt Service Fund</u>		<u>General Debt Service</u>	<u>Total</u>
<u>Other Local Revenues (Cont.)</u>				
<u>Recurring Items (Cont.)</u>				
Commissary Sales	\$	0	\$	55,094
Sale of Recycled Materials		0		27,064
Miscellaneous Refunds		0		1,378
<u>Nonrecurring Items</u>				
Sale of Equipment		0		125,810
Sale of Property		0		136,251
Contributions and Gifts		0		6,364
<u>Other Local Revenues</u>				
Other Local Revenues		0		24,328
Total Other Local Revenues	\$	83,823	\$	460,114
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	604,940
Circuit Court Clerk		0		231,019
General Sessions Court Clerk		0		248,253
Clerk and Master		0		171,437
Register		0		314,524
Sheriff		0		21,104
Trustee		0		890,337
Total Fees Received From County Officials	\$	0	\$	2,481,614
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
Airport Maintenance Program		0		14,830

(Continued)

Exhibit K-5

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>		
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	\$ 0	\$ 35,200
<u>Public Works Grants</u>		
Bridge Program	0	417,741
Litter Program	0	47,910
<u>Other State Revenues</u>		
Income Tax	6,049	26,615
Beer Tax	0	19,194
Vehicle Certificate of Title Fees	0	10,755
Alcoholic Beverage Tax	0	131,281
State Revenue Sharing - T.V.A.	0	171,000
State Revenue Sharing - Telecommunications	0	53,840
State Shared Sports Gaming Privilege Tax	0	31,302
Prisoner Transportation	0	38,599
Contracted Prisoner Boarding	0	985,647
Gasoline and Motor Fuel Tax	0	3,010,391
Petroleum Special Tax	0	30,891
Registrar's Salary Supplement	0	15,164
Other State Grants	0	300,899
Other State Revenues	0	506,188
Total State of Tennessee	<u>\$ 6,049</u>	<u>\$ 5,856,447</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Disaster Relief	\$ 0	\$ 121,166
Homeland Security Grants	0	17,440
Other Federal through State	0	2,961,278

(Continued)

Exhibit K-5

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
Forest Service	\$ 0	\$ 6,298
Other Direct Federal Revenue	0	15,854
Total Federal Government	<u>\$ 0</u>	<u>\$ 3,122,036</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 82,153	\$ 385,499
<u>Citizens Groups</u>		
Donations	0	13,700
Total Other Governments and Citizens Groups	<u>\$ 82,153</u>	<u>\$ 399,199</u>
Total	<u>\$ 5,642,533</u>	<u>\$ 41,313,817</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, 2022

	<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	\$ 5,724,854	\$ 0	\$ 0	\$ 0	\$ 5,724,854	
Trustee's Collections - Prior Year	108,885	0	0	0	108,885	
Circuit Clerk/Clerk and Master Collections - Prior Years	108,568	0	0	0	108,568	
Interest and Penalty	23,901	0	0	0	23,901	
Payments in-Lieu-of Taxes - T.V.A.	6,538	0	0	0	6,538	
Payments in-Lieu-of Taxes - Local Utilities	512,195	0	0	0	512,195	
Payments in-Lieu-of Taxes - Other	998	0	0	0	998	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,306,229	0	0	0	6,306,229	
Business Tax	198,989	0	0	0	198,989	
Mixed Drink Tax	8,172	0	0	0	8,172	
Other County Local Option Taxes	203	0	0	0	203	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	27,973	0	0	0	27,973	
Total Local Taxes	<u>\$ 13,027,505</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,027,505</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,612	\$ 0	\$ 0	\$ 0	\$ 2,612	
Total Licenses and Permits	<u>\$ 2,612</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,612</u>	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 3,565	\$ 0	\$ 3,565	

(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	\$ 70,740	\$ 0	\$ 0	70,740
Income from Breakfast	0	0	1,535	0	0	1,535
Transportation - Other State Systems	312,839	0	0	0	0	312,839
School Based Health Services - FFS	38,548	0	0	0	0	38,548
Receipts from Individual Schools	32,292	0	15,145	0	0	47,437
Total Charges for Current Services	\$ 383,679	\$ 0	\$ 90,985	\$ 0	\$ 0	474,664
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (16,388)	\$ 0	\$ 0	\$ 0	\$ 0	(16,388)
Miscellaneous Refunds	11,032	0	3	0	0	11,035
<u>Nonrecurring Items</u>						
Sale of Equipment	3,538	0	0	0	0	3,538
<u>Other Local Revenues</u>						
Other Local Revenues	191,325	0	0	1,337,733	0	1,529,058
Total Other Local Revenues	\$ 189,507	\$ 0	\$ 3	\$ 1,337,733	\$ 0	1,527,243
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 168,488	\$ 0	\$ 0	\$ 0	\$ 0	168,488
<u>State Education Funds</u>						
Basic Education Program	29,955,054	0	0	0	0	29,955,054
Early Childhood Education	288,441	0	0	0	0	288,441
School Food Service	0	0	40,927	0	0	40,927

(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>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Other State Education Funds	\$ 486,438	\$ 0	\$ 0	\$ 0	\$ 0	486,438
Coordinated School Health	169,537	0	0	0	0	169,537
Family Resource Centers	29,612	0	0	0	0	29,612
Career Ladder Program	86,404	0	0	0	0	86,404
Vocational Equipment	124,703	0	0	0	0	124,703
Other Vocational	25,242	0	0	0	0	25,242
<u>Other State Revenues</u>						
Income Tax	9,405	0	0	0	0	9,405
State Revenue Sharing - T.V.A.	1,326,764	0	0	0	0	1,326,764
Safe Schools	110,680	0	0	0	0	110,680
Total State of Tennessee	<u>\$ 32,780,768</u>	<u>\$ 0</u>	<u>\$ 40,927</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,821,695</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,671,142	\$ 0	\$ 0	2,671,142
USDA - Commodities	0	0	204,051	0	0	204,051
Breakfast	0	0	1,121,891	0	0	1,121,891
USDA - Other	0	0	111,633	0	0	111,633
Vocational Education - Basic Grants to States	0	144,211	0	0	0	144,211
Title I Grants to Local Education Agencies	0	1,552,489	0	0	0	1,552,489
Special Education - Grants to States	92,859	1,062,844	0	0	0	1,155,703
Special Education Preschool Grants	0	29,985	0	0	0	29,985
Eisenhower Professional Development State Grants	0	289,958	0	0	0	289,958
COVID-19 Grant #1	0	22,310	0	0	0	22,310

(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>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant #2	\$ 0	\$ 2,829,250	\$ 0	\$ 0	\$ 2,829,250
COVID-19 Grant B	0	3,822,658	0	0	3,822,658
COVID-19 Grant C	0	115,000	0	0	115,000
COVID-19 Grant D	0	145,000	0	0	145,000
American Rescue Plan Act Grant #1	0	2,819	0	0	2,819
American Rescue Plan Act Grant #2	0	6,043	0	0	6,043
American Rescue Plan Act Grant #3	0	888	0	0	888
American Rescue Plan Act Grant #4	0	32,877	0	0	32,877
Other Federal through State	202,007	79,908	0	0	281,915
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	624,423	0	0	0	624,423
Total Federal Government	<u>\$ 919,289</u>	<u>\$ 10,136,240</u>	<u>\$ 4,108,717</u>	<u>\$ 0</u>	<u>\$ 15,164,246</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 134,240	\$ 0	\$ 0	\$ 0	\$ 134,240
Total Other Governments and Citizens Groups	<u>\$ 134,240</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 134,240</u>
Total	<u>\$ 47,437,600</u>	<u>\$ 10,136,240</u>	<u>\$ 4,240,632</u>	<u>\$ 1,337,733</u>	<u>\$ 63,152,205</u>

Exhibit K-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	52,999	
Social Security		2,960	
Employer Medicare		769	
Audit Services		18,963	
Contracts with Private Agencies		10,293	
Dues and Memberships		4,500	
Postal Charges		59	
Travel		2,130	
Other Contracted Services		11,773	
Building and Contents Insurance		116,073	
Liability Insurance		16,200	
Workers' Compensation Insurance		167,819	
Tax Relief Program		68,955	
Other Charges		12,497	
Total County Commission			\$ 485,990

Board of Equalization

Board and Committee Members Fees	\$	2,100	
Total Board of Equalization			2,100

County Mayor/Executive

County Official/Administrative Officer	\$	103,675	
Assistant(s)		47,141	
Deputy(ies)		30,385	
Longevity Pay		700	
Social Security		10,900	
Pensions		7,913	
Employee and Dependent Insurance		43,006	
Life Insurance		178	
Employer Medicare		2,549	
Travel		171	
Office Supplies		714	
Other Charges		1,449	
Office Equipment		500	
Total County Mayor/Executive			249,281

Personnel Office

Secretary(ies)	\$	87,621	
Part-time Personnel		1,046	
Longevity Pay		2,200	
Social Security		5,419	
Pensions		3,607	
Employee and Dependent Insurance		18,939	
Life Insurance		114	
Employer Medicare		1,267	
Consultants		849	
Lease Payments		3,192	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Maintenance Agreements	\$	417	
Other Charges		7,198	
Office Equipment		1,351	
Total Personnel Office			\$ 133,220

County Attorney

Legal Services	\$	49,157	
Total County Attorney			49,157

Election Commission

County Official/Administrative Officer	\$	76,694	
Assistant(s)		36,429	
Deputy(ies)		35,400	
Longevity Pay		1,150	
Election Commission		21,000	
Election Workers		53,742	
Social Security		12,876	
Pensions		6,511	
Employee and Dependent Insurance		47,012	
Life Insurance		171	
Employer Medicare		3,015	
Data Processing Services		459	
Lease Payments		3,540	
Legal Notices, Recording, and Court Costs		3,116	
Maintenance Agreements		25,165	
Maintenance and Repair Services - Office Equipment		233	
Postal Charges		9,720	
Data Processing Supplies		1,804	
Gasoline		732	
Office Supplies		4,525	
Building and Contents Insurance		400	
Other Equipment		24,365	
Total Election Commission			368,059

Register of Deeds

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		177,595	
Part-time Personnel		10,575	
Longevity Pay		5,100	
Social Security		16,630	
Pensions		11,181	
Employee and Dependent Insurance		64,294	
Life Insurance		332	
Employer Medicare		3,889	
Dues and Memberships		918	
Lease Payments		6,112	
Maintenance Agreements		27,560	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Postal Charges	\$	1,500	
Travel		1,486	
Office Supplies		5,327	
Other Charges		600	
Office Equipment		6,819	
Total Register of Deeds			\$ 425,134

Planning

Supervisor/Director	\$	48,410	
Board and Committee Members Fees		1,600	
Social Security		3,091	
Pensions		2,106	
Employee and Dependent Insurance		300	
Employer Medicare		725	
Dues and Memberships		644	
Legal Notices, Recording, and Court Costs		169	
Licenses		230	
Maintenance Agreements		1,905	
Postal Charges		34	
Travel		3,644	
Office Supplies		2,087	
Total Planning			64,945

Engineering

Supervisor/Director	\$	61,800	
Social Security		3,805	
Pensions		2,688	
Employee and Dependent Insurance		9,403	
Life Insurance		57	
Employer Medicare		890	
Communication		214,739	
Licenses		55,744	
Maintenance Agreements		30,739	
Equipment and Machinery Parts		13,296	
Other Supplies and Materials		60	
Office Equipment		1,713	
Total Engineering			394,934

Codes Compliance

County Official/Administrative Officer	\$	17,053	
Clerical Personnel		1,965	
Part-time Personnel		2,522	
Social Security		1,198	
Pensions		915	
Employee and Dependent Insurance		5,757	
Life Insurance		21	
Employer Medicare		280	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Dues and Memberships	\$	25	
Maintenance Agreements		523	
Total Codes Compliance			\$ 30,259

Geographical Information Systems

Supervisor/Director	\$	49,908	
Longevity Pay		1,400	
Social Security		2,902	
Pensions		2,232	
Employee and Dependent Insurance		15,276	
Life Insurance		57	
Employer Medicare		679	
Licenses		1,854	
Maintenance Agreements		13,029	
Travel		1,010	
Gasoline		281	
Office Supplies		1,193	
Office Equipment		2,574	
Total Geographical Information Systems			92,395

County Buildings

Assistant(s)	\$	80,038	
Supervisor/Director		55,968	
Attendants		26,707	
Custodial Personnel		23,998	
Longevity Pay		3,600	
Other Salaries and Wages		26,502	
Social Security		12,357	
Pensions		9,431	
Employee and Dependent Insurance		79,746	
Life Insurance		342	
Employer Medicare		2,890	
Maintenance Agreements		60	
Maintenance and Repair Services - Buildings		127,112	
Other Contracted Services		165,517	
Custodial Supplies		5,635	
Electricity		101,528	
Natural Gas		25,202	
Water and Sewer		7,974	
Other Charges		4,781	
Maintenance Equipment		2,322	
Total County Buildings			761,710

Other General Administration

Lease Payments	\$	1,260	
Legal Notices, Recording, and Court Costs		328	
Maintenance Agreements		1,122	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Duplicating Supplies	\$	1,025	
Gasoline		14,160	
Trustee's Commission		338,180	
Total Other General Administration			\$ 356,075

Preservation of Records

Supervisor/Director	\$	14,260	
Social Security		884	
Employer Medicare		207	
Lease Payments		1,375	
Maintenance Agreements		676	
Postal Charges		13	
Other Supplies and Materials		704	
Other Charges		888	
Total Preservation of Records			19,007

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	92,228	
Assistant(s)		87,010	
Accountants/Bookkeepers		238,852	
Longevity Pay		5,300	
Social Security		25,082	
Pensions		17,614	
Employee and Dependent Insurance		106,380	
Life Insurance		466	
Employer Medicare		5,866	
Data Processing Services		22,135	
Lease Payments		1,344	
Maintenance Agreements		417	
Postal Charges		4,764	
Travel		3,180	
Other Contracted Services		5,000	
Office Supplies		9,582	
Other Charges		6,596	
Data Processing Equipment		6,895	
Total Accounting and Budgeting			638,711

Property Assessor's Office

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		35,462	
Secretary(ies)		31,189	
Clerical Personnel		66,875	
Longevity Pay		5,000	
Social Security		13,105	
Pensions		9,733	
Employee and Dependent Insurance		66,098	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Life Insurance	\$	285	
Employer Medicare		3,065	
Data Processing Services		12,943	
Dues and Memberships		2,040	
Maintenance Agreements		2,890	
Maintenance and Repair Services - Vehicles		852	
Postal Charges		2,743	
Printing, Stationery, and Forms		244	
Travel		2,151	
Gasoline		3,158	
Office Supplies		2,481	
Tires and Tubes		776	
Other Charges		515	
Office Equipment		3,735	
Total Property Assessor's Office			\$ 350,556

Reappraisal Program

Secretary(ies)	\$	26,446	
Clerical Personnel		31,969	
Part-time Personnel		31,493	
Social Security		5,060	
Pensions		2,541	
Employee and Dependent Insurance		24,728	
Life Insurance		104	
Employer Medicare		1,243	
Travel		1,052	
Office Supplies		5,972	
Office Equipment		1,744	
Total Reappraisal Program			132,352

County Trustee's Office

County Official/Administrative Officer	\$	85,216	
Assistant(s)		36,919	
Deputy(ies)		82,724	
Part-time Personnel		13,786	
Longevity Pay		3,200	
Social Security		13,125	
Pensions		8,950	
Employee and Dependent Insurance		57,153	
Life Insurance		261	
Employer Medicare		3,069	
Dues and Memberships		943	
Lease Payments		979	
Maintenance Agreements		10,306	
Postal Charges		2,429	
Travel		497	
Other Contracted Services		32,913	

(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.)

Office Supplies	\$	2,215	
Other Charges		819	
Office Equipment		2,906	
Other Capital Outlay		1,385	
Total County Trustee's Office			\$ 359,795

County Clerk's Office

County Official/Administrative Officer	\$	85,216	
Assistant(s)		46,478	
Deputy(ies)		252,787	
Secretary to Board		3,000	
Part-time Personnel		1,995	
Longevity Pay		7,592	
Overtime Pay		3,301	
Social Security		24,032	
Pensions		17,309	
Employee and Dependent Insurance		106,599	
Life Insurance		546	
Employer Medicare		5,649	
Dues and Memberships		858	
Lease Payments		3,862	
Legal Notices, Recording, and Court Costs		414	
Maintenance Agreements		312	
Maintenance and Repair Services - Office Equipment		22,588	
Postal Charges		6,053	
Travel		1,283	
Office Supplies		7,432	
Other Charges		291	
Office Equipment		4,053	
Other Equipment		35,200	
Total County Clerk's Office			636,850

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	85,216
Assistant(s)		39,757
Deputy(ies)		585,793
Part-time Personnel		17,610
Longevity Pay		17,300
Other Salaries and Wages		25,566
Jury and Witness Expense		18,781
Social Security		45,126
Pensions		32,722
Employee and Dependent Insurance		223,397
Life Insurance		1,031
Employer Medicare		10,625
Lease Payments		5,678

(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.)

Legal Notices, Recording, and Court Costs	\$	220	
Maintenance Agreements		38,001	
Postal Charges		7,797	
Printing, Stationery, and Forms		3,220	
Travel		1,062	
Office Supplies		16,769	
Other Charges		9,951	
Data Processing Equipment		6,757	
Office Equipment		9,631	
Total Circuit Court			\$ 1,202,010

General Sessions Judge

Judge(s)	\$	167,054	
Secretary(ies)		36,811	
Longevity Pay		2,400	
Social Security		11,334	
Pensions		8,973	
Employee and Dependent Insurance		29,987	
Life Insurance		86	
Employer Medicare		2,878	
Data Processing Services		3,950	
Dues and Memberships		100	
Lease Payments		1,016	
Maintenance Agreements		1,096	
Other Contracted Services		800	
Library Books/Media		353	
Office Supplies		111	
Total General Sessions Judge			266,949

Chancery Court

County Official/Administrative Officer	\$	85,216	
Deputy(ies)		77,263	
Part-time Personnel		10,601	
Longevity Pay		1,708	
Social Security		10,050	
Pensions		7,106	
Employee and Dependent Insurance		37,246	
Life Insurance		171	
Employer Medicare		2,350	
Dues and Memberships		774	
Maintenance Agreements		2,712	
Office Supplies		10,167	
Total Chancery Court			245,364

Probate Court

Deputy(ies)	\$	35,042	
Longevity Pay		2,900	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Social Security	\$	2,216	
Pensions		1,650	
Employee and Dependent Insurance		9,703	
Life Insurance		57	
Employer Medicare		518	
Postal Charges		400	
Office Supplies		2,285	
Office Equipment		376	
Total Probate Court			\$ 55,147

Other Administration of Justice

Legal Notices, Recording, and Court Costs	\$	8,000	
Total Other Administration of Justice			8,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	98,738	
Assistant(s)		69,049	
Supervisor/Director		96,160	
Deputy(ies)		447,229	
Investigator(s)		272,782	
Captain(s)		283,249	
Sergeant(s)		160,817	
Accountants/Bookkeepers		70,212	
Mechanic(s)		39,863	
Secretary(ies)		30,539	
Clerical Personnel		79,279	
Part-time Personnel		24,350	
School Resource Officer		484,252	
Longevity Pay		30,875	
Overtime Pay		94,679	
Other Salaries and Wages		7,602	
In-service Training		35,200	
Social Security		138,212	
Pensions		94,984	
Employee and Dependent Insurance		576,548	
Life Insurance		2,684	
Employer Medicare		32,324	
Dues and Memberships		2,440	
Lease Payments		5,076	
Maintenance Agreements		24,101	
Maintenance and Repair Services - Vehicles		21,155	
Postal Charges		4,014	
Travel		21,279	
Tuition		7,161	
Garage Supplies		35,479	
Gasoline		172,741	

(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	\$	5,553	
Tires and Tubes		25,055	
Uniforms		21,372	
Vehicle Parts		31,015	
Other Charges		152,591	
Communication Equipment		8,293	
Law Enforcement Equipment		121,015	
Motor Vehicles		271,453	
Office Equipment		11,239	
Total Sheriff's Department			\$ 4,110,659

Administration of the Sexual Offender Registry

Other Charges	\$	267	
Total Administration of the Sexual Offender Registry			267

Jail

Assistant(s)	\$	64,193	
Supervisor/Director		46,987	
Captain(s)		85,284	
Lieutenant(s)		39,056	
Sergeant(s)		142,030	
Accountants/Bookkeepers		63,822	
Guards		882,379	
Clerical Personnel		69,714	
Part-time Personnel		57,938	
Longevity Pay		4,908	
Overtime Pay		177,290	
Other Salaries and Wages		146,290	
Social Security		106,489	
Pensions		69,342	
Employee and Dependent Insurance		385,064	
Life Insurance		1,902	
Employer Medicare		24,905	
Contracts with Private Agencies		359,426	
Data Processing Services		1,335	
Lease Payments		3,168	
Maintenance Agreements		1,924	
Maintenance and Repair Services - Equipment		200	
Travel		15,468	
Custodial Supplies		24,119	
Drugs and Medical Supplies		885,745	
Office Supplies		9,998	
Prisoners Clothing		16,735	
Uniforms		22,155	
Other Charges		76,748	
Law Enforcement Equipment		6,589	
Office Equipment		26	
Total Jail			3,791,229

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Supervisor/Director	\$	45,827	
Youth Service Officer(s)		48,570	
Longevity Pay		3,200	
Social Security		5,467	
Pensions		3,991	
Employee and Dependent Insurance		31,918	
Life Insurance		114	
Employer Medicare		1,279	
Dues and Memberships		1,302	
Travel		583	
Other Contracted Services		1,680	
Office Supplies		1,483	
Other Charges		4,414	
Office Equipment		4,052	
Total Juvenile Services			\$ 153,880

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	\$	80,000	
Total Rescue Squad			80,000

Other Emergency Management

Other Salaries and Wages	\$	58,790	
Social Security		3,611	
Pensions		1,715	
Employee and Dependent Insurance		8,016	
Life Insurance		48	
Employer Medicare		845	
Dues and Memberships		340	
Maintenance and Repair Services - Vehicles		4,760	
Postal Charges		12	
Travel		751	
Office Supplies		3,208	
Uniforms		423	
Other Charges		36,227	
Total Other Emergency Management			118,746

County Coroner/Medical Examiner

Supervisor/Director	\$	37,200	
Pauper Burials		1,425	
Other Charges		117,840	
Total County Coroner/Medical Examiner			156,465

(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)	\$	37,647	
Other Salaries and Wages		30,800	
Social Security		4,092	
Pensions		1,638	
Employee and Dependent Insurance		14,954	
Life Insurance		57	
Employer Medicare		957	
Maintenance Agreements		35,849	
Maintenance and Repair Services - Buildings		69,082	
Maintenance and Repair Services - Vehicles		1,299	
Custodial Supplies		6,782	
Electricity		231,837	
Natural Gas		32,907	
Water and Sewer		77,413	
Maintenance Equipment		4,359	
Total Other Public Safety			\$ 549,673

Public Health and Welfare

Local Health Center

Dues and Memberships	\$	200	
Lease Payments		2,070	
Maintenance Agreements		6,671	
Maintenance and Repair Services - Office Equipment		200	
Postal Charges		8,550	
Other Contracted Services		6,586	
Custodial Supplies		342	
Drugs and Medical Supplies		1,005	
Office Supplies		3,180	
Liability Insurance		1,569	
Other Charges		19,406	
Office Equipment		1,319	
Total Local Health Center			51,098

Rabies and Animal Control

Assistant(s)	\$	26,366	
Supervisor/Director		34,455	
Part-time Personnel		42,028	
Longevity Pay		575	
Social Security		6,075	
Pensions		2,631	
Employee and Dependent Insurance		28,535	
Life Insurance		57	
Employer Medicare		1,421	
Maintenance and Repair Services - Vehicles		85	
Rentals		9,000	
Veterinary Services		32,994	
Custodial Supplies		3,323	

(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	\$	8,338	
Gasoline		116	
Natural Gas		582	
Office Supplies		638	
Water and Sewer		430	
Other Charges		1,345	
Total Rabies and Animal Control			\$ 198,994

Ambulance/Emergency Medical Services

Supervisor/Director	\$	63,319	
Paraprofessionals		1,948,899	
Secretary(ies)		70,387	
Longevity Pay		23,500	
Social Security		125,444	
Pensions		81,766	
Employee and Dependent Insurance		398,800	
Life Insurance		1,677	
Employer Medicare		29,338	
Contracts with Private Agencies		11,838	
Evaluation and Testing		443	
Lease Payments		1,260	
Licenses		2,500	
Maintenance Agreements		479	
Maintenance and Repair Services - Equipment		2,950	
Maintenance and Repair Services - Vehicles		47,003	
Postal Charges		6	
Travel		2,365	
Tuition		11,789	
Other Contracted Services		35,509	
Custodial Supplies		1,987	
Diesel Fuel		145,808	
Drugs and Medical Supplies		136,493	
Electricity		7,807	
Natural Gas		2,017	
Office Supplies		1,414	
Tires and Tubes		13,532	
Uniforms		15,591	
Water and Sewer		1,270	
Other Charges		30,297	
Communication Equipment		19,446	
Total Ambulance/Emergency Medical Services			\$ 3,234,934

Dental Health Program

Supervisor/Director	\$	48,700
Deputy(ies)		27,404
Medical Personnel		64,468
Part-time Personnel		22,024

(Continued)

Exhibit K-7

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	\$	1,400	
Other Salaries and Wages		63,135	
Social Security		13,287	
Pensions		5,567	
Employee and Dependent Insurance		50,052	
Life Insurance		171	
Employer Medicare		3,107	
Dues and Memberships		1,176	
Maintenance and Repair Services - Equipment		564	
Postal Charges		966	
Drugs and Medical Supplies		45,600	
Gasoline		78	
Office Supplies		4,312	
Uniforms		721	
Other Supplies and Materials		375	
Liability Insurance		5,987	
Other Charges		510	
Other Equipment		116	
Total Dental Health Program			\$ 359,720

Alcohol and Drug Programs

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

Other Local Health Services

Assistant(s)	\$	31,992	
Deputy(ies)		31,992	
Teachers		36,717	
Guidance Personnel		33,571	
Secretary(ies)		26,387	
Attendants		69,803	
Longevity Pay		4,000	
Social Security		13,548	
Pensions		10,200	
Employee and Dependent Insurance		86,625	
Life Insurance		342	
Employer Medicare		3,168	
Travel		8,580	
Liability Insurance		5,000	
Total Other Local Health Services			361,925

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

(Continued)

Exhibit K-7

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	\$ 110,900	
Total Other Social, Cultural, and Recreational		110,900

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer Assistant(s)	\$ 16,640	
Supervisor/Director	15,952	
Clerical Personnel	15,656	
Other Salaries and Wages	5,685	
Social Security	9,637	
Pensions	3,812	
Employee and Dependent Insurance	10,503	
Employer Medicare	5,316	
Lease Payments	891	
Maintenance Agreements	744	
Travel	687	
Office Supplies	1,199	
Total Agricultural Extension Service	895	87,617

Soil Conservation

Secretary(ies)	\$ 34,518	
Longevity Pay	2,200	
Other Salaries and Wages	9,359	
Social Security	2,560	
Pensions	1,597	
Employee and Dependent Insurance	15,376	
Life Insurance	57	
Employer Medicare	599	
Contributions	2,042	
Dues and Memberships	179	
Travel	2,257	
Instructional Supplies and Materials	112	
Total Soil Conservation		70,856

Flood Control

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

Other Operations

Tourism

Supervisor/Director	\$ 50,731	
Part-time Personnel	40,573	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Social Security	\$	5,331	
Pensions		2,207	
Employee and Dependent Insurance		20,584	
Life Insurance		57	
Employer Medicare		1,247	
Advertising		49,910	
Dues and Memberships		3,000	
Lease Payments		1,012	
Maintenance Agreements		3,307	
Maintenance and Repair Services - Vehicles		144	
Postal Charges		388	
Travel		5,514	
Other Contracted Services		10,000	
Custodial Supplies		3,624	
Electricity		5,290	
Office Supplies		3,809	
Water and Sewer		2,786	
Other Supplies and Materials		61,745	
Other Charges		250	
Office Equipment		1,861	
Total Tourism			\$ 273,370

Industrial Development

Dues and Memberships	\$	2,500	
Other Charges		37,011	
Office Equipment		3,147	
Total Industrial Development			42,658

Airport

Supervisor/Director	\$	46,799	
Longevity Pay		1,000	
Social Security		2,905	
Pensions		2,079	
Employee and Dependent Insurance		9,503	
Life Insurance		57	
Employer Medicare		679	
Maintenance Agreements		1,590	
Maintenance and Repair Services - Equipment		4,826	
Travel		754	
Other Contracted Services		32,970	
Electricity		17,709	
Gasoline		343,705	
Water and Sewer		3,172	
Other Supplies and Materials		11,965	
Liability Insurance		3,864	
Other Charges		2,528,582	
Total Airport			3,012,159

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	38,948	
Social Security		2,398	
Pensions		1,694	
Employee and Dependent Insurance		9,403	
Life Insurance		57	
Employer Medicare		561	
Advertising		120	
Contracts with Private Agencies		449	
Postal Charges		171	
Travel		421	
Office Supplies		854	
Total Veterans' Services			\$ 55,076

Contributions to Other Agencies

Contributions	\$	217,400	
Total Contributions to Other Agencies			217,400

Employee Benefits

Employee and Dependent Insurance	\$	2,650	
Unemployment Compensation		2,781	
Total Employee Benefits			5,431

Principal on Debt

General Government

Principal on Leases	\$	337,581	
Total General Government			337,581

Interest on Debt

General Government

Interest on Leases	\$	95,770	
Total General Government			95,770

Capital Projects

General Administration Projects

Other Charges	\$	60,000	
Communication Equipment		108,925	
Total General Administration Projects			168,925

Public Safety Projects

Other Charges	\$	1,003	
Total Public Safety Projects			1,003

Total General Fund \$ 25,414,659

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$	51,159	
Laborers		49,129	
Clerical Personnel		26,105	
Part-time Personnel		8,554	
Longevity Pay		1,508	
Social Security		7,419	
Pensions		5,585	
Employee and Dependent Insurance		47,971	
Life Insurance		200	
Employer Medicare		1,804	
Advertising		410	
Communication		3,727	
Contracts with Private Agencies		420,471	
Dues and Memberships		368	
Lease Payments		1,260	
Maintenance and Repair Services - Equipment		1,873	
Travel		438	
Gasoline		23,404	
Small Tools		930	
Tires and Tubes		1,372	
Utilities		7,785	
Other Supplies and Materials		1,247	
Trustee's Commission		23,470	
Other Charges		6,325	
Office Equipment		2,308	
Total Sanitation Education/Information			\$ 694,822

Convenience Centers

Secretary(ies)	\$	28,601	
Attendants		113,816	
Part-time Personnel		74,364	
Longevity Pay		3,300	
Social Security		13,432	
Pensions		6,019	
Employee and Dependent Insurance		38,578	
Life Insurance		299	
Employer Medicare		3,141	
Maintenance and Repair Services - Equipment		12,144	
Other Contracted Services		265,193	
Crushed Stone		338	
Utilities		5,362	
Other Supplies and Materials		9,018	
Building and Contents Insurance		58,000	
Liability Insurance		10,500	
Workers' Compensation Insurance		8,000	
Other Charges		4,527	
Solid Waste Equipment		11,662	
Total Convenience Centers			666,294

(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.)

Postclosure Care Costs

Testing	\$	19,350	
Other Charges		4,470	
Total Postclosure Care Costs			\$ 23,820

Highways

Litter and Trash Collection

Laborers	\$	47,803	
Social Security		2,947	
Pensions		2,079	
Employee and Dependent Insurance		18,878	
Life Insurance		114	
Employer Medicare		689	
Contracts with Other Public Agencies		15,111	
Total Litter and Trash Collection			87,621

Total Solid Waste/Sanitation Fund \$ 1,472,557

Drug Control Fund

Public Safety

Drug Enforcement

Part-time Personnel	\$	7,908	
Social Security		490	
Employer Medicare		115	
Communication		1,306	
Confidential Drug Enforcement Payments		20,000	
Dues and Memberships		110	
Tuition		2,000	
Veterinary Services		1,824	
Animal Food and Supplies		3,061	
Gasoline		9,407	
Trustee's Commission		88	
Other Charges		10,158	
Motor Vehicles		33,881	
Total Drug Enforcement			\$ 90,348

Total Drug Control Fund 90,348

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	870	
Total Chancery Court			\$ 870

Total Constitutional Officers - Fees Fund 870

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	93,738	
Accountants/Bookkeepers		35,984	
Secretary(ies)		35,984	
Longevity Pay		2,700	
Social Security		9,992	
Pensions		7,326	
Employee and Dependent Insurance		35,340	
Life Insurance		167	
Employer Medicare		2,337	
Communication		10,024	
Dues and Memberships		4,066	
Legal Notices, Recording, and Court Costs		109	
Maintenance and Repair Services - Office Equipment		1,011	
Postal Charges		210	
Travel		885	
Other Contracted Services		4,797	
Electricity		13,382	
Office Supplies		1,373	
Water and Sewer		9,661	
Other Charges		2,684	
Total Administration			\$ 271,770

Highway and Bridge Maintenance

Foremen	\$	46,014	
Laborers		939,445	
Part-time Personnel		23,644	
Longevity Pay		17,900	
Overtime Pay		28,639	
Social Security		62,508	
Pensions		44,411	
Employee and Dependent Insurance		316,046	
Life Insurance		1,556	
Employer Medicare		14,619	
Engineering Services		414,232	
Other Contracted Services		4,259	
Asphalt - Hot Mix		644,931	
Asphalt - Liquid		305,907	
Crushed Stone		302,419	
Other Road Materials		33,784	
Pipe - Metal		166,727	
Road Signs		17,357	
Salt		26,164	
Uniforms		15,621	
Total Highway and Bridge Maintenance			3,426,183

Operation and Maintenance of Equipment

Foremen	\$	46,014	
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(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Mechanic(s)	\$	39,312	
Longevity Pay		1,517	
Social Security		4,870	
Pensions		3,778	
Employee and Dependent Insurance		28,969	
Life Insurance		110	
Employer Medicare		1,139	
Diesel Fuel		178,690	
Equipment and Machinery Parts		174,598	
Garage Supplies		10,835	
Gasoline		273,396	
Lubricants		9,887	
Tires and Tubes		45,544	
Other Supplies and Materials		4,739	
Total Operation and Maintenance of Equipment			\$ 823,398

Other Charges

Building and Contents Insurance	\$	187,000	
Liability Insurance		24,000	
Trustee's Commission		67,426	
Workers' Compensation Insurance		16,500	
Total Other Charges			294,926

Capital Outlay

Bridge Construction	\$	372,537	
Communication Equipment		500	
Highway Equipment		106,488	
Site Development		19,873	
Total Capital Outlay			499,398

Principal on Debt

Highways and Streets

Principal on Leases	\$	87,172	
Total Highways and Streets			87,172

Interest on Debt

Highways and Streets

Interest on Leases	\$	5,193	
Total Highways and Streets			5,193

Total Highway/Public Works Fund \$ 5,408,040

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	443,621	
Total General Government			\$ 443,621

(Continued)

Exhibit K-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Principal on Debt (Cont.)</u>			
<u>Education</u>			
Principal on Bonds	\$	1,130,000	
Principal on Leases		71,832	
Principal on Other Loans		<u>1,162,188</u>	
Total Education			\$ 2,364,020
 <u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	<u>858,619</u>	
Total General Government			858,619
 <u>Education</u>			
Interest on Bonds	\$	511,078	
Interest on Leases		3,133	
Interest on Other Loans		<u>275,028</u>	
Total Education			789,239
 <u>Other Debt Service</u>			
<u>General Government</u>			
Other Debt Issuance Charges	\$	<u>2,500</u>	
Total General Government			2,500
 <u>Education</u>			
Trustee's Commission	\$	95,014	
Other Debt Issuance Charges		<u>2,000</u>	
Total Education			<u>97,014</u>
Total General Debt Service Fund			\$ 4,555,013
 <u>Education Capital Projects Fund</u>			
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	<u>113,354</u>	
Total Capital Projects Donated to School Department			<u>\$ 113,354</u>
Total Education Capital Projects Fund			<u>113,354</u>
Total Governmental Funds - Primary Government			<u>\$ 37,054,841</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, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,372,042	
Career Ladder Program	53,500	
Homebound Teachers	76,447	
Educational Assistants	668,954	
Bonus Payments	63,262	
Other Salaries and Wages	250,960	
Social Security	851,853	
Pensions	1,297,423	
Life Insurance	15,152	
Medical Insurance	3,134,589	
Employer Medicare	200,996	
Retirement - Hybrid Stabilization	3,826	
Contracts for Substitute Teachers - Certified	326,643	
Other Contracted Services	20,860	
Instructional Supplies and Materials	114,628	
Textbooks - Bound	428,906	
Software	16,874	
Other Supplies and Materials	20,375	
Fee Waivers	47,664	
Total Regular Instruction Program		\$ 20,964,954

Alternative Instruction Program

Teachers	\$ 58,528	
Educational Assistants	8,480	
Social Security	3,973	
Pensions	5,247	
Life Insurance	56	
Medical Insurance	13,348	
Employer Medicare	932	
Contracts for Substitute Teachers - Certified	594	
Total Alternative Instruction Program		91,158

Special Education Program

Teachers	\$ 1,543,599
Career Ladder Program	5,000
Homebound Teachers	20,618
Educational Assistants	633,975
Speech Pathologist	178,263
Other Salaries and Wages	95,754
Social Security	147,162
Pensions	170,754
Life Insurance	2,906
Medical Insurance	582,301
Employer Medicare	34,808
Contracts with Other Public Agencies	153,737
Contracts with Private Agencies	74,250

(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.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts for Substitute Teachers - Certified	\$	58,025	
Instructional Supplies and Materials		83,872	
Other Supplies and Materials		77,376	
Special Education Equipment		200,898	
Total Special Education Program			\$ 4,063,298

Career and Technical Education Program

Teachers	\$	1,213,418	
Career Ladder Program		4,000	
Longevity Pay		500	
Other Salaries and Wages		40,238	
Social Security		75,088	
Pensions		118,177	
Life Insurance		1,283	
Medical Insurance		306,538	
Employer Medicare		17,561	
Contracts for Substitute Teachers - Certified		25,958	
Instructional Supplies and Materials		34,682	
Other Charges		90,581	
Total Career and Technical Education Program			1,928,024

Support Services

Attendance

Supervisor/Director	\$	28,774	
Social Security		1,714	
Pensions		2,965	
Life Insurance		23	
Medical Insurance		6,868	
Employer Medicare		401	
Total Attendance			40,745

Health Services

Supervisor/Director	\$	130,340	
Data Processing Personnel		12,540	
Social Workers		55,028	
Paraprofessionals		535,952	
Clerical Personnel		77,332	
Educational Assistants		18,419	
Longevity Pay		660	
Other Salaries and Wages		46,308	
Social Security		50,675	
Pensions		41,218	
Life Insurance		969	
Medical Insurance		224,378	
Employer Medicare		11,874	
Lease Payments		1,406	

(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.)

Health Services (Cont.)

Maintenance and Repair Services - Equipment	\$	508	
Travel		1,361	
Other Contracted Services		9,616	
Drugs and Medical Supplies		443	
Other Supplies and Materials		13,587	
In Service/Staff Development		7,376	
Other Charges		6,465	
Health Equipment		1,966	
Total Health Services			\$ 1,248,421

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		491,309	
School Resource Officer		195,254	
Longevity Pay		2,350	
Social Security		42,326	
Pensions		50,858	
Life Insurance		754	
Medical Insurance		128,037	
Employer Medicare		9,899	
Evaluation and Testing		16,428	
Contracts for Substitute Teachers - Certified		2,257	
Other Contracted Services		91,104	
Other Supplies and Materials		183	
Workers' Compensation Insurance		2,883	
Total Other Student Support			1,034,642

Regular Instruction Program

Supervisor/Director	\$	171,266	
Career Ladder Program		4,500	
Librarians		515,949	
Social Security		39,998	
Pensions		68,041	
Life Insurance		642	
Medical Insurance		148,211	
Employer Medicare		9,354	
Travel		2,959	
Contracts for Substitute Teachers - Certified		8,672	
Library Books/Media		21,406	
Total Regular Instruction Program			990,998

Special Education Program

Supervisor/Director	\$	87,246	
Psychological Personnel		131,354	
Secretary(ies)		31,219	
Longevity Pay		500	

(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.)

Special Education Program (Cont.)

Social Security	\$	15,469	
Pensions		20,859	
Life Insurance		222	
Medical Insurance		37,729	
Employer Medicare		3,618	
Lease Payments		3,540	
Maintenance and Repair Services - Equipment		1,308	
Travel		5,012	
Other Supplies and Materials		9,370	
In Service/Staff Development		15,541	
Other Charges		7,780	
Total Special Education Program			\$ 370,767

Technology

Supervisor/Director	\$	53,142	
Other Salaries and Wages		158,481	
Social Security		12,577	
Pensions		8,591	
Life Insurance		108	
Medical Insurance		54,558	
Employer Medicare		2,941	
Communication		63,754	
Data Processing Services		31,646	
Maintenance and Repair Services - Equipment		300,426	
Internet Connectivity		115,730	
Other Charges		35,221	
Other Equipment		312	
Total Technology			837,487

Other Programs

Other Salaries and Wages	\$	197,667	
Social Security		12,115	
Pensions		9,641	
Life Insurance		148	
Medical Insurance		17,888	
Employer Medicare		2,833	
On-behalf Payments to OPEB		168,488	
Travel		106,248	
Other Contracted Services		13,937	
Office Supplies		44,201	
Other Charges		32,274	
Other Equipment		156,522	
Total Other Programs			761,962

Board of Education

Secretary to Board	\$	4,500	
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(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.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	39,500	
Social Security		2,433	
Pensions		196	
Life Insurance		114	
Unemployment Compensation		996	
Employer Medicare		633	
Other Fringe Benefits		135,832	
Audit Services		20,750	
Dues and Memberships		15,550	
Legal Services		37,015	
Travel		11,244	
Other Contracted Services		1,535	
Other Supplies and Materials		156	
Trustee's Commission		260,416	
Workers' Compensation Insurance		92,624	
In Service/Staff Development		75	
Other Charges		9,964	
Total Board of Education			\$ 633,533

Director of Schools

County Official/Administrative Officer	\$	229,592	
Secretary(ies)		49,774	
Clerical Personnel		63,666	
Longevity Pay		1,090	
Social Security		20,731	
Pensions		17,066	
Life Insurance		222	
Medical Insurance		42,304	
Employer Medicare		4,848	
Communication		32,069	
Dues and Memberships		2,903	
Lease Payments		7,061	
Maintenance and Repair Services - Equipment		1,751	
Postal Charges		473	
Travel		2,477	
Other Contracted Services		7,403	
Office Supplies		378	
Other Charges		7,382	
Total Director of Schools			491,190

Office of the Principal

Principals	\$	928,286	
Career Ladder Program		7,000	
Assistant Principals		479,848	
Secretary(ies)		319,199	
Longevity Pay		4,020	

(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.)

Office of the Principal (Cont.)

Social Security	\$	102,563	
Pensions		157,568	
Life Insurance		1,762	
Medical Insurance		417,865	
Employer Medicare		23,986	
Communication		46,868	
Lease Payments		13,730	
Maintenance and Repair Services - Equipment		3,508	
Printing, Stationery, and Forms		3,512	
Total Office of the Principal			\$ 2,509,715

Operation of Plant

Custodial Personnel	\$	725,705	
Longevity Pay		5,700	
Other Salaries and Wages		53,288	
Social Security		46,420	
Pensions		30,855	
Life Insurance		1,264	
Medical Insurance		284,281	
Employer Medicare		10,856	
Other Contracted Services		117,242	
Custodial Supplies		177,533	
Electricity		1,214,884	
Natural Gas		117,735	
Propane Gas		103,272	
Water and Sewer		173,329	
Building and Contents Insurance		363,822	
Plant Operation Equipment		19,732	
Total Operation of Plant			3,445,918

Maintenance of Plant

Supervisor/Director	\$	56,814	
Secretary(ies)		30,986	
Maintenance Personnel		400,315	
Longevity Pay		3,120	
Social Security		29,236	
Pensions		20,113	
Life Insurance		625	
Medical Insurance		99,304	
Employer Medicare		6,957	
Communication		37,095	
Maintenance and Repair Services - Buildings		625,802	
Maintenance and Repair Services - Equipment		205,365	
Maintenance and Repair Services - Vehicles		9,241	
Travel		4,373	
Other Contracted Services		9,981	

(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.)

Gasoline	\$	42,095	
Office Supplies		547	
Other Supplies and Materials		111,715	
Maintenance Equipment		14,068	
Total Maintenance of Plant			\$ 1,707,752

Transportation

Supervisor/Director	\$	24,465	
Mechanic(s)		27,000	
Clerical Personnel		24,086	
Longevity Pay		400	
Social Security		3,357	
Pensions		2,703	
Life Insurance		97	
Medical Insurance		20,983	
Employer Medicare		785	
Contracts with Vehicle Owners		2,417,066	
Maintenance and Repair Services - Vehicles		15,756	
Printing, Stationery, and Forms		249	
Other Contracted Services		3,736	
Diesel Fuel		26,950	
Other Supplies and Materials		10,804	
In Service/Staff Development		675	
Other Charges		1,941	
Transportation Equipment		15,000	
Total Transportation			2,596,053

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	30,784	
Longevity Pay		500	
Social Security		1,781	
Pensions		1,429	
Life Insurance		57	
Medical Insurance		17,170	
Employer Medicare		417	
Other Charges		2,697	
Total Community Services			54,835

Early Childhood Education

Supervisor/Director	\$	7,194	
Teachers		162,856	
Clerical Personnel		3,357	
Educational Assistants		51,911	
Social Security		13,403	
Pensions		18,187	

(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.)

Early Childhood Education (Cont.)

Life Insurance	\$	296	
Medical Insurance		59,959	
Employer Medicare		3,135	
Contracts for Substitute Teachers - Non-certified		4,356	
Instructional Supplies and Materials		8,608	
In Service/Staff Development		1,314	
Total Early Childhood Education			\$ 334,576

Capital Outlay

Regular Capital Outlay

Maintenance Equipment	\$	113,354	
Total Regular Capital Outlay			113,354

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	74,965	
Total Education			74,965

Total General Purpose School Fund \$ 44,294,347

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,262,820	
Educational Assistants		728,343	
Other Salaries and Wages		124,875	
Social Security		118,884	
Pensions		130,109	
Life Insurance		1,181	
Medical Insurance		193,347	
Employer Medicare		28,179	
Contracts for Substitute Teachers - Certified		515	
Other Contracted Services		153,155	
Instructional Supplies and Materials		23,328	
Textbooks - Bound		177,838	
Software		78,374	
Other Supplies and Materials		38,729	
Regular Instruction Equipment		1,235,948	
Total Regular Instruction Program			\$ 4,295,625

Special Education Program

Teachers	\$	218,920	
Educational Assistants		347,620	
Other Salaries and Wages		8,375	
Social Security		33,804	
Pensions		30,129	

(Continued)

Exhibit K-8

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 (Cont.)

Life Insurance	\$	926	
Medical Insurance		185,618	
Employer Medicare		7,906	
Contracts for Substitute Teachers - Certified		13,741	
Instructional Supplies and Materials		12,000	
Other Supplies and Materials		21,890	
Special Education Equipment		3,595	
Total Special Education Program			\$ 884,524

Career and Technical Education Program

Contracts for Substitute Teachers - Certified	\$	158	
Instructional Supplies and Materials		40,079	
Other Supplies and Materials		12,859	
Vocational Instruction Equipment		64,989	
Total Career and Technical Education Program			118,085

Support Services

Health Services

Medical Personnel	\$	78,800	
Social Security		4,781	
Pensions		3,648	
Employer Medicare		1,118	
Total Health Services			88,347

Other Student Support

Guidance Personnel	\$	27,696	
Social Security		1,646	
Pensions		1,941	
Life Insurance		15	
Medical Insurance		348	
Employer Medicare		385	
Travel		5,486	
In Service/Staff Development		3,564	
Other Charges		11,727	
Total Other Student Support			52,808

Regular Instruction Program

Supervisor/Director	\$	69,797	
Secretary(ies)		47,875	
Other Salaries and Wages		421,124	
Social Security		38,584	
Pensions		59,984	
Life Insurance		348	
Medical Insurance		90,260	
Employer Medicare		9,024	
Lease Payments		6,557	

(Continued)

Exhibit K-8

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.)

Travel	\$	2,047	
Other Contracted Services		156,000	
Other Supplies and Materials		11,277	
In Service/Staff Development		25,186	
Other Equipment		26,891	
Total Regular Instruction Program			\$ 964,954

Special Education Program

Psychological Personnel	\$	130,180	
Clerical Personnel		29,494	
Longevity Pay		210	
Social Security		9,649	
Pensions		12,678	
Life Insurance		170	
Medical Insurance		28,349	
Employer Medicare		2,257	
Contracts with Other Public Agencies		1,900	
Travel		899	
In Service/Staff Development		1,582	
Total Special Education Program			217,368

Career and Technical Education Program

In Service/Staff Development	\$	6,676	
Total Career and Technical Education Program			6,676

Technology

Other Salaries and Wages	\$	28,220	
Social Security		1,750	
Employer Medicare		409	
Total Technology			30,379

Maintenance of Plant

Communication	\$	115,310	
Maintenance and Repair Services - Buildings		3,193,752	
Total Maintenance of Plant			3,309,062

Transportation

Contracts with Vehicle Owners	\$	30,773	
Total Transportation			30,773

Capital Outlay

Regular Capital Outlay

Plant Operation Equipment	\$	132,329	
Total Regular Capital Outlay			132,329

Total School Federal Projects Fund \$ 10,130,930

(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	
Clerical Personnel		28,542	
Cafeteria Personnel		818,858	
Longevity Pay		11,450	
Other Salaries and Wages		89,572	
Social Security		60,427	
Pensions		35,221	
Life Insurance		1,693	
Medical Insurance		342,642	
Employer Medicare		14,002	
Communication		3,914	
Maintenance and Repair Services - Equipment		72,213	
Other Contracted Services		6,271	
Food Supplies		1,238,671	
USDA - Commodities		204,051	
Other Supplies and Materials		133,249	
In Service/Staff Development		75	
Other Charges		663	
Food Service Equipment		147,950	
Total Food Service			\$ 3,256,464

Total Central Cafeteria Fund \$ 3,256,464

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,337,201	
Total Community Services			\$ 1,337,201

Total Internal School Fund 1,337,201

Total Governmental Funds - Monroe County School Department \$ 59,018,942

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, 2022

	Cities - Sales Tax Fund	City School ADA - Sweetwater Fund	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 1,465,631	\$ 1,465,631
Circuit/Clerk and Master Collections - Prior Years	0	27,149	27,149
Interest and Penalty	0	6,545	6,545
Payments in-Lieu-of Taxes - T.V.A.	0	1,643	1,643
Payments in-Lieu-of Taxes - Local Utilities	0	129,879	129,879
Payments in-Lieu-of Taxes - Other	0	249	249
Local Option Sales Tax	5,679,049	1,618,367	7,297,416
Business Tax	0	48,897	48,897
Mixed Drink Tax	0	2,222	2,222
Other County Local Option Taxes	0	35	35
Bank Excise Tax	0	7,093	7,093
Marriage Licenses	0	656	656
Income Tax	0	2,111	2,111
State Revenue Sharing - T.V.A.	0	100,000	100,000
Total Additions	<u>\$ 5,679,049</u>	<u>\$ 3,410,477</u>	<u>\$ 9,089,526</u>
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 5,627,846	\$ 3,360,703	\$ 8,988,549
Trustee's Commission	51,203	49,774	100,977
Total Deductions	<u>\$ 5,679,049</u>	<u>\$ 3,410,477</u>	<u>\$ 9,089,526</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	0	0	0
Net Position, June 30, 2022	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2022, 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 January 6, 2023. 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2022-001 and 2022-002.

Monroe County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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

January 6, 2023

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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the 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, 2022, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements. We issued our report thereon dated January 6, 2023, 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

January 6, 2023

JEM/tg

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10)
For the Year-Ended June 30, 2022

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 204,051 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	6,602 (6)
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	222,376
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	945,112
National School Lunch Program	10.555	N/A	1,995,668 (6)
National School Lunch Program - Supply Chain Assistance Grant	10.555	N/A	101,968 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,063
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70486-00	81,804
Total U.S. Department of Agriculture			<u>\$ 3,560,644</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 182,989 (7)
Total U.S. Department of Defense			<u>\$ 182,989</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 258,637
Passed-through State Department of Environment and Conservation:			
Historic Preservation Fund Grants-In-Aid	15.904	2020-6370-I-FHP	25,200
Total U.S. Department of Interior			<u>\$ 283,837</u>
U.S. Department of Justice:			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 4,155
Public Safety Partnership and Community Policing Grants	16.710	N/A	184,756
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	132,509
Total U.S. Department of Justice			<u>\$ 321,420</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(8)	\$ 2,469,697 (6)
COVID 19 - Airport Improvement Program	20.106	AER1011504	13,000 (6)
COVID 19 - Airport Improvement Program (ARP)	20.106	AER1011699	32,000 (6)
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	Z-21-THS201	221
Total U.S. Department of Transportation			<u>\$ 2,514,918</u>
U.S. Department of Education:			
Direct Program:			
Trio Cluster: (5)			
Trio Talent Search	84.044	N/A	\$ 407,713
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,556,098
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,155,905 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	84.027X	2,819 (6)
Special Education - Preschool Grants	84.173	N/A	29,985 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	84.173X	6,043 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	133,809
Improving Teacher Quality State Grants	84.367	N/A	291,052
Student Support and Academic Enrichment Program	84.424	N/A	80,096

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
COVID 19 - Education Stabilization Fund Program - Governors Emergency Education Relief Fund (GEER)	84.425C	N/A	\$ 40,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	22,310 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,829,250 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Early Literacy Network (ESSER II)	84.425D	N/A	105,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Planning Grant (ESSER II)	84.425D	N/A	115,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	3,822,658 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER ARP)	84.425D	N/A	32,877 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	888 (6)
Total U.S. Department of Education			<u>\$ 10,631,503</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Environmental Public Health and Emergency Response	93.070	GG-22-70486-00	\$ 479
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-70486-00	1,291
Family Planning Services	93.217	GG-22-70486-00	20,948
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-22-70486-00	13,944
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70486-00	30,411
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	N/A	99,279
Total U.S. Department of Health and Human Services			<u>\$ 166,352</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	66921-37368	\$ 121,166
Emergency Management Performance Grant	97.042	72823-40509	20,125
Homeland Security Grant Program	97.067	(9)	17,440
Total U.S. Department of Homeland Security			<u>\$ 158,731</u>
Total Expenditures of Federal Grants			<u>\$ 17,820,394</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(4)	\$ 9,000
Disaster Grants - State Allocation - State Department of Military	N/A	(4)	20,194
Litter Program - State Department of Transportation	N/A	(4)	53,382
Tourism Marketing Grant - State Department of Tourist Development	N/A	(4)	5,000
Mental Health Pre Arrest Diversion Infrastructure Capital Grant - State Department of Mental Health and Substance Abuse	N/A	(4)	38,599
Local Health Services - State Department of Health	N/A	GG-22-70486-00	212,895
Law Enforcement Training Grants - State Department of Safety	N/A	(4)	35,200
Airport Maintenance - State Department of Transportation	N/A	(4)	14,830
Airport Improvement Program (State Portion) - State Department of Transportation	N/A	AER1011517	5,212
Airport Equipment Grant - State Department of Transportation	N/A	40100-40400	52,500
Bridge Program - State Department of Transportation	N/A	(4)	417,741
State Direct Appropriation Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	462,994
2022 Supporting Access in Rural Counties (SPARC) - Tennessee Higher Education Commission	N/A	(4)	124,703
Early Childhood Education - Lottery - State Department of Education	N/A	(4)	288,441
Coordinated School Health - State Department of Education	N/A	(4)	160,000
Safe Schools Act - State Department of Education	N/A	(4)	110,680
Summer Learning Camps Grant - State Department of Education	N/A	(4)	135,541
Bridge Camp Grant - State Department of Education	N/A	(4)	59,982
STREAM Mini Camps Grant - State Department of Education	N/A	(4)	29,061
Summer Learning Camps Transportation Grant - State Department of Education	N/A	(4)	83,257
Healthy Students Stronger Learners - State Department of Education	N/A	(4)	9,537
Family Resource Center - State Department of Education	N/A	(4)	29,612
2022 Middle School CTE Career Exploration Grant - State Department of Education	N/A	(4)	25,242
Total State Grants			\$ 2,383,603

FAL = Federal Assistance Listing

N/A = Not Applicable

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

(2) 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 \$222,376; Child Nutrition Cluster total \$3,253,401;

Trio Cluster \$407,713; Special Education Cluster total \$1,194,752; and Medicaid Cluster total \$13,944.

(6) FAL Totals: FAL No. 10.555, \$2,308,289; FAL No. 20.106, \$2,514,697; FAL No. 84.027, \$1,158,724; FAL No. 84.173, \$36,028;

FAL No. 84.425, \$6,967,983.

(7) During the year ended June 30, 2022, Monroe County received excess military equipment from the U.S. Department of

Military valued at \$182,989.

(8) AERO-20-202-00: \$40,111; AERO-21-261-00: \$2,429,586.

(9) 64931-33079: \$451; 73258-40652: \$16,989.

(10) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 180,894
Improving Teacher Quality State Grants	84.367	24,951
Student Support and Academic Enrichment Program	84.424	2,079
Total amounts consolidated for administration purposes		\$ 207,924

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Monroe County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

2021	211	2021-001	The offices had deficiencies in budget operations.	N/A	Corrected
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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, 2022

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 Listing Number:
20.106 Airport Improvement
 - * Assistance Listing Numbers:
84.027 and 84.173 Special Education Cluster: Special Education -
Grants to States and Special Education -
Preschool Grants
 - * Assistance Listing Number:
84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

FINDING 2022-001 **SURPLUS PROPERTY WAS NOT DISPOSED OF PROPERLY (Noncompliance Under *Government Auditing Standards*)**

During our audit, we noted an instance of surplus property not disposed of properly. Per a finance purchase agreement dated January 18, 2022, a Caterpillar 302.4D Hydraulic Excavator and a Caterpillar 232D Skid Steer Loader were traded in for credit on the financed purchase of a new 2021 Caterpillar 303-07 CR Hydraulic Excavator and a 2021 Caterpillar 259D3 Compact Track Loader. The vendor allowed the county \$40,000 credit for the two pieces of surplus equipment towards the \$113,354 financed purchase price of the 2021 Caterpillar Excavator and Loader. The county will pay a net price of \$73,354 over the term of the financed purchase for the new equipment. The county operated under the Financial Management System of 1981. Section 5-21-118, *Tennessee Code Annotated (TCA)* of the 1981 Act provides that the finance director acts as the purchasing agent with the responsibility for the public sale of all surplus equipment. By trading in the surplus equipment, the county circumvented the statutory requirement for a public sale. This finding resulted from a lack of management oversight.

RECOMMENDATION

All equipment declared surplus by the county should be sold in a public sale as provided by Section 5-21-118, *TCA*.

MANAGEMENT'S RESPONSE – CURRENT DIRECTOR OF FINANCE – GAIL SENSIBAUGH

The current Finance Director and Director of Schools agree with the auditor's comments and the following action will be taken to improve and to prevent this finding from re-occurring in the future. We will make all Supervisors/Directors and the Purchasing Department aware of the TCA 5-21-118 and advise them to dispose of all equipment or vehicles surplus through public auction/bid by calendar year-end. We will also update our policies and procedure to reflect the proper disposal of surplus property. We do feel that by trading this equipment back to CAT that we received the best deal and saved money. We will use this finding and correction as a training opportunity for the future. It may be in our best interest not to lease any more equipment or vehicles from this point forward.

FINDING 2022-002

COMPETITIVE BIDS WERE NOT SOLICITED FOR VARIOUS ROOFING PROJECTS

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for various roofing projects totaling \$630,196. Monroe County operates under the provisions of the County Financial Management System of 1981. Under this act, purchases exceeding \$10,000 are required to be competitively bid. Section 12-3-1205, *Tennessee Code Annotated (TCA)*, allows governments to make purchases through purchasing cooperatives under certain conditions instead of through the required competitive bid process. The finance department provided documentation that this project was awarded to a contractor through OMNIA Partners, a national purchasing cooperative. Section 12-3-1205, *TCA*, allows governments to make purchases through cooperatives under certain conditions. However, Section 12-3-1205(b)(4)(B), *TCA*, excludes purchases of construction, engineering, architectural services, or construction materials. Since the roofing projects are considered construction materials, they are excluded from the purchasing cooperative provision. Therefore, since the projects were not competitively bid, the county is in violation of the requirement of the County Management System of 1981 to competitively bid purchases exceeding \$10,000. This deficiency is the result of the lack of management oversight and a failure to follow state statutes.

RECOMMENDATION

All purchases should be made in compliance with applicable state statutes.

MANAGEMENT'S RESPONSE – CURRENT DIRECTOR OF FINANCE – GAIL SENSIBAUGH

The current Finance Director and Director of Schools agree with the auditor's comments and the following action will be taken to improve and to prevent this from re-occurring in the future. We do use and are a part of several cooperative purchasing agreements and have definitely used them in the past. We were completely unaware of the TCA code 12-3-1205(b)(4)(B) prohibiting construction. This was completely an oversight, and we will make the Supervisors/Directors along with the Purchasing Department mindful that this isn't allowed so we can comply in the future by calendar year-end. We will also update the purchasing policy to reflect the TCA exclusion.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2022.

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

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF CURRENT DIRECTOR OF FINANCE - GAIL SENSIBAUGH

2022-001	Surplus property was not disposed of properly.	215
2022-002	Competitive bids were not solicited for various roofing projects.	215



Gail Sensibaugh
Director of Finance

Corrective Action Plan

FINDING: 2022-001 SURPLUS PROPERTY WAS NOT DISPOSED OF PROPERLY

Response and Corrective Action Plan Prepared by:
Gail Sensibaugh, Director of Finance

Person Responsible for Implementing the Corrective Action:
Gail Sensibaugh, Director of Finance
Dr. Kristi Windsor, Director of Monroe County Schools

Anticipated Completion Date of Corrective Action:
12/31/2022

Repeat Finding:
No

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

Planned Corrective Action:

The Director of Schools and Director of Finance agree with this finding and the following action will be taken to improve and prevent this error from occurring again. We both will have a meeting with the Maintenance Supervisor and other applicable staff to advise them of TCA 5-21-118 and to dispose of all equipment through surplus by December 31, 2022. We will also update policies and procedures to reflect the proper disposal of surplus property.

FINDING: 2022-002 COMPETITIVE BIDS WERE NOT SOLICITED FOR VARIOUS ROOFING PROJECTS

Response and Corrective Action Plan Prepared by:
Gail Sensibaugh, Director of Finance

Person Responsible for Implementing the Corrective Action:
Gail Sensibaugh, Director of Finance
Dr. Kristi Windsor, Director of Monroe County Schools

Anticipated Completion Date of Corrective Action:
12/31/2022



Gail Sensibaugh
Director of Finance

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

The Director of Schools and Director of Finance agree with this finding and the following action will be taken to improve and prevent this error from occurring again. We both will have a meeting with the Maintenance Supervisor and all appropriate staff and advise them of TCA code 12-3-1205(b)(4)(B) by December 31, 2022. We will also update the purchasing policy to reflect the TCA exclusion.

Signature:

Gail Sensibaugh

Signature:
