



ANNUAL FINANCIAL REPORT

Monroe County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
MONROE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

Scope

We have audited the basic financial statements of Monroe County as of and for the year ended June 30, 2023.

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:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Controls failed to detect revenue not received.

OFFICE OF COUNTY MAYOR

- ◆ Operations of a county sponsored rodeo were handled through an outside bank account.



INTRODUCTORY SECTION

Monroe County Officials
June 30, 2023

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
Dewayna Martin, Circuit and General Sessions Courts Clerk
Teresa Choate, Clerk and Master
Kim Bivens, Register of Deeds
Tommy Jones, Jr., Sheriff
Gail Sensibaugh, Director of Finance

Board of County Commissioners

Paulette Summey, Chairperson	Adam Reynolds
William Cross	Donald Seiler
Danny Everhart	Roger Thomas
Brian Harrill	Travis Wade
Kraig Miller	George Williams

Board of Education

Jo T. Cagle, Chairperson	John Ridgell
Richard Bettis	Dr. Lon Shoopman
Sharin Freeman	Donald Weiss
Mark Ingram	Dean Williams
Freddie Kelley	

Financial Management Committee

Paulette Summey, Chairperson	
Mitch Ingram, County Mayor	William Cross
Steve Teague, Road Superintendent	Adam Reynolds
Dr. Kristi Windsor, Director of Schools	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 business-type 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, 2023, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of June 30, 2023, 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 1.36 percent, 1.77 percent, and 2.86 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.

Change in Accounting Principle

As described in Note V. B., Monroe County has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt. While this change did not result in any restatement to beginning net position, it did result in the presentation of the Joint Venture Debt Enterprise Fund for the first time to report transactions and balances resulting from revenue parity bonds and a revenue and tax loan agreement issued by Monroe County for the benefit of a joint venture, Tellico Area Services System. Our opinion is not modified with respect to this matter.

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

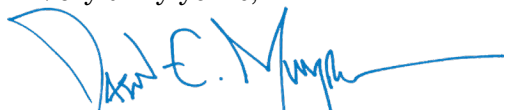
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 29, 2024, 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 29, 2024

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Monroe County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental	Business-type	Total	Monroe County School Department
	Activities	Activities		
<u>ASSETS</u>				
Cash	\$ 9,675	\$ 0	\$ 9,675	\$ 1,067,106
Equity in Pooled Cash and Investments	50,331,086	0	50,331,086	15,628,614
Accounts Receivable	2,329,616	0	2,329,616	4,348
Allowance for Uncollectibles	(581,355)	0	(581,355)	0
Due from Other Governments	1,511,307	0	1,511,307	4,138,144
Due from Joint Venture - Current	0	246,940	246,940	0
Due from Joint Venture - Long-term	0	3,125,180	3,125,180	0
Property Taxes Receivable	19,596,158	0	19,596,158	6,657,887
Allowance for Uncollectible Property Taxes	(450,868)	0	(450,868)	(153,209)
Net Pension Asset - Agent Plan	1,170,544	0	1,170,544	579,671
Net Pension Asset - Teacher Retirement Plan	0	0	0	96,234
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	6,162,776
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	440,980
Capital Assets:				
Assets Not Depreciated:				
Land	1,969,760	0	1,969,760	864,562
Construction in Progress	2,250,857	0	2,250,857	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	34,682,335	0	34,682,335	37,175,555
Infrastructure	71,192,561	0	71,192,561	0
Other Capital Assets	6,448,687	0	6,448,687	5,359,100
Total Assets	\$ 190,460,363	\$ 3,372,120	\$ 193,832,483	\$ 78,021,768

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 470,010	\$ 0	\$ 470,010	\$ 1,251,772
Pension Changes in Assumptions	1,634,468	0	1,634,468	4,782,831
Pension Changes in Investment Earnings	90,187	0	90,187	180,377
Pension Changes in Proportionate Share	0	0	0	121,201
Pension Contributions after Measurement Date	700,924	0	700,924	1,865,674
OPEB Change in Experience	6,391	0	6,391	955,888
OPEB Change in Assumptions	40,416	0	40,416	972,829
OPEB Changes in Proportionate Share	0	0	0	699,389
OPEB Contributions after Measurement Date	6,125	0	6,125	374,935
Total Deferred Outflows of Resources	\$ 2,948,521	\$ 0	\$ 2,948,521	\$ 11,204,896

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Monroe County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 352,958	\$ 0	\$ 352,958	\$ 72,455
Accrued Payroll	238,151	0	238,151	4,570,583
Accrued Interest Payable	95,213	0	95,213	0
Payroll Deductions Payable	628,646	0	628,646	2,259,338
Contracts Payable	0	0	0	175,135
Due to Other Taxing Units	4,932	0	4,932	0
Due to Other Governments	7,071,548	0	7,071,548	0
Noncurrent Liabilities:				
Due Within One Year - Debt	3,282,603	246,940	3,529,543	0
Due Within One Year - Other	395,924	0	395,924	0
Due in More Than One Year - Debt	68,603,548	3,125,180	71,728,728	0
Due in More Than One Year - Other	666,929	0	666,929	10,809,937
Total Liabilities	\$ 81,340,452	\$ 3,372,120	\$ 84,712,572	\$ 17,887,448
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 18,572,665	\$ 0	\$ 18,572,665	\$ 6,310,059
Pension Changes in Experience	767,408	0	767,408	1,479,822
Pension Changes in Proportionate Share	0	0	0	38,974
OPEB Changes in Experience	181,438	0	181,438	403,888
OPEB Changes in Assumptions	111,971	0	111,971	1,738,156
OPEB Changes in Proportionate Share	0	0	0	1,121,674
Total Deferred Inflows of Resources	\$ 19,633,482	\$ 0	\$ 19,633,482	\$ 11,092,573
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 81,947,358	\$ 0	\$ 81,947,358	\$ 43,399,217
Restricted for:				
General Government	319,108	0	319,108	0
Finance	123,178	0	123,178	0
Administration of Justice	78,037	0	78,037	0
Public Safety	621,160	0	621,160	0
Public Health and Welfare	642,534	0	642,534	0
Highways	3,151,737	0	3,151,737	0
Education	0	0	0	4,812,662
Debt Service	13,107,978	0	13,107,978	0
Capital Projects	1,281,200	0	1,281,200	0
Pensions	1,170,544	0	1,170,544	7,279,661
Unrestricted	(10,007,884)	0	(10,007,884)	4,755,103
Total Net Position	\$ 92,434,950	\$ 0	\$ 92,434,950	\$ 60,246,643

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, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit
	Program Revenues				Primary Government			Monroe County School Department
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 6,441,471	\$ 970,658	\$ 455,768	\$ 888,961	\$ (4,126,084)	\$ 0	\$ (4,126,084)	\$ 0
Finance	2,239,175	1,557,780	19,831	0	(661,564)	0	(661,564)	0
Administration of Justice	1,872,592	944,034	11,700	0	(916,858)	0	(916,858)	0
Public Safety	10,305,054	1,489,834	494,953	360,497	(7,959,770)	0	(7,959,770)	0
Public Health and Welfare	6,923,563	4,253,276	647,769	1,128,157	(894,361)	0	(894,361)	0
Social, Cultural, and Recreational Services	292,574	0	0	0	(292,574)	0	(292,574)	0
Agriculture and Natural Resources	162,473	0	5,626	0	(156,847)	0	(156,847)	0
Highways	10,421,259	338,748	3,188,397	1,170,427	(5,723,687)	0	(5,723,687)	0
Interest on Long-term Debt	2,133,306	0	0	0	(2,133,306)	0	(2,133,306)	0
Total Governmental Activities	\$ 40,791,467	\$ 9,554,330	\$ 4,824,044	\$ 3,548,042	\$ (22,865,051)	\$ 0	\$ (22,865,051)	\$ 0
Business-type Activities:								
Joint Venture Debt Enterprise Fund	\$ 76,611	\$ 76,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 40,868,078	\$ 9,630,941	\$ 4,824,044	\$ 3,548,042	\$ (22,865,051)	\$ 0	\$ (22,865,051)	\$ 0
Component Unit:								
Monroe County School Department	\$ 60,194,764	\$ 779,676	\$ 10,552,282	\$ 5,060,419	\$ 0	\$ 0	\$ 0	\$ (43,802,387)
Total Component Unit	\$ 60,194,764	\$ 779,676	\$ 10,552,282	\$ 5,060,419	\$ 0	\$ 0	\$ 0	\$ (43,802,387)

(Continued)

Exhibit B

Monroe County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Monroe
					Governmental Activities	Business-type Activities		County School Department
General Revenues:								
Property Taxes Levied for General Purposes					\$ 11,246,113	\$ 0	\$ 11,246,113	\$ 6,394,016
Property Taxes Levied for Solid Waste/Sanitation					1,096,522	0	1,096,522	0
Property Taxes Levied for Highways					2,174,459	0	2,174,459	0
Property Taxes Levied for Debt Service					2,970,472	0	2,970,472	0
Local Option Sales Taxes					2,106,187	0	2,106,187	6,820,794
Hotel/Motel Tax					352,930	0	352,930	0
Wheel Tax					2,235,559	0	2,235,559	0
Litigation Tax - General					73,095	0	73,095	0
Litigation Tax - Special Purpose					34,791	0	34,791	0
Litigation Tax - Jail, Workhouse, or Courthouse					162,947	0	162,947	0
Business Tax					410,252	0	410,252	228,232
Mineral Severance Tax					73,104	0	73,104	0
Wholesale Beer Tax					94,445	0	94,445	0
Mixed Drink Tax					0	0	0	9,498
Other Local Taxes					11,973	0	11,973	229
Grants and Contributions Not Restricted to Specific Programs					2,164,559	0	2,164,559	33,117,000
Unrestricted Investment Income					1,175,634	0	1,175,634	0
Miscellaneous					1,537	0	1,537	38,658
Total General Revenues					\$ 26,384,579	\$ 0	\$ 26,384,579	\$ 46,608,427
Change in Net Position					\$ 3,519,528	\$ 0	\$ 3,519,528	\$ 2,806,040
Net Position, July 1, 2022					88,915,422	0	88,915,422	57,440,603
Net Position, June 30, 2023					\$ 92,434,950	\$ 0	\$ 92,434,950	\$ 60,246,643

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, 2023

	Major Funds				Nonmajor	Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 6,946	\$ 0	\$ 0	\$ 0	\$ 2,729	\$ 9,675
Equity in Pooled Cash and Investments	18,333,948	5,773,710	4,180,485	16,692,779	5,350,164	50,331,086
Accounts Receivable	2,316,942	0	1,228	264	11,182	2,329,616
Allowance for Uncollectibles	(581,355)	0	0	0	0	(581,355)
Due from Other Governments	967,239	0	533,778	908	9,382	1,511,307
Due from Other Funds	2,543	671,207	22,552	0	0	696,302
Property Taxes Receivable	12,425,171	0	2,438,943	3,327,407	1,404,637	19,596,158
Allowance for Uncollectible Property Taxes	(287,820)	0	(56,121)	(76,539)	(30,388)	(450,868)
Total Assets	<u>\$ 33,183,614</u>	<u>\$ 6,444,917</u>	<u>\$ 7,120,865</u>	<u>\$ 19,944,819</u>	<u>\$ 6,747,706</u>	<u>\$ 73,441,921</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 272,254	\$ 0	\$ 20,229	\$ 500	\$ 59,975	\$ 352,958
Accrued Payroll	160,596	0	65,908	0	11,647	238,151
Payroll Deductions Payable	519,893	0	78,682	0	30,071	628,646
Due to Other Funds	485,306	0	0	206,596	4,400	696,302
Due to Other Taxing Units	4,932	0	0	0	0	4,932
Due to Other Governments	484,830	6,586,718	0	0	0	7,071,548
Total Liabilities	<u>\$ 1,927,811</u>	<u>\$ 6,586,718</u>	<u>\$ 164,819</u>	<u>\$ 207,096</u>	<u>\$ 106,093</u>	<u>\$ 8,992,537</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 11,769,094	\$ 0	\$ 2,311,537	\$ 3,153,684	\$ 1,338,350	\$ 18,572,665
Deferred Delinquent Property Taxes	343,764	0	66,544	90,720	33,511	534,539
Other Deferred/Unavailable Revenue	1,355,548	0	250,552	0	852	1,606,952
Total Deferred Inflows of Resources	<u>\$ 13,468,406</u>	<u>\$ 0</u>	<u>\$ 2,628,633</u>	<u>\$ 3,244,404</u>	<u>\$ 1,372,713</u>	<u>\$ 20,714,156</u>

(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	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 319,108	\$ 0	\$ 0	\$ 0	\$ 0	\$ 319,108
Restricted for Finance	123,178	0	0	0	0	123,178
Restricted for Administration of Justice	78,037	0	0	0	0	78,037
Restricted for Public Safety	302,369	0	0	0	42,718	345,087
Restricted for Public Health and Welfare	680,341	0	0	0	0	680,341
Restricted for Highways/Public Works	160,742	0	2,784,272	0	0	2,945,014
Restricted for Debt Service	0	0	0	13,112,471	0	13,112,471
Restricted for Capital Projects	0	0	0	0	1,281,200	1,281,200
Committed:						
Committed for General Government	4,983,618	0	0	0	0	4,983,618
Committed for Public Safety	13,895	0	0	0	0	13,895
Committed for Public Health and Welfare	0	0	0	0	444,982	444,982
Committed for Highways/Public Works	0	0	1,543,141	0	0	1,543,141
Committed for Debt Service	0	0	0	3,380,848	0	3,380,848
Committed for Capital Projects	0	0	0	0	3,500,000	3,500,000
Assigned:						
Assigned for General Government	2,983,260	0	0	0	0	2,983,260
Assigned for Finance	399	0	0	0	0	399
Assigned for Administration of Justice	30	0	0	0	0	30
Assigned for Public Safety	302,670	0	0	0	0	302,670
Assigned for Public Health and Welfare	111,722	0	0	0	0	111,722
Assigned for Social, Cultural, and Recreational Services	709	0	0	0	0	709
Unassigned	7,727,319	(141,801)	0	0	0	7,585,518
Total Fund Balances	\$ 17,787,397	\$ (141,801)	\$ 4,327,413	\$ 16,493,319	\$ 5,268,900	\$ 43,735,228
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,183,614	\$ 6,444,917	\$ 7,120,865	\$ 19,944,819	\$ 6,747,706	\$ 73,441,921

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, 2023

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)		\$ 43,735,228	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,969,760		
Add: construction in progress	2,250,857		
Add: buildings and improvements net of accumulated depreciation	34,682,335		
Add: infrastructure net of accumulated depreciation	71,192,561		
Add: other capital assets net of accumulated depreciation	<u>6,448,687</u>	116,544,200	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: accrued interest on bonds and other loans	\$ (95,213)		
Less: bonds payable	(19,270,000)		
Less: other loans payable	(52,222,523)		
Less: unamortized premium on debt issues	(393,628)		
Less: compensated absences payable	(760,658)		
Less: landfill closure/postclosure care costs	(93,572)		
Less: net OPEB liability	<u>(208,623)</u>	(73,044,217)	
(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	\$ 2,895,589		
Less: deferred inflows of resources related to pensions	(767,408)		
Add: deferred outflows of resources related to OPEB	52,932		
Less: deferred inflows of resources related to OPEB	<u>(293,409)</u>	1,887,704	
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			1,170,544
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,141,491</u>
Net position of governmental activities (Exhibit A)			<u>\$ 92,434,950</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, 2023

	Major Funds				Nonmajor	Total
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues						
Local Taxes	\$ 16,355,982	\$ 0	\$ 2,548,459	\$ 4,424,657	\$ 1,171,528	\$ 24,500,626
Licenses and Permits	126,321	0	0	0	0	126,321
Fines, Forfeitures, and Penalties	240,111	0	0	0	44,275	284,386
Charges for Current Services	5,036,649	0	338,748	0	87,092	5,462,489
Other Local Revenues	220,395	206,596	9,927	968,507	28,061	1,433,486
Fees Received From County Officials	2,428,356	0	0	0	0	2,428,356
State of Tennessee	2,414,055	0	3,053,931	10	95,527	5,563,523
Federal Government	555,440	2,454,102	102,539	0	0	3,112,081
Other Governments and Citizens Groups	528,365	0	0	36,645	0	565,010
Total Revenues	\$ 27,905,674	\$ 2,660,698	\$ 6,053,604	\$ 5,429,819	\$ 1,426,483	\$ 43,476,278
Expenditures						
Current:						
General Government	\$ 3,612,155	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,612,155
Finance	2,245,498	0	0	0	0	2,245,498
Administration of Justice	1,880,185	0	0	0	8,835	1,889,020
Public Safety	10,152,625	0	0	0	61,927	10,214,552
Public Health and Welfare	4,916,954	0	0	0	1,503,838	6,420,792
Social, Cultural, and Recreational Services	292,574	0	0	0	0	292,574
Agriculture and Natural Resources	170,361	0	0	0	0	170,361
Other Operations	2,581,374	376,795	0	0	0	2,958,169
Highways	0	1,170,426	5,043,904	0	168,890	6,383,220
Debt Service:						
Principal on Debt	297,187	0	87,172	2,829,044	0	3,213,403
Interest on Debt	82,021	0	5,193	2,120,214	0	2,207,428
Other Debt Service	0	0	0	90,182	0	90,182
Capital Projects	\$ 493,960	\$ 1,255,278	\$ 0	\$ 0	\$ 0	\$ 1,749,238
Total Expenditures	\$ 26,724,894	\$ 2,802,499	\$ 5,136,269	\$ 5,039,440	\$ 1,743,490	\$ 41,446,592
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,180,780	\$ (141,801)	\$ 917,335	\$ 390,379	\$ (317,007)	\$ 2,029,686
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	\$ 143,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 143,650
Insurance Recovery	159,493	0	36,173	0	7,512	203,178
Total Other Financing Sources (Uses)	\$ 303,143	\$ 0	\$ 36,173	\$ 0	\$ 7,512	\$ 346,828
Net Change in Fund Balances	\$ 1,483,923	\$ (141,801)	\$ 953,508	\$ 390,379	\$ (309,495)	\$ 2,376,514
Fund Balance, July 1, 2022	16,303,474	0	3,373,905	16,102,940	5,578,395	41,358,714
Fund Balance, June 30, 2023	\$ 17,787,397	\$ (141,801)	\$ 4,327,413	\$ 16,493,319	\$ 5,268,900	\$ 43,735,228

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, 2023

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)		\$ 2,376,514
(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	\$ 3,491,611	
Less: current-year depreciation expense	<u>(6,538,217)</u>	(3,046,606)
(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	\$ 221,667	
Less: book value of assets disposed	<u>(81,876)</u>	139,791
(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, 2023	\$ 2,141,491	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(1,654,037)</u>	487,454
(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	\$ 1,190,000	
Add: principal payments on other loans	2,023,403	
Add: change in unamortized premium on debt issues	64,287	
Less: contributions from the school department for other loans	<u>(13,054)</u>	3,264,636
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 9,835	
Change in compensated absences payable	(155,818)	
Change in landfill postclosure care costs	8,168	
Change in net pension asset	(4,794,716)	
Change in deferred outflows related to pensions	84,914	
Change in deferred inflows related to pensions	5,083,232	
Change in net OPEB liability	33,950	
Change in deferred outflows related to OPEB	(5,199)	
Change in deferred inflows related to OPEB	<u>33,373</u>	<u>297,739</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,519,528</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 16,355,982	\$ 0	\$ 0	\$ 16,355,982	\$ 15,911,224	\$ 15,911,224	\$ 444,758
Licenses and Permits	126,321	0	0	126,321	122,000	122,000	4,321
Fines, Forfeitures, and Penalties	240,111	0	0	240,111	226,100	226,100	14,011
Charges for Current Services	5,036,649	0	0	5,036,649	4,289,580	4,293,580	743,069
Other Local Revenues	220,395	0	0	220,395	211,982	216,882	3,513
Fees Received From County Officials	2,428,356	0	0	2,428,356	2,281,000	2,281,000	147,356
State of Tennessee	2,414,055	0	0	2,414,055	2,623,097	2,487,903	(73,848)
Federal Government	555,440	0	0	555,440	786,437	7,601,850	(7,046,410)
Other Governments and Citizens Groups	528,365	0	0	528,365	323,832	329,532	198,833
Total Revenues	\$ 27,905,674	\$ 0	\$ 0	\$ 27,905,674	\$ 26,775,252	\$ 33,470,071	\$ (5,564,397)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 548,299	\$ 0	\$ 30,137	\$ 578,436	\$ 657,979	\$ 657,979	\$ 79,543
Board of Equalization	3,475	0	0	3,475	3,500	3,500	25
County Mayor/Executive	254,240	0	0	254,240	265,858	259,231	4,991
Personnel Office	146,399	0	280	146,679	197,377	187,504	40,825
County Attorney	37,380	0	0	37,380	75,000	75,000	37,620
Election Commission	385,606	0	5,100	390,706	414,201	414,201	23,495
Register of Deeds	458,090	0	2,635	460,725	447,791	466,027	5,302
Planning	125,348	0	80	125,428	97,234	136,776	11,348
Engineering	447,431	0	22,007	469,438	493,668	486,902	17,464
Codes Compliance	25,908	0	0	25,908	54,638	32,113	6,205
Geographical Information Systems	96,574	0	27,900	124,474	128,303	128,409	3,935
County Buildings	696,952	(981)	10,107	706,078	767,938	858,435	152,357
Other General Administration	367,546	0	0	367,546	367,000	367,000	(546)
Preservation of Records	18,907	0	0	18,907	24,261	24,261	5,354
<u>Finance</u>							
Accounting and Budgeting	655,906	(1,035)	96	654,967	756,020	729,641	74,674
Property Assessor's Office	368,351	0	0	368,351	425,291	425,291	56,940

(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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 159,114	\$ 0	\$ 0	\$ 159,114	\$ 211,064	\$ 206,287	\$ 47,173
County Trustee's Office	397,203	0	0	397,203	421,441	421,441	24,238
County Clerk's Office	664,924	0	303	665,227	678,125	687,372	22,145
<u>Administration of Justice</u>							
Circuit Court	1,247,051	0	0	1,247,051	1,327,815	1,327,815	80,764
General Sessions Judge	286,872	0	0	286,872	308,942	308,942	22,070
Chancery Court	287,957	(13,230)	30	274,757	374,261	374,261	99,504
Probate Court	58,305	0	0	58,305	62,595	62,595	4,290
Other Administration of Justice	0	0	0	0	45,065	45,065	45,065
<u>Public Safety</u>							
Sheriff's Department	4,800,793	(3,025)	41,066	4,838,834	4,632,367	4,968,492	129,658
Administration of the Sexual Offender Registry	0	0	0	0	3,000	3,000	3,000
Jail	3,653,359	(404)	47,268	3,700,223	4,276,262	4,203,673	503,450
Juvenile Services	385,779	0	426	386,205	407,189	420,509	34,304
Fire Prevention and Control	300,000	0	0	300,000	300,000	300,000	0
Rescue Squad	100,000	0	0	100,000	100,000	100,000	0
Other Emergency Management	82,778	0	57,363	140,141	129,841	149,841	9,700
County Coroner/Medical Examiner	170,135	0	0	170,135	142,000	187,000	16,865
Other Public Safety	659,781	(782)	5,572	664,571	678,257	698,779	34,208
<u>Public Health and Welfare</u>							
Local Health Center	40,566	0	115	40,681	57,718	440,918	400,237
Rabies and Animal Control	231,644	(1,106)	7,700	238,238	240,301	250,967	12,729
Ambulance/Emergency Medical Services	3,871,401	(3,572)	422,856	4,290,685	3,875,019	4,339,597	48,912
Dental Health Program	375,824	(2,155)	5,139	378,808	686,836	686,836	308,028
Alcohol and Drug Programs	9,323	0	0	9,323	9,323	9,323	0
Crippled Children Services	1,995	0	0	1,995	1,995	1,995	0
Other Local Health Services	386,201	0	0	386,201	390,046	433,145	46,944
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	40,000	0	0	40,000	40,000	40,000	0

(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 7/1/2022	Add: Encumbrances 6/30/2023	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>							
Libraries	\$ 125,000	\$ 0	\$ 0	\$ 125,000	\$ 133,817	\$ 133,817	\$ 8,817
Parks and Fair Boards	26,674	0	0	26,674	0	0	(26,674)
Other Social, Cultural, and Recreational	100,900	0	0	100,900	100,900	100,900	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	96,655	0	0	96,655	100,521	100,521	3,866
Soil Conservation	71,706	0	709	72,415	79,630	79,844	7,429
Flood Control	2,000	0	0	2,000	2,000	2,000	0
<u>Other Operations</u>							
Tourism	293,298	0	200	293,498	312,104	321,604	28,106
Industrial Development	697,779	0	126,950	824,729	770,713	1,423,005	598,276
Airport	1,147,787	(706,052)	2,530	444,265	1,202,853	2,225,460	1,781,195
Veterans' Services	58,715	0	0	58,715	61,441	61,441	2,726
Other Charges	136,120	0	12,925	149,045	0	152,095	3,050
Contributions to Other Agencies	219,947	0	0	219,947	220,800	220,800	853
Employee Benefits	27,728	0	0	27,728	25,600	30,600	2,872
<u>Highways</u>							
Highway and Bridge Maintenance	0	0	160,742	160,742	0	160,742	0
<u>Principal on Debt</u>							
General Government	297,187	0	0	297,187	519,939	297,187	0
<u>Interest on Debt</u>							
General Government	82,021	0	0	82,021	0	82,021	0
<u>Capital Projects</u>							
General Administration Projects	9,273	0	0	9,273	0	9,500	227
Public Safety Projects	484,687	0	185,469	670,156	5,000	4,510,601	3,840,445
Total Expenditures	\$ 26,724,894	\$ (732,342)	\$ 1,175,705	\$ 27,168,257	\$ 28,110,839	\$ 35,832,261	\$ 8,664,004
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,180,780	\$ 732,342	\$ (1,175,705)	\$ 737,417	\$ (1,335,587)	\$ (2,362,190)	\$ 3,099,607

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 143,650	\$ 0	\$ 0	\$ 143,650	\$ 0	\$ 138,650	\$ 5,000
Insurance Recovery	159,493	0	0	159,493	0	150,641	8,852
Total Other Financing Sources	\$ 303,143	\$ 0	\$ 0	\$ 303,143	\$ 0	\$ 289,291	\$ 13,852
Net Change in Fund Balance	\$ 1,483,923	\$ 732,342	\$ (1,175,705)	\$ 1,040,560	\$ (1,335,587)	\$ (2,072,899)	\$ 3,113,459
Fund Balance, July 1, 2022	16,303,474	(732,342)	0	15,571,132	14,807,239	14,807,239	763,893
Fund Balance, June 30, 2023	\$ 17,787,397	\$ 0	\$ (1,175,705)	\$ 16,611,692	\$ 13,471,652	\$ 12,734,340	\$ 3,877,352

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 206,596	\$ 0	\$ 0	\$ 206,596	\$ 0	\$ 0	\$ 206,596
Federal Government	2,454,102	0	0	2,454,102	0	4,520,410	(2,066,308)
Total Revenues	<u>\$ 2,660,698</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,660,698</u>	<u>\$ 0</u>	<u>\$ 4,520,410</u>	<u>\$ (1,859,712)</u>
<u>Expenditures</u>							
<u>Other Operations</u>							
American Rescue Plan Act Grant #6	\$ 376,795	\$ (373,726)	\$ 0	\$ 3,069	\$ 0	\$ 3,100	\$ 31
<u>Highways</u>							
American Rescue Plan Act Grant #1	1,170,426	0	0	1,170,426	0	1,170,426	0
<u>Capital Projects</u>							
American Rescue Plan Act Grant #1	1,255,278	0	2,376,470	3,631,748	0	7,493,569	3,861,821
Total Expenditures	<u>\$ 2,802,499</u>	<u>\$ (373,726)</u>	<u>\$ 2,376,470</u>	<u>\$ 4,805,243</u>	<u>\$ 0</u>	<u>\$ 8,667,095</u>	<u>\$ 3,861,852</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (141,801)</u>	<u>\$ 373,726</u>	<u>\$ (2,376,470)</u>	<u>\$ (2,144,545)</u>	<u>\$ 0</u>	<u>\$ (4,146,685)</u>	<u>\$ 2,002,140</u>
Net Change in Fund Balance	\$ (141,801)	\$ 373,726	\$ (2,376,470)	\$ (2,144,545)	\$ 0	\$ (4,146,685)	\$ 2,002,140
Fund Balance, July 1, 2022	0	(373,726)	0	(373,726)	0	4,146,685	(4,520,411)
Fund Balance, June 30, 2023	<u>\$ (141,801)</u>	<u>\$ 0</u>	<u>\$ (2,376,470)</u>	<u>\$ (2,518,271)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,518,271)</u>

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,548,459	\$ 0	\$ 0	\$ 2,548,459	\$ 2,416,179	\$ 2,416,179	\$ 132,280
Charges for Current Services	338,748	0	0	338,748	200,000	200,000	138,748
Other Local Revenues	9,927	0	0	9,927	0	0	9,927
State of Tennessee	3,053,931	0	0	3,053,931	3,215,774	3,215,774	(161,843)
Federal Government	102,539	0	0	102,539	85,000	85,000	17,539
Total Revenues	\$ 6,053,604	\$ 0	\$ 0	\$ 6,053,604	\$ 5,916,953	\$ 5,916,953	\$ 136,651
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 269,852	\$ 0	\$ 0	\$ 269,852	\$ 301,407	\$ 301,407	\$ 31,555
Highway and Bridge Maintenance	3,345,196	(809,492)	2,275,919	4,811,623	4,946,654	4,918,934	107,311
Operation and Maintenance of Equipment	857,175	0	56,814	913,989	930,036	961,036	47,047
Other Charges	322,858	0	0	322,858	312,000	317,000	(5,858)
Employee Benefits	0	0	0	0	5,000	0	0
Capital Outlay	248,823	0	34,500	283,323	561,014	499,629	216,306
<u>Principal on Debt</u>							
Highways and Streets	87,172	0	0	87,172	0	92,364	5,192
<u>Interest on Debt</u>							
Highways and Streets	5,193	0	0	5,193	0	5,193	0
Total Expenditures	\$ 5,136,269	\$ (809,492)	\$ 2,367,233	\$ 6,694,010	\$ 7,056,111	\$ 7,095,563	\$ 401,553
Excess (Deficiency) of Revenues Over Expenditures	\$ 917,335	\$ 809,492	\$ (2,367,233)	\$ (640,406)	\$ (1,139,158)	\$ (1,178,610)	\$ 538,204
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 36,173	\$ 0	\$ 0	\$ 36,173	\$ 0	\$ 36,173	\$ 0
Total Other Financing Sources	\$ 36,173	\$ 0	\$ 0	\$ 36,173	\$ 0	\$ 36,173	\$ 0
Net Change in Fund Balance	\$ 953,508	\$ 809,492	\$ (2,367,233)	\$ (604,233)	\$ (1,139,158)	\$ (1,142,437)	\$ 538,204
Fund Balance, July 1, 2022	3,373,905	(809,492)	0	2,564,413	2,246,477	2,246,477	317,936
Fund Balance, June 30, 2023	\$ 4,327,413	\$ 0	\$ (2,367,233)	\$ 1,960,180	\$ 1,107,319	\$ 1,104,040	\$ 856,140

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

Exhibit D-1

Monroe County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Major Enterprise Fund Joint Venture Debt Enterprise Fund
<u>ASSETS</u>	
Current Assets:	
Due from Joint Venture - Current	\$ 246,940
Total Current Assets	<u>\$ 246,940</u>
Noncurrent Assets:	
Due from Joint Venture - Long-term	\$ 3,125,180
Total Noncurrent Assets	<u>\$ 3,125,180</u>
Total Assets	<u>\$ 3,372,120</u>
<u>LIABILITIES</u>	
Noncurrent Liabilities:	
Due Within One Year - Debt	\$ 246,940
Due in More than One Year - Debt	3,125,180
Total Noncurrent Liabilities	<u>\$ 3,372,120</u>
Total Liabilities	<u>\$ 3,372,120</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 0</u>
Total Net Position	<u>\$ 0</u>

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

Exhibit D-2

Monroe County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - <u>Major Enterprise Fund</u> Joint Venture Debt Enterprise <u>Fund</u>
<u>Operating Revenues</u>	
Interest Earnings	\$ 76,611
Total Operating Revenues	<u>\$ 76,611</u>
<u>Operating Expenses</u>	
Interest Expense	\$ 76,611
Total Operating Expenses	<u>\$ 76,611</u>
Operating Income (Loss)	<u>\$ 0</u>
Change in Net Position	\$ 0
Net Position, July 1, 2022	<u>0</u>
Net Position, June 30, 2023	<u><u>\$ 0</u></u>

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

Exhibit D-3

Monroe County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Major Enterprise Fund Joint Venture Debt Enterprise Fund
Cash Flows from Operating Activities	\$ 0
Increase (Decrease) in Cash	\$ 0
Cash, July 1, 2022	0
Cash, June 30, 2023	\$ 0
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 0
Net Cash Provided By (Used In) Operating Activities	\$ 0

Noncash Financing Activities

This fund had no cash flow during the year. Debt principal of \$244,252 and interest of \$76,611 were paid directly to bond holders and the state revolving fund by the joint venture, Tellico Area Services System.

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, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,091,662
Equity in Pooled Cash and Investments	1,925
Due from Other Governments	1,548,890
Property Taxes Receivable	1,248,164
Allowance for Uncollectible Property Taxes	<u>(34,975)</u>
Total Assets	<u>\$ 5,855,666</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,603,973</u>
Total Liabilities	<u>\$ 1,603,973</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,160,031</u>
Total Deferred Inflows of Resources	<u>\$ 1,160,031</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 3,091,662</u>
Total Net Position	<u><u>\$ 3,091,662</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, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 6,601,332
ADA - Educational Funds Collected for Cities	3,990,063
Fines/Fees and Other Collections	<u>10,157,554</u>
Total Additions	<u>\$ 20,748,949</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections for Other Governments	\$ 6,601,332
Payments to City School Systems	3,990,063
Payments to State	5,261,725
Payments to Individuals and Others	<u>5,300,855</u>
Total Deductions	<u>\$ 21,153,975</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ (405,026)
Net Position July 1, 2022	<u>3,496,688</u>
Net Position June 30, 2023	<u><u>\$ 3,091,662</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, 2023

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. 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. Significant transactions between the primary government and the school department during the year include: \$297,648 paid from the General Purpose School Fund to the county General Fund for School Resource Officers and \$29,517 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. 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 and proprietary categories. Monroe County reports one proprietary fund, an enterprise fund.

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

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

accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

The 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 special revenue 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.

Monroe County reports the following major enterprise fund:

Joint Venture Debt Enterprise Fund - This fund accounts for transactions and balances of debt issued by the county which is serviced by pledged user fees of the joint venture, Tellico Area Services System. Liabilities reported for the debt are offset by a receivable, Due from Joint Venture, in the financial statements of the fund.

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.

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 23) 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 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor’s opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for debt issued for the benefit of a joint venture, and which is being serviced by that joint venture. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenue of the county's enterprise fund is interest revenue. Operating expenses for the enterprise fund consist of interest expense on debt.

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 (\$6,586,718) and Local Assistance Tribal Consistency funds (\$484,830), respectively, 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, investment earnings, 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 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 and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type 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 \$20,495,476 of restricted net position, of which \$407,047 is restricted by enabling legislation.

As of June 30, 2023, Monroe County had \$36,901,378 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 appropriated for use in the 2023-24 year budget (\$2,644,595) along with amounts assigned for encumbrances (\$379,606), opioid remediation (\$145,254), various general government purposes (\$91,285) and various public safety purposes (\$138,050). Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances of \$519,192.

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, 2023, Monroe County and the Monroe County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government	
Major Funds:	
General	\$ 1,175,705
Other Special Revenue Fund	2,376,470
Highway/Public Works Fund	2,367,233
Nonmajor Governmental Funds	6,504
School Department:	
Major Funds:	
General Purpose School	519,192
Central Cafeteria	312,468

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Other General Administration and Parks and Fair Boards major appropriations categories (the legal level of control) of the General Fund by \$546 and \$26,674, respectively. Expenditures exceeded appropriations approved by the county commission in the Other Charges major appropriations category (the legal level of control) of the Highway/Public Works Fund by \$5,858. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances in the General Fund and the Highway/Public Works Fund.

C. Fund Deficit/Budgetary Basis Fund Deficit

The Other Special Revenue Fund had a deficit in unassigned fund balance of \$141,801 due to grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL 21.027). The grant expenditures can only be reported in April of each year. Monroe County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

The Other Special Revenue Fund also reported a budgetary basis deficit of \$2,518,271 at June 30, 2023. This resulted from the recognition of budgeted expenditures for outstanding encumbrances in the amount of \$2,376,470. These encumbrances were recorded to reflect outstanding commitments which will be funded by federal grants in the subsequent fiscal year.

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, 2023.

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, 2023, 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	\$ 136,704
Developed Market International Equity	N/A	N/A	61,737
Emerging Market International Equity	N/A	N/A	17,639
U.S. Fixed Income	N/A	N/A	88,196
Real Estate	N/A	N/A	44,098
Short-term Securities	N/A	N/A	4,410
NAV - Private Equity and Strategic Lending	N/A	N/A	88,196
Total			\$ 440,980

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

B. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government

Governmental Activities:

	Balance			Balance
	7-1-22	Increases	Decreases	6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,298,160	\$ 688,238	\$ (16,638)	\$ 1,969,760
Construction in Progress	6,079,445	1,280,557	(5,109,145)	2,250,857
Total Capital Assets Not Depreciated	<u>\$ 7,377,605</u>	<u>\$ 1,968,795</u>	<u>\$ (5,125,783)</u>	<u>\$ 4,220,617</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,165,866	\$ 32,872	\$ 0	\$ 43,198,738
Infrastructure	172,090,536	5,109,145	0	177,199,681
Other Capital Assets	15,660,624	1,711,611	(236,226)	17,136,009
Total Capital Assets Depreciated	<u>\$ 230,917,026</u>	<u>\$ 6,853,628</u>	<u>\$ (236,226)</u>	<u>\$ 237,534,428</u>
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,480,118	\$ 1,036,285	\$ 0	\$ 8,516,403
Infrastructure	101,663,961	4,343,159	0	106,007,120
Other Capital Assets	9,699,537	1,158,773	(170,988)	10,687,322
Total Accumulated Depreciation	<u>\$ 118,843,616</u>	<u>\$ 6,538,217</u>	<u>\$ (170,988)</u>	<u>\$ 125,210,845</u>
Total Capital Assets Depreciated, Net	<u>\$ 112,073,410</u>	<u>\$ 315,411</u>	<u>\$ (65,238)</u>	<u>\$ 112,323,583</u>
Governmental Activities Capital Assets, Net	<u>\$ 119,451,015</u>	<u>\$ 2,284,206</u>	<u>\$ (5,191,021)</u>	<u>\$ 116,544,200</u>

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

Governmental Activities:

General Government	\$ 735,907
Finance	15,704
Administration of Justice	2,405
Public Safety	1,109,176
Public Health and Welfare	232,496
Highways	<u>4,442,529</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,538,217</u>

Net Investment in Capital Assets

Capital Assets	\$ 116,544,200
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(34,596,842)</u>
Net Investment in Capital Assets	<u>\$ 81,947,358</u>

Discretely Presented Monroe County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 864,562	\$ 0	\$ 0	\$ 864,562
Construction in Progress	1,080,000	2,185,000	(3,265,000)	0
Total Capital Assets Not Depreciated	\$ 1,944,562	\$ 2,185,000	\$ (3,265,000)	\$ 864,562
Capital Assets Depreciated:				
Buildings and Improvements	\$ 74,124,135	\$ 3,612,994	\$ 0	\$ 77,737,129
Other Capital Assets	6,492,438	2,725,460	(37,240)	9,180,658
Total Capital Assets Depreciated	\$ 80,616,573	\$ 6,338,454	\$ (37,240)	\$ 86,917,787
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,691,153	\$ 1,870,421	\$ 0	\$ 40,561,574
Other Capital Assets	2,982,131	855,564	(16,137)	3,821,558
Total Accumulated Depreciation	\$ 41,673,284	\$ 2,725,985	\$ (16,137)	\$ 44,383,132
Total Capital Assets Depreciated, Net	\$ 38,943,289	\$ 3,612,469	\$ (21,103)	\$ 42,534,655
Governmental Activities Capital Assets, Net	\$ 40,887,851	\$ 5,797,469	\$ (3,286,103)	\$ 43,399,217

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

Governmental Activities:

Instruction	\$ 421,481
Support Services	2,267,373
Operation of Non-instructional Services	37,131
Total Depreciation Expense - Governmental Activities	\$ 2,725,985

C. Construction and Renovation Contract Commitments

Primary Government

At June 30, 2023, the General Fund had uncompleted construction contracts of approximately \$166,411 for various improvements at the Monroe County Airport. The Other Special Revenue Fund had uncompleted construction

contracts of approximately \$2,200,000 for a communications tower. Funding for these future expenditures is expected to be provided from federal grants.

Discretely Presented Monroe County School Department

At June 30, 2023, the Monroe County School Department’s General Purpose School Fund had uncompleted renovation contracts of \$395,623 for bleachers, roofing and facility upgrades. Funding has been received for the future expenditures in the General Purpose School Fund.

D. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,543
Other Special Revenue	General	464,611
"	General Debt Service	206,596
Highway/Public Works	General	20,695
"	Nonmajor governmental	1,857
Discretely Presented Monroe County School Department:		
School Federal Projects	General Purpose School	12

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.

E. Due from Joint Venture

Due from Joint Venture in the business-type activities in the government-wide financial statements, and in the Joint Venture Debt Enterprise Fund financial statements, represents future debt service requirements due from Tellico Area Services System (TASS) for debt being service by pledged revenue of TASS. At June 30, 2023, the balance of future debt principal amounts due from the joint venture was \$3,372,120. Of that amount, \$3,125,180 is due in more than one year. Those debt issues are discussed further in Note IV. F., Long-term Debt.

F. Long-term Debt

Primary Government

General Obligation Bonds 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, 2023, 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, 2023. 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, 2023, 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, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Refunding Bonds	2 to 3.25 %	6-1-38	\$ 34,950,000	\$ 19,270,000
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate -				
Public Improvement and Refunding	Variable	6-1-39	31,965,000	20,630,000
Other Loans - Fixed Rate:				
Cash Borrowings	2.875	6-5-59	30,917,200	29,167,110
Financed Purchases	2.99 to 4.65	10-1-29	3,702,473	2,425,413

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, 2023, the variable interest rate was 4.25 percent and other fees totaled .74 percent.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, 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, 2023.

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2029-2033	5,410,000	1,452,088	6,862,088
2034-2038	7,650,000	705,775	8,355,775
Total	\$ 19,270,000	\$ 4,256,038	\$ 23,526,038

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2024	\$ 2,002,603	\$ 1,788,356	\$ 152,336	\$ 3,943,295
2025	1,952,803	1,711,112	143,992	3,807,907
2026	2,121,959	1,638,080	135,500	3,895,539
2027	2,159,078	1,558,144	125,937	3,843,159
2028	2,282,030	1,477,141	116,264	3,875,435
2029-2033	11,281,698	6,075,749	417,982	17,775,429
2034-2038	9,538,446	4,146,241	165,665	13,850,352
2039-2043	4,230,805	2,697,395	2,954	6,931,154
2044-2048	4,422,269	2,088,932	0	6,511,201
2049-2053	5,105,053	1,406,147	0	6,511,200
2054-2058	5,893,257	617,942	0	6,511,199
2059	1,232,522	18,471	0	1,250,993
Total	\$ 52,222,523	\$ 25,223,710	\$ 1,260,630	\$ 78,706,863

There is \$16,493,319 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$417, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized premium on debt, totaled \$1,585, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	<u>Bonds</u>	<u>Other Loans - Direct Placement</u>
Balance, July 1, 2022	\$ 20,460,000	\$ 54,245,926
Reductions	<u>(1,190,000)</u>	<u>(2,023,403)</u>
Balance, June 30, 2023	<u>\$ 19,270,000</u>	<u>\$ 52,222,523</u>
Balance Due Within One Year	<u>\$ 1,280,000</u>	<u>\$ 2,002,603</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 71,492,523
Less: Balance Due Within One Year - Debt	(3,282,603)
Add: Unamortized Premium on Debt	<u>393,628</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 68,603,548</u>

Joint Venture Debt Enterprise Fund

Monroe County has issued revenue bonds and a state revolving fund loan on behalf of a joint venture, Tellico Area Services System (TASS). The revenue bonds are secured solely by revenues of TASS on parity with the revolving fund loan. The revolving fund loan is secured by revenues of TASS and by Monroe County ad valorem taxes and state shared revenues. Principal and interest requirements on the bonds are paid directly to the bondholders and to the state by TASS. The primary government's Joint Venture Debt Enterprise Fund reports liabilities for the debt with an offsetting receivable, Due from Joint Venture. This is an accounting change from prior years as discussed further in Note V.B. In prior years, these debt issues had not been reported as a liability on the financial statements of the county.

Revenue bonds and state revolving fund loans outstanding as of June 30, 2023, reported in the enterprise fund are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
Series 2020 Water and Sewer Revenue Bonds	1 to 3 %	7-1-45	\$ 2,060,000	\$ 1,937,500
State Revolving Fund Loan	1.47	11-13-30	4,708,034	1,434,620

The water and sewer revenue bonds were issued jointly by Monroe County and Loudon County, Tennessee. Amounts show above for the revenue bonds represent one-half of the total amount issued and one-half of the total balance June 30, 2023. The remaining half is reported on the financial statements of Loudon County. The state revolving fund loan was issued solely in the name of Monroe County.

The annual requirements to amortize all enterprise fund revenue bonds and loans outstanding as of June 30, 2023, including interest payments, are presented in the following tables:

Year Ending June 30	Revenue Bonds - Monroe County Half		
	Principal	Interest	Total
2024	\$ 62,500	\$ 52,825	\$ 115,325
2025	65,000	51,550	116,550
2026	65,000	50,250	115,250
2027	67,500	48,925	116,425
2028	67,500	47,575	115,075
2029-2033	365,000	213,324	578,324
2034-2038	425,000	155,624	580,624
2039-2043	490,000	87,151	577,151
2044-2046	330,000	15,001	345,001
Total	\$ 1,937,500	\$ 722,225	\$ 2,659,725

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 184,440	\$ 19,848	\$ 204,288
2025	187,176	17,112	204,288
2026	189,936	14,352	204,288
2027	192,744	11,544	204,288
2028	195,600	8,688	204,288
2029-2031	484,724	8,965	493,689
Total	<u>\$ 1,434,620</u>	<u>\$ 80,509</u>	<u>\$ 1,515,129</u>

Changes in Long-term Enterprise Fund Debt

Long-term debt activity for the Joint Venture Debt Enterprise Fund for the year ended June 30, 2023, was as follows:

Business-type Activities:	Revenue	Other
	Bonds- Monroe County Half	Loans - Direct Placement
Balance, July 1, 2022*	\$ 2,000,000	\$ 1,616,372
Reductions	(62,500)	(181,752)
Balance, June 30, 2023	<u>\$ 1,937,500</u>	<u>\$ 1,434,620</u>
Balance Due Within One Year	<u>\$ 62,500</u>	<u>\$ 184,440</u>

*In prior years, these debt issues were not reported as liabilities on the financial statements of the county. This change resulted from the implementation of GASB Statement No. 91 as discussed in Note V.B., Accounting Changes.

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 3,372,120
Less: Balance Due Within One Year - Debt	<u>(246,940)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 3,125,180</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Comp- ensated Absences
Balance, July 1, 2022	\$ 101,740	\$ 242,573	\$ 604,840
Additions	0	16,735	599,460
Reductions	(8,168)	(50,685)	(443,642)
Balance, June 30, 2023	<u>\$ 93,572</u>	<u>\$ 208,623</u>	<u>\$ 760,658</u>
Balance Due Within One Year	<u>\$ 15,595</u>	<u>\$ 0</u>	<u>\$ 380,329</u>

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

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 1,062,853
Less: Balance Due Within One Year - Other	<u>(395,924)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 666,929</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, 2023, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Former Director of Schools Buyout Agreement Liability
Balance, July 1, 2022	\$ 11,087,381	\$ 118,406
Additions	1,366,323	0
Reductions	<u>(1,643,767)</u>	<u>(118,406)</u>
Balance, June 30, 2023	<u>\$ 10,809,937</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

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

H. On-Behalf Payments – Discretely Presented 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, 2023, were \$139,784 and \$49,030, 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.

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.

The primary government provides health insurance coverage through a commercial insurance carrier. The county does not allow retirees to participate in the commercial insurance plan. Settled claims have not exceeded commercial insurance coverage for the past 3 years.

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt. As a result of the implementation of GASB Statement No. 91, Monroe County has reported an enterprise fund to account for transactions and balances of debt issued by the county which is being serviced by a joint venture, Tellico Area Services System. Those debt issues do not meet the definition of conduit debt under Statement No. 91 and therefore are required to be reported in the financial statements of the county. The liabilities for the debt are offset by a receivable, Due from Joint Venture, in the financial statements of the Joint Venture Debt Enterprise Fund.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, 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 including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

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.

D. Changes in Administration

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

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

E. Landfill PostClosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Monroe County closed its sanitary landfill in 1999. The \$93,572 reported as postclosure care liability at June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Tellico Area Services System (TASS), a regional water, sewer, and solid waste system, is jointly owned by Monroe and Loudon counties. TASS comprises the County Boards of Public Utilities of each of the counties. Monroe County has control over budgeting and financing the joint venture only to the extent of representation by its County Board of Public Utility. Monroe County has issued debt for the benefit of TASS that is being serviced by TASS from its user fees. See Note. IV.E., Due from Joint Venture, for further discussion.

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, 2023.

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

Administrative Offices:

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

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

G. Jointly Governed Organizations

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

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

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Monroe County and non-certified employees of the discretely presented Monroe County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 66.88 percent, the non-certified employees of the discretely presented school department comprise 33.12 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	282
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	459
Active Employees	486
 Total	 <u><u>1,227</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, 2023, the employer contributions for Monroe

County were \$1,071,232 based on a rate of 5.79 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, 2022, 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, 2022, 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, 2022, 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 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, 2021	\$ 54,856,733	\$ 63,724,371	\$ (8,867,638)
Changes for the Year:			
Service Cost	\$ 1,646,918	\$ 0	\$ 1,646,918
Interest	3,739,374	0	3,739,374
Differences Between Expected and Actual Experience	866,855	0	866,855
Contributions-Employer	0	747,729	(747,729)
Contributions-Employees	0	859,673	(859,673)
Net Investment Income	0	(2,425,421)	2,425,421
Benefit Payments, Including Refunds of Employee Contributions	(2,211,027)	(2,211,027)	0
Administrative Expense	0	(46,257)	46,257
Net Changes	\$ 4,042,120	\$ (3,075,303)	\$ 7,117,423
Balance, June 30, 2022	\$ 58,898,853	\$ 60,649,068	\$ (1,750,215)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	66.88%	\$ 39,391,553	\$ 40,562,097	\$ (1,170,544)
School Department	33.12%	19,507,300	20,086,971	(579,671)
Total		\$ 58,898,853	\$ 60,649,068	\$ (1,750,215)

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
<u>Monroe County</u>	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>

Net Pension Liability (Asset) \$ 6,473,861 \$ (1,750,215) \$ (8,516,708)

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, 2023, Monroe County recognized pension expense (negative pension expense) of \$468,628.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 702,766	\$ 1,147,440
Changes in Assumptions	2,443,882	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	134,849	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>1,071,232</u>	<u>N/A</u>
Total	<u>\$ 4,352,729</u>	<u>\$ 1,147,440</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” 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	\$ 2,895,589	\$ 767,408
School Department	<u>1,457,140</u>	<u>380,032</u>
Total	<u>\$ 4,352,729</u>	<u>\$ 1,147,440</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	Primary Government	School Department	Total
2024	\$ 141,957	\$ 70,300	\$ 212,257
2025	147,809	73,198	221,007
2026	124,696	61,751	186,447
2027	1,012,796	501,552	1,514,348
2028	0	0	0
Thereafter	0	0	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, 2023, Monroe County reported a payable of \$119,113 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2023.

Discretely Presented Monroe County School Department

Non-certified Employees

General Information About the Pension Plan

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

TCRS. The primary government employees comprise 66.88 percent and the non-certified employees of the discretely presented school department comprise 33.12 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, 2023, to the Teacher Retirement Plan were \$168,492, which is 2.87 percent of covered payroll. In addition, employer contributions of \$62,732, which is 1.13 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$96,234) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .317683 percent. The proportion as of June 30, 2021, was .299490 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$136,090.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 5,262	\$ 58,468
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	30,334	0
Changes in Assumptions	112,734	0
Changes in Proportion of Net Pension Liability (Asset)	11,648	13,441
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>168,492</u>	<u>N/A</u>
Total	<u>\$ 328,470</u>	<u>\$ 71,909</u>

The school department's employer contributions of \$168,492, 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, 2024. 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
2024	\$ 2,295
2025	2,604
2026	(2,381)
2027	50,453
2028	5,659
Thereafter	29,438

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, 2022, 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, 2022, 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) \$ 505,174 \$ (96,234) \$ (535,448)

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, 2023, the Monroe County School Department reported a payable of \$38,969 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

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, 2023, to the Teacher Legacy Pension Plan were \$1,326,874, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$6,162,776) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .502507 percent. The proportion measured at June 30, 2021, was .510892 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$78,167.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,013,754	\$ 1,041,322
Changes in Assumptions	3,860,683	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	105,381	0
Changes in Proportion of Net Pension Liability (Asset)	109,553	25,533
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>1,326,874</u>	N/A
Total	<u>\$ 6,416,245</u>	<u>\$ 1,066,855</u>

The school department's employer contributions of \$1,326,874 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, 2024. 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
2024	\$ 636,101
2025	1,172,521
2026	(1,038,815)
2027	3,252,708
2028	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, 2022, 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, 2022, 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) \$ 12,206,336 \$ (6,162,776) \$ (21,463,027)

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, 2023, the Monroe County School Department reported a payable of \$180,284 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

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 \$290,742 and teachers contributed \$135,439 to this deferred compensation pension plan.

I. 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, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, 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	3.54%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an 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 3.54 percent, based on an average rating AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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 for the primary government's TNM plan 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 percent load for males and a 14 percent 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 percent load for males and a 18 percent 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 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 7.36 percent to 8.37 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	11
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	16
Active Employees Eligible for Benefits	143
 Total	 <u><u>170</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2023, the county paid \$6,125 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 242,573
Changes for the Year:	
Service Cost	\$ 8,426
Interest	5,366
Difference between Expected and Actuarial Experience	2,943
Changes in Assumption and Other Inputs	(45,521)
Benefit Payments	(5,164)
Net Changes	<u>\$ (33,950)</u>
Balance June 30, 2022	<u>\$ 208,623</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized negative OPEB expense of \$55,999. At June 30, 2023, 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	\$ 6,391	\$ 181,438
Changes of Assumptions/Inputs	40,416	111,971
Benefits Paid After the Measurement Date of June 30, 2022	<u>6,125</u>	<u>0</u>
Total	<u>\$ 52,932</u>	<u>\$ 293,409</u>

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

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

<u>Year Ending June 30</u>	<u>County</u>
2024	\$ (69,791)
2025	(69,791)
2026	(69,039)
2027	(10,858)
2028	(11,620)
Thereafter	(15,503)

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
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 240,382	\$ 208,623	\$ 182,334

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, 2022, 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	112
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	46
Active Employees Eligible for Benefits	444
 Total	 <u>602</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, 2023, the school department paid \$11,689 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 19.2504%	State of TN 80.7496%	
Balance July 1, 2021	\$ 343,017	\$ 1,388,374	\$ 1,731,391
Changes for the Year:			
Service Cost	\$ 9,020	\$ 37,837	\$ 46,857
Interest	7,278	30,529	37,807
Difference between Expected and Actuarial Experience	(353)	(1,483)	(1,836)
Change in Proportion	(9,717)	9,717	0
Changes in Assumption and Other Inputs	(57,595)	(241,593)	(299,188)
Benefit Payments	(10,807)	(45,331)	(56,138)
Net Changes	\$ (62,174)	\$ (210,324)	\$ (272,498)
Balance June 30, 2022	\$ 280,843	\$ 1,178,050	\$ 1,458,893

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 \$206,945 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 19.2504 percent and the State of Tennessee's share was 80.7496 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$68,302, which includes expenses funded by nonemployer contributing entities.

At June 30, 2023, 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	\$ 31,197
Changes of Assumptions/Inputs	126,506	109,199
Changes in Proportion	208,772	986,140
Benefits Paid After the Measurement Date of June 30, 2022	11,689	0
Total	<u>\$ 346,967</u>	<u>\$ 1,126,536</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
2024	\$ (154,941)
2025	(154,941)
2026	(154,938)
2027	(136,850)
2028	(157,871)
Thereafter	(31,717)

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
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 321,005	\$ 280,843	\$ 247,631
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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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	32
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	406
Total	<u><u>439</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$363,246 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Monroe County School Department 73.8762%	State of TN 26.1238%	Total OPEB Liability
Balance July 1, 2021	\$ 10,744,364	\$ 3,801,210	\$ 14,545,574
Changes for the Year:			
Service Cost	\$ 580,715	\$ 205,350	\$ 786,065
Interest	241,238	85,306	326,544
Changes of Benefit Terms	528,072	186,734	714,806
Difference between Expected and Actuarial Experience	(295,913)	(104,639)	(400,552)
Change in Proportion	1,353	(1,353)	0
Changes in Assumption and Other Inputs	(953,080)	(337,024)	(1,290,104)
Benefit Payments	(317,655)	(112,328)	(429,983)
Net Changes	<u>\$ (215,270)</u>	<u>\$ (77,954)</u>	<u>\$ (293,224)</u>
Balance June 30, 2022	<u><u>\$ 10,529,094</u></u>	<u><u>\$ 3,723,256</u></u>	<u><u>\$ 14,252,350</u></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 \$402,503 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 73.8762 percent and the State of Tennessee's share was 26.1238 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$1,832,088, which includes expenses funded by nonemployer contributing entities. At June 30, 2023, 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	\$ 955,888	\$ 372,692
Changes of Assumptions and Other Inputs	846,324	1,628,955
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	490,619	135,534
Benefits Paid After the Measurement Date June 30, 2022	363,246	0
Total	<u>\$ 2,656,077</u>	<u>\$ 2,137,181</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
2024	\$ 79,560
2025	79,560
2026	79,560
2027	79,560
2028	116,224
Thereafter	(278,814)

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

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

<u>Discount Rate</u>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Proportionate Share of the Collective Total OPEB Liability	\$ 11,290,802	\$ 10,529,094	\$ 9,803,746

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 7.37 to 3.5%	Curent Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 9,460,684	\$ 10,529,094	\$ 11,766,374

J. Office of Central Accounting, Budgeting, and Purchasing

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

K. Purchasing Laws

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Monroe County. All purchase orders are issued by the finance department. Prior to October 25, 2022, competitive bids were required for purchases exceeding \$25,000 for the County Mayor's Office and the Monroe County School Department. On October 25, 2022, county commission adopted a resolution raising that bid threshold to \$50,000. 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 \$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	2022
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	\$ 1,646,918
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	3,739,374
Differences Between Actual and Expected Experience	(1,154,371)	402,476	(488,694)	(84,832)	(452,607)	46,410	(948,128)	(1,280,316)	866,855
Changes in Assumptions	0	0	0	946,250	0	0	0	4,073,138	0
Benefit Payments, Including Refunds of Employee Contributions	(1,240,797)	(1,403,849)	(1,610,341)	(1,678,621)	(1,801,679)	(1,885,279)	(2,015,318)	(2,035,008)	(2,211,027)
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	\$ 4,042,120
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	54,856,733
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	\$ 58,898,853
Plan Fiduciary Net Position									
Contributions - Employer	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338	\$ 716,976	\$ 747,729
Contributions - Employee	657,563	678,593	698,994	726,863	751,139	785,812	812,727	856,005	859,673
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	(2,425,421)
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)	(2,211,027)
Administrative Expense	(18,010)	(23,396)	(33,832)	(38,423)	(43,159)	(41,029)	(41,826)	(41,434)	(46,257)
Other	0	0	0	2,599	0	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	\$ (3,075,303)
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	63,724,371
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	\$ 60,649,068
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)	\$ (1,750,215)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll	108.19%	103.71%	101.17%	102.52%	104.45%	104.63%	104.16%	116.17%	102.97%
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%)	(10.18%)

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	2023
Actuarially Determined Contribution	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 703,338	\$ 716,976	\$ 747,729	\$ 1,071,232
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)	(747,729)	(1,071,232)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 17,189,161	\$ 18,500,587
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%	5.79%

Note: 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	2023
Contractually Required Contribution	\$ 27,263	\$ 56,931	\$ 83,017	\$ 114,395	\$ 67,467	\$ 78,972	\$ 87,311	\$ 109,044	\$ 168,492
Less: Contributions in Relation to the Contractually Required Contribution	(27,263)	(56,931)	(83,017)	(114,395)	(67,467)	(78,972)	(87,311)	(109,044)	(168,492)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 5,870,786
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.99%	3.98%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: 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%

2023: Pension - 2.87%, SRT - 1.13%

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	2023
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	\$ 1,703,332	\$ 1,326,874
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)	(1,703,332)	(1,326,874)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 15,269,741
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%	8.69%

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	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.321270%	0.323468%	0.316211%	0.327262%	0.328640%	0.308281%	0.299490%	0.317683%
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)	\$ (96,234)
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
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%)	(1.77%)
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%	104.55%

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	2022
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%	0.502507%
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)	\$ (6,162,776)
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
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%)	(37.27%)
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%	104.42%

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	2022
Total OPEB Liability						
Service Cost	\$ 30,976	\$ 26,406	\$ 7,225	\$ 8,169	\$ 11,685	\$ 8,426
Interest	19,346	22,632	8,986	9,533	7,442	5,366
Differences Between Actual and Expected Experience	0	(409,069)	7,243	(8,249)	(30,954)	2,943
Changes in Assumptions or Other Inputs	(66,968)	(2,218)	5,745	58,939	(67,564)	(45,521)
Benefit Payments	(5,250)	(5,938)	(6,188)	(7,385)	(6,139)	(5,164)
Net Change in Total OPEB Liability	\$ (21,896)	\$ (368,187)	\$ 23,011	\$ 61,007	\$ (85,530)	\$ (33,950)
Total OPEB Liability, Beginning	634,168	612,272	244,085	267,096	328,103	242,573
Total OPEB Liability, Ending	\$ 612,272	\$ 244,085	\$ 267,096	\$ 328,103	\$ 242,573	\$ 208,623
Covered Employee Payroll	N/A	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	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%
2022	3.54%

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	2022
Total OPEB Liability						
Service Cost	\$ 642,656	\$ 596,357	\$ 764,496	\$ 575,341	\$ 736,867	\$ 786,065
Interest	318,694	390,983	499,126	432,794	327,452	326,544
Changes in Benefit Terms	0	(360,636)	(971,790)	0	0	714,806
Differences Between Actual and Expected Experience	0	1,965,213	(280,584)	317,728	136,409	(400,552)
Changes in Assumptions or Other Inputs	(506,033)	421,952	(881,559)	1,434,418	(502,315)	(1,290,104)
Benefit Payments	(314,232)	(366,829)	(389,974)	(406,514)	(463,079)	(429,983)
Net Change in Total OPEB Liability	\$ 141,085	\$ 2,647,040	\$ (1,260,285)	\$ 2,353,767	\$ 235,334	\$ (293,224)
Total OPEB Liability, Beginning	10,428,633	10,569,718	13,216,758	11,956,473	14,310,240	14,545,574
Total OPEB Liability, Ending	<u>\$ 10,569,718</u>	<u>\$ 13,216,758</u>	<u>\$ 11,956,473</u>	<u>\$ 14,310,240</u>	<u>\$ 14,545,574</u>	<u>\$ 14,252,350</u>
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	\$ 3,723,256
Employer Proportionate Share of the Total OPEB Liability	7,023,504	9,774,572	8,879,976	10,755,790	10,744,364	10,529,094
Covered Employee Payroll	\$ 20,259,007	\$ 20,558,208	\$ 20,676,848	\$ 27,090,167	\$ 28,455,692	\$ 29,213,969
Total OPEB Liability as a percentage of Covered Employee Payroll	52.17%	64.29%	57.83%	52.82%	51.12%	48.79%

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%
2022	3.54%

(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%
- For the 2023 plan year - from 7.36% to 8.37%

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	2022
Total OPEB Liability						
Service Cost	\$ 105,246	\$ 86,326	\$ 66,833	\$ 134,491	\$ 55,008	\$ 46,857
Interest	99,703	113,591	104,894	133,154	43,724	37,807
Changes in Benefit Terms	0	(146,769)	0	(2,184,193)	0	0
Differences Between Actual and Expected Experience	0	(199,222)	(125,848)	(25,593)	(897)	(1,836)
Changes in Assumptions or Other Inputs	(309,424)	(24,744)	888,204	287,643	(262,099)	(299,188)
Benefit Payments	(99,300)	(101,375)	(105,219)	(106,390)	(55,254)	(56,138)
Net Change in Total OPEB Liability	\$ (203,775)	\$ (272,193)	\$ 828,864	\$ (1,760,888)	\$ (219,518)	\$ (272,498)
Total OPEB Liability, Beginning	3,358,901	3,155,126	2,882,933	3,711,797	1,950,909	1,731,391
Total OPEB Liability, Ending	\$ 3,155,126	\$ 2,882,933	\$ 3,711,797	\$ 1,950,909	\$ 1,731,391	\$ 1,458,893
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	\$ 1,178,050
Employer Proportionate Share of the Total OPEB Liability	1,726,270	1,528,531	2,382,577	356,298	343,017	280,843
Covered Employee Payroll	N/A	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	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%
2022	3.54%

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, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, 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	2.25%
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 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	2.125%

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. 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 Fund

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

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

Exhibit G-1

Monroe County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>ASSETS</u>						
Cash	\$ 210	\$ 0	\$ 2,519	\$ 2,729	\$ 0	\$ 2,729
Equity in Pooled Cash and Investments	525,866	43,098	0	568,964	4,781,200	5,350,164
Accounts Receivable	11,158	0	24	11,182	0	11,182
Due from Other Governments	9,382	0	0	9,382	0	9,382
Property Taxes Receivable	1,404,637	0	0	1,404,637	0	1,404,637
Allowance for Uncollectible Property Taxes	(30,388)	0	0	(30,388)	0	(30,388)
Total Assets	\$ 1,920,865	\$ 43,098	\$ 2,543	\$ 1,966,506	\$ 4,781,200	\$ 6,747,706
<u>LIABILITIES</u>						
Accounts Payable	\$ 59,975	\$ 0	\$ 0	\$ 59,975	\$ 0	\$ 59,975
Accrued Payroll	11,267	380	0	11,647	0	11,647
Payroll Deductions Payable	30,071	0	0	30,071	0	30,071
Due to Other Funds	1,857	0	2,543	4,400	0	4,400
Total Liabilities	\$ 103,170	\$ 380	\$ 2,543	\$ 106,093	\$ 0	\$ 106,093
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,338,350	\$ 0	\$ 0	\$ 1,338,350	\$ 0	\$ 1,338,350
Deferred Delinquent Property Taxes	33,511	0	0	33,511	0	33,511
Other Deferred/Unavailable Revenue	852	0	0	852	0	852
Total Deferred Inflows of Resources	\$ 1,372,713	\$ 0	\$ 0	\$ 1,372,713	\$ 0	\$ 1,372,713
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 42,718	\$ 0	\$ 42,718	\$ 0	\$ 42,718
Restricted for Capital Projects	0	0	0	0	1,281,200	1,281,200
Committed:						
Committed for Public Health and Welfare	444,982	0	0	444,982	0	444,982
Committed for Capital Projects	0	0	0	0	3,500,000	3,500,000
Total Fund Balances	\$ 444,982	\$ 42,718	\$ 0	\$ 487,700	\$ 4,781,200	\$ 5,268,900
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,920,865	\$ 43,098	\$ 2,543	\$ 1,966,506	\$ 4,781,200	\$ 6,747,706

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, 2023

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 1,171,528	\$ 0	\$ 0	\$ 1,171,528	\$ 0	\$ 1,171,528
Fines, Forfeitures, and Penalties	0	44,275	0	44,275	0	44,275
Charges for Current Services	78,257	0	8,835	87,092	0	87,092
Other Local Revenues	28,061	0	0	28,061	0	28,061
State of Tennessee	95,527	0	0	95,527	0	95,527
Total Revenues	\$ 1,373,373	\$ 44,275	\$ 8,835	\$ 1,426,483	\$ 0	\$ 1,426,483
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 8,835	\$ 8,835	\$ 0	\$ 8,835
Public Safety	0	61,927	0	61,927	0	61,927
Public Health and Welfare	1,503,838	0	0	1,503,838	0	1,503,838
Highways	168,890	0	0	168,890	0	168,890
Total Expenditures	\$ 1,672,728	\$ 61,927	\$ 8,835	\$ 1,743,490	\$ 0	\$ 1,743,490
Excess (Deficiency) of Revenues Over Expenditures	\$ (299,355)	\$ (17,652)	\$ 0	\$ (317,007)	\$ 0	\$ (317,007)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 7,512	\$ 0	\$ 0	\$ 7,512	\$ 0	\$ 7,512
Total Other Financing Sources (Uses)	\$ 7,512	\$ 0	\$ 0	\$ 7,512	\$ 0	\$ 7,512
Net Change in Fund Balances	\$ (291,843)	\$ (17,652)	\$ 0	\$ (309,495)	\$ 0	\$ (309,495)
Fund Balance, July 1, 2022	736,825	60,370	0	797,195	4,781,200	5,578,395
Fund Balance, June 30, 2023	\$ 444,982	\$ 42,718	\$ 0	\$ 487,700	\$ 4,781,200	\$ 5,268,900

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,171,528	\$ 0	\$ 0	\$ 1,171,528	\$ 1,225,511	\$ 1,225,511	\$ (53,983)
Charges for Current Services	78,257	0	0	78,257	43,000	43,000	35,257
Other Local Revenues	28,061	0	0	28,061	15,000	15,000	13,061
State of Tennessee	95,527	0	0	95,527	88,200	141,079	(45,552)
Total Revenues	\$ 1,373,373	\$ 0	\$ 0	\$ 1,373,373	\$ 1,371,711	\$ 1,424,590	\$ (51,217)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 763,909	\$ 0	\$ 109	\$ 764,018	\$ 727,095	\$ 809,291	\$ 45,273
Convenience Centers	723,629	(531)	4,866	727,964	807,771	800,955	72,991
Postclosure Care Costs	16,300	0	0	16,300	25,000	16,500	200
<u>Highways</u>							
Litter and Trash Collection	168,890	0	1,529	170,419	191,240	184,751	14,332
Total Expenditures	\$ 1,672,728	\$ (531)	\$ 6,504	\$ 1,678,701	\$ 1,751,106	\$ 1,811,497	\$ 132,796
Excess (Deficiency) of Revenues Over Expenditures	\$ (299,355)	\$ 531	\$ (6,504)	\$ (305,328)	\$ (379,395)	\$ (386,907)	\$ 81,579
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,512	\$ 0	\$ 0	\$ 7,512	\$ 0	\$ 7,512	\$ 0
Total Other Financing Sources	\$ 7,512	\$ 0	\$ 0	\$ 7,512	\$ 0	\$ 7,512	\$ 0
Net Change in Fund Balance	\$ (291,843)	\$ 531	\$ (6,504)	\$ (297,816)	\$ (379,395)	\$ (379,395)	\$ 81,579
Fund Balance, July 1, 2022	736,825	(531)	0	736,294	741,782	741,782	(5,488)
Fund Balance, June 30, 2023	\$ 444,982	\$ 0	\$ (6,504)	\$ 438,478	\$ 362,387	\$ 362,387	\$ 76,091

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 44,275	\$ 125,000	\$ 125,000	\$ (80,725)
Total Revenues	\$ 44,275	\$ 125,000	\$ 125,000	\$ (80,725)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 61,927	\$ 111,069	\$ 111,069	\$ 49,142
Total Expenditures	\$ 61,927	\$ 111,069	\$ 111,069	\$ 49,142
Excess (Deficiency) of Revenues Over Expenditures	\$ (17,652)	\$ 13,931	\$ 13,931	\$ (31,583)
Net Change in Fund Balance	\$ (17,652)	\$ 13,931	\$ 13,931	\$ (31,583)
Fund Balance, July 1, 2022	60,370	76,340	76,340	(15,970)
Fund Balance, June 30, 2023	\$ 42,718	\$ 90,271	\$ 90,271	\$ (47,553)

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,424,657	\$ 4,515,423	\$ 4,515,423	\$ (90,766)
Other Local Revenues	968,507	100,000	100,000	868,507
State of Tennessee	10	10,000	10,000	(9,990)
Other Governments and Citizens Groups	36,645	7,188	36,705	(60)
Total Revenues	<u>\$ 5,429,819</u>	<u>\$ 4,632,611</u>	<u>\$ 4,662,128</u>	<u>\$ 767,691</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 456,545	\$ 456,545	\$ 456,545	\$ 0
Education	2,372,499	2,346,138	2,372,499	0
<u>Interest on Debt</u>				
General Government	845,695	845,695	845,695	0
Education	1,274,519	1,152,825	1,274,519	0
<u>Other Debt Service</u>				
General Government	2,500	3,000	2,500	0
Education	87,682	107,500	88,000	318
Total Expenditures	<u>\$ 5,039,440</u>	<u>\$ 4,911,703</u>	<u>\$ 5,039,758</u>	<u>\$ 318</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 390,379</u>	<u>\$ (279,092)</u>	<u>\$ (377,630)</u>	<u>\$ 768,009</u>
Net Change in Fund Balance	\$ 390,379	\$ (279,092)	\$ (377,630)	\$ 768,009
Fund Balance, July 1, 2022	16,102,940	16,018,791	16,018,791	84,149
Fund Balance, June 30, 2023	<u>\$ 16,493,319</u>	<u>\$ 15,739,699</u>	<u>\$ 15,641,161</u>	<u>\$ 852,158</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, 2023

	Custodial Funds			Total
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Custodial	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 3,091,662	\$ 3,091,662
Equity in Pooled Cash and Investments	0	1,925	0	1,925
Due from Other Governments	1,208,089	340,801	0	1,548,890
Property Taxes Receivable	0	1,248,164	0	1,248,164
Allowance for Uncollectible Property Taxes	0	(34,975)	0	(34,975)
Total Assets	\$ 1,208,089	\$ 1,555,915	\$ 3,091,662	\$ 5,855,666
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 1,208,089	\$ 395,884	\$ 0	\$ 1,603,973
Total Liabilities	\$ 1,208,089	\$ 395,884	\$ 0	\$ 1,603,973
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,160,031	\$ 0	\$ 1,160,031
Total Deferred Inflows of Resources	\$ 0	\$ 1,160,031	\$ 0	\$ 1,160,031
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 3,091,662	\$ 3,091,662
Total Net Position	\$ 0	\$ 0	\$ 3,091,662	\$ 3,091,662

Exhibit I-2

Monroe County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds			Total
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Custodial	
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 6,601,332	\$ 0	\$ 0	\$ 6,601,332
ADA - Educational Funds Collected for Cities	0	3,990,063	0	3,990,063
Fines/Fees and Other Collections	0	0	10,157,554	10,157,554
Total Additions	\$ 6,601,332	\$ 3,990,063	\$ 10,157,554	\$ 20,748,949
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 6,601,332	\$ 0	\$ 0	\$ 6,601,332
Payments to City School Systems	0	3,990,063	0	3,990,063
Payments to State	0	0	5,261,725	5,261,725
Payments to Individuals and Others	0	0	5,300,855	5,300,855
Total Deductions	\$ 6,601,332	\$ 3,990,063	\$ 10,562,580	\$ 21,153,975
Change in Net Position	\$ 0	\$ 0	\$ (405,026)	\$ (405,026)
Net Position July 1, 2022	0	0	3,496,688	3,496,688
Net Position June 30, 2023	\$ 0	\$ 0	\$ 3,091,662	\$ 3,091,662

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total
Governmental Activities:					
Instruction	\$ 31,788,182	\$ 0	\$ 4,549,745	\$ 0	\$ (27,238,437)
Support Services	22,767,883	303,549	906,422	5,060,419	(16,497,493)
Operation of Non-instructional Services	5,638,699	476,127	5,096,115	0	(66,457)
Total Governmental Activities	\$ 60,194,764	\$ 779,676	\$ 10,552,282	\$ 5,060,419	\$ (43,802,387)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,394,016
Local Option Sales Taxes					6,820,794
Business Tax					228,232
Mixed Drink Tax					9,498
Other Local Taxes					229
Grants and Contributions Not Restricted for Specific Programs					33,117,000
Miscellaneous					38,658
Total General Revenues					\$ 46,608,427
Change in Net Position					\$ 2,806,040
Net Position, July 1, 2022					57,440,603
Net Position, June 30, 2023					\$ 60,246,643

Exhibit J-2

Monroe County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Monroe County School Department
June 30, 2023

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
ASSETS					
Cash	\$ 0	\$ 0	\$ 2,446	\$ 1,064,660	\$ 1,067,106
Equity in Pooled Cash and Investments	11,949,135	160,966	3,518,513	0	15,628,614
Accounts Receivable	4,348	0	0	0	4,348
Due from Other Governments	2,912,932	1,111,789	113,423	0	4,138,144
Due from Other Funds	0	12	0	0	12
Property Taxes Receivable	6,657,887	0	0	0	6,657,887
Allowance for Uncollectible Property Taxes	(153,209)	0	0	0	(153,209)
Restricted Assets	440,980	0	0	0	440,980
Total Assets	\$ 21,812,073	\$ 1,272,767	\$ 3,634,382	\$ 1,064,660	\$ 27,783,882
LIABILITIES					
Accounts Payable	\$ 58,575	\$ 13,021	\$ 859	\$ 0	\$ 72,455
Accrued Payroll	3,959,236	550,739	60,608	0	4,570,583
Payroll Deductions Payable	2,144,688	102,518	12,132	0	2,259,338
Contracts Payable	175,135	0	0	0	175,135
Due to Other Funds	12	0	0	0	12
Total Liabilities	\$ 6,337,646	\$ 666,278	\$ 73,599	\$ 0	\$ 7,077,523
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 6,310,059	\$ 0	\$ 0	\$ 0	\$ 6,310,059
Deferred Delinquent Property Taxes	181,675	0	0	0	181,675
Other Deferred/Unavailable Revenue	1,099,325	0	0	0	1,099,325
Total Deferred Inflows of Resources	\$ 7,591,059	\$ 0	\$ 0	\$ 0	\$ 7,591,059
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 180,730	\$ 6,489	\$ 3,560,783	\$ 1,064,660	\$ 4,812,662
Restricted for Hybrid Retirement Stabilization Funds	440,980	0	0	0	440,980
Committed:					
Committed for Education	5,250	600,000	0	0	605,250
Assigned:					
Assigned for Education	519,192	0	0	0	519,192
Unassigned	6,737,216	0	0	0	6,737,216
Total Fund Balances	\$ 7,883,368	\$ 606,489	\$ 3,560,783	\$ 1,064,660	\$ 13,115,300
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,812,073	\$ 1,272,767	\$ 3,634,382	\$ 1,064,660	\$ 27,783,882

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, 2023

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)		\$ 13,115,300
(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: buildings and improvements net of accumulated depreciation	37,175,555	
Add: other capital assets net of accumulated depreciation	<u>5,359,100</u>	43,399,217
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability		(10,809,937)
(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	\$ 8,201,855	
Less: deferred inflows of resources related to pensions	(1,518,796)	
Add: deferred outflows of resources related to OPEB	3,003,041	
Less: deferred inflows of resources related to OPEB	<u>(3,263,718)</u>	6,422,382
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 579,671	
Add: net pension asset - teacher retirement plan	96,234	
Add: net pension asset - teacher legacy pension plan	<u>6,162,776</u>	6,838,681
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,281,000</u>
Net position of governmental activities (Exhibit A)		<u>\$ 60,246,643</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, 2023

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 13,389,178	\$ 0	\$ 0	\$ 0	\$ 13,389,178
Licenses and Permits	2,548	0	0	0	2,548
Charges for Current Services	276,852	0	502,824	0	779,676
Other Local Revenues	249,739	0	90	1,803,367	2,053,196
State of Tennessee	32,477,221	0	26,126	0	32,503,347
Federal Government	772,040	9,581,366	2,793,409	0	13,146,815
Other Governments and Citizens Groups	132,405	0	0	0	132,405
Total Revenues	\$ 47,299,983	\$ 9,581,366	\$ 3,322,449	\$ 1,803,367	\$ 62,007,165
<u>Expenditures</u>					
Current:					
Instruction	\$ 27,685,290	\$ 3,515,282	\$ 0	\$ 0	\$ 31,200,572
Support Services	19,679,219	6,074,538	0	0	25,753,757
Operation of Non-Instructional Services	543,623	0	3,800,900	1,711,450	6,055,973
Debt Service:					
Other Debt Service	29,517	0	0	0	29,517
Total Expenditures	\$ 47,937,649	\$ 9,589,820	\$ 3,800,900	\$ 1,711,450	\$ 63,039,819
Excess (Deficiency) of Revenues Over Expenditures	\$ (637,666)	\$ (8,454)	\$ (478,451)	\$ 91,917	\$ (1,032,654)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 28,644	\$ 0	\$ 0	\$ 0	\$ 28,644
Total Other Financing Sources (Uses)	\$ 28,644	\$ 0	\$ 0	\$ 0	\$ 28,644
Net Change in Fund Balances	\$ (609,022)	\$ (8,454)	\$ (478,451)	\$ 91,917	\$ (1,004,010)
Fund Balance, July 1, 2022	8,492,390	614,943	4,039,234	972,743	14,119,310
Fund Balance, June 30, 2023	\$ 7,883,368	\$ 606,489	\$ 3,560,783	\$ 1,064,660	\$ 13,115,300

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, 2023

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (1,004,010)
(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	\$ 5,258,454	
Less: current-year depreciation expense	<u>(2,725,985)</u>	2,532,469
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		(21,103)
Less: book value of assets disposed		
(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, 2023	\$ 1,281,000	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(707,993)</u>	573,007
(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		13,054
(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 pension asset	\$ (18,424,107)	
Change in deferred outflows related to pensions	(1,093,261)	
Change in deferred inflows related to pensions	21,027,596	
Change in director of schools buyout agreement liability	118,406	
Change in OPEB liability	277,444	
Change in deferred outflows related to OPEB	(453,326)	
Change in deferred inflows related to OPEB	<u>(740,129)</u>	<u>712,623</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,806,040</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,389,178	\$ 0	\$ 0	\$ 13,389,178	\$ 12,251,540	\$ 12,251,540	\$ 1,137,638
Licenses and Permits	2,548	0	0	2,548	3,000	3,000	(452)
Charges for Current Services	276,852	0	0	276,852	363,000	363,000	(86,148)
Other Local Revenues	249,739	0	0	249,739	198,617	237,713	12,026
State of Tennessee	32,477,221	0	0	32,477,221	32,279,873	33,004,003	(526,782)
Federal Government	772,040	0	0	772,040	100,000	788,608	(16,568)
Other Governments and Citizens Groups	132,405	0	0	132,405	130,000	896,049	(763,644)
Total Revenues	\$ 47,299,983	\$ 0	\$ 0	\$ 47,299,983	\$ 45,326,030	\$ 47,543,913	\$ (243,930)
Expenditures							
Instruction							
Regular Instruction Program	\$ 21,572,428	\$ (962)	\$ 0	\$ 21,571,466	\$ 22,361,276	\$ 22,677,424	\$ 1,105,958
Alternative Instruction Program	68,128	0	0	68,128	111,595	111,595	43,467
Special Education Program	4,146,260	(92,486)	35,249	4,089,023	4,072,795	4,140,633	51,610
Career and Technical Education Program	1,898,474	0	0	1,898,474	1,906,253	2,002,205	103,731
Support Services							
Attendance	0	0	0	0	41,714	0	0
Health Services	1,290,973	(35)	2,423	1,293,361	1,328,289	1,341,306	47,945
Other Student Support	1,009,341	0	0	1,009,341	1,049,808	1,067,924	58,583
Regular Instruction Program	1,135,134	0	0	1,135,134	1,171,347	1,138,686	3,552
Special Education Program	413,576	0	0	413,576	425,993	439,993	26,417
Technology	841,278	(1,018)	9,085	849,345	794,105	893,959	44,614
Other Programs	1,034,881	0	0	1,034,881	0	1,381,386	346,505
Board of Education	675,341	(300)	0	675,041	632,742	676,742	1,701
Director of Schools	489,757	0	0	489,757	337,051	490,755	998
Office of the Principal	2,583,155	0	0	2,583,155	2,598,067	2,636,549	53,394
Operation of Plant	3,561,508	(11,710)	1,200	3,550,998	3,759,059	3,758,669	207,671
Maintenance of Plant	4,444,020	(769,212)	469,263	4,144,071	2,073,076	4,458,161	314,090
Transportation	2,200,255	0	1,972	2,202,227	2,422,212	2,524,846	322,619

(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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 213,008	\$ 0	\$ 0	\$ 213,008	\$ 63,649	\$ 244,086	\$ 31,078
Early Childhood Education	330,615	0	0	330,615	351,999	351,977	21,362
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	0	0	150,000	150,000	150,000
<u>Other Debt Service</u>							
Education	29,517	0	0	29,517	0	29,517	0
Total Expenditures	\$ 47,937,649	\$ (875,723)	\$ 519,192	\$ 47,581,118	\$ 45,651,030	\$ 50,516,413	\$ 2,935,295
Excess (Deficiency) of Revenues Over Expenditures	\$ (637,666)	\$ 875,723	\$ (519,192)	\$ (281,135)	\$ (325,000)	\$ (2,972,500)	\$ 2,691,365
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,644	\$ 0	\$ 0	\$ 28,644	\$ 0	\$ 28,644	\$ 0
Transfers In	0	0	0	0	325,000	325,000	(325,000)
Total Other Financing Sources	\$ 28,644	\$ 0	\$ 0	\$ 28,644	\$ 325,000	\$ 353,644	\$ (325,000)
Net Change in Fund Balance	\$ (609,022)	\$ 875,723	\$ (519,192)	\$ (252,491)	\$ 0	\$ (2,618,856)	\$ 2,366,365
Fund Balance, July 1, 2022	8,492,390	(875,723)	0	7,616,667	7,656,691	7,656,691	(40,024)
Fund Balance, June 30, 2023	\$ 7,883,368	\$ 0	\$ (519,192)	\$ 7,364,176	\$ 7,656,691	\$ 5,037,835	\$ 2,326,341

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 9,581,366	\$ 0	\$ 9,581,366	\$ 3,628,145	\$ 14,276,263	\$ (4,694,897)
Total Revenues	\$ 9,581,366	\$ 0	\$ 9,581,366	\$ 3,628,145	\$ 14,276,263	\$ (4,694,897)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,489,538	\$ 0	\$ 2,489,538	\$ 1,670,044	\$ 5,038,289	\$ 2,548,751
Special Education Program	889,613	0	889,613	970,187	1,196,368	306,755
Career and Technical Education Program	136,131	(10,373)	125,758	123,711	125,758	0
<u>Support Services</u>						
Attendance	33,612	0	33,612	0	63,110	29,498
Health Services	28,808	0	28,808	0	35,433	6,625
Other Student Support	95,954	0	95,954	83,598	193,918	97,964
Regular Instruction Program	1,310,083	0	1,310,083	775,809	1,881,682	571,599
Special Education Program	264,627	0	264,627	241,074	349,996	85,369
Career and Technical Education Program	3,082	0	3,082	5,000	3,082	0
Technology	53,873	0	53,873	0	54,473	600
Operation of Plant	552,166	0	552,166	0	900,000	347,834
Maintenance of Plant	3,612,750	(1,440,000)	2,172,750	0	4,147,161	1,974,411
Transportation	119,583	0	119,583	13,000	286,993	167,410
Total Expenditures	\$ 9,589,820	\$ (1,450,373)	\$ 8,139,447	\$ 3,882,423	\$ 14,276,263	\$ 6,136,816
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,454)	\$ 1,450,373	\$ 1,441,919	\$ (254,278)	\$ 0	\$ 1,441,919
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 254,278	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 254,278	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2022	\$ (8,454)	\$ 1,450,373	\$ 1,441,919	\$ 0	\$ 0	\$ 1,441,919
Fund Balance, June 30, 2023	\$ 606,489	\$ 0	\$ 606,489	\$ 600,000	\$ 600,000	\$ 6,489

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 502,824	\$ 0	\$ 0	\$ 502,824	\$ 447,400	\$ 447,400	\$ 55,424
Other Local Revenues	90	0	0	90	0	0	90
State of Tennessee	26,126	0	0	26,126	25,150	25,150	976
Federal Government	2,793,409	0	0	2,793,409	3,299,420	3,304,756	(511,347)
Total Revenues	\$ 3,322,449	\$ 0	\$ 0	\$ 3,322,449	\$ 3,771,970	\$ 3,777,306	\$ (454,857)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,800,900	\$ (39,640)	\$ 312,468	\$ 4,073,728	\$ 3,771,970	\$ 4,353,672	\$ 279,944
Total Expenditures	\$ 3,800,900	\$ (39,640)	\$ 312,468	\$ 4,073,728	\$ 3,771,970	\$ 4,353,672	\$ 279,944
Excess (Deficiency) of Revenues Over Expenditures	\$ (478,451)	\$ 39,640	\$ (312,468)	\$ (751,279)	\$ 0	\$ (576,366)	\$ (174,913)
Net Change in Fund Balance	\$ (478,451)	\$ 39,640	\$ (312,468)	\$ (751,279)	\$ 0	\$ (576,366)	\$ (174,913)
Fund Balance, July 1, 2022	4,039,234	(39,640)	0	3,999,594	2,961,590	2,961,590	1,038,004
Fund Balance, June 30, 2023	\$ 3,560,783	\$ 0	\$ (312,468)	\$ 3,248,315	\$ 2,961,590	\$ 2,385,224	\$ 863,091

MISCELLANEOUS SCHEDULES

Exhibit K-1

Monroe County, Tennessee
Schedule of Changes in Long-term Bonds and Other Loans
 For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>GOVERNMENTAL ACTIVITIES:</u>							
<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	\$ 765,000	\$ 360,000	\$ 405,000
General Obligation School Refunding Bonds, Series 2016	8,005,000	2	9-14-16	6-1-24	1,060,000	530,000	530,000
General Obligation School Refunding Bonds, Series 2017	9,725,000	2.5 to 3.25	7-28-17	6-1-38	9,325,000	200,000	9,125,000
General Obligation School Refunding Bonds, Series 2021	9,410,000	2	6-25-21	6-1-35	9,310,000	100,000	9,210,000
Total Bonds Payable					<u>\$ 20,460,000</u>	<u>\$ 1,190,000</u>	<u>\$ 19,270,000</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Fund</u>							
Property Assessor Vehicle - 2019 Jeep Compass	21,816	4.99	2-10-19	2-10-23	\$ 4,364	\$ 4,364	\$ 0
Sheriff Vehicle - 2019 Dodge Durango	30,433	4.65	8-10-19	8-10-24	12,169	6,087	6,082
Motorola Radio System	3,210,000	3.16	10-1-19	10-1-29	2,564,279	286,736	2,277,543
Total Payable through General Fund					<u>\$ 2,580,812</u>	<u>\$ 297,187</u>	<u>\$ 2,283,625</u>
<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	\$ 21,785,000	\$ 1,155,000	\$ 20,630,000
Fort Loudoun Electric Cooperative Interest-Free Loan	71,820	0	9-13-12	8-20-22	1,138	1,138	0
USDA Loan, Series 2019	30,917,200	2.875	6-5-19	6-5-59	29,623,655	456,545	29,167,110
Caterpillar Excavator and Track Loader	113,354	2.99	1-26-22	1-26-27	67,925	13,307	54,618
Total Payable through General Debt Service Fund					<u>\$ 51,477,718</u>	<u>\$ 1,625,990</u>	<u>\$ 49,851,728</u>
<u>Payable through Highway/Public Works Fund</u>							
Three 2021 International Dump Trucks	348,686	3.93	10-10-20	10-10-23	\$ 174,342	\$ 87,172	\$ 87,170
Total Payable through Highway/Public Works Fund					<u>\$ 174,342</u>	<u>\$ 87,172</u>	<u>\$ 87,170</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	\$ 4,596	\$ 4,596	\$ 0
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	4,596	4,596	0
2019 Dodge Caravan	19,310	4.99	4-10-19	4-10-23	3,862	3,862	0
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 13,054</u>	<u>\$ 13,054</u>	<u>\$ 0</u>
Total Other Loans Payable					<u>\$ 54,245,926</u>	<u>\$ 2,023,403</u>	<u>\$ 52,222,523</u>

(Continued)

Exhibit K-1

Monroe County, Tennessee
Schedule of Changes in Long-term Bonds and Other Loans (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23	
<u>BUSINESS-TYPE ACTIVITIES (1):</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through Joint Venture Debt Enterprise Fund</u>								
Series 2020 Water and Sewer Revenue Bonds	\$ 2,060,000	1 to 3	%	3-26-20	7-1-45	\$ 2,000,000 (2)	\$ 62,500	\$ 1,937,500
Total Bonds Payable						<u>\$ 2,000,000</u>	<u>\$ 62,500</u>	<u>\$ 1,937,500</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through Joint Venture Debt Enterprise Fund</u>								
State of Tennessee Revolving Fund Loan	4,708,034	1.47		2-13-08	11-13-30	\$ 1,616,372	\$ 181,752	\$ 1,434,620
Total Other Loans Payable						<u>\$ 1,616,372</u>	<u>\$ 181,752</u>	<u>\$ 1,434,620</u>

- (1) Debt instruments reported under business-type activities are reported for the first time in the 2022-23 year due to accounting changes required by GASB Statement No. 91. These business-type activities debt issues were issued for the benefit of, and are being serviced by, Tellico Area Services System, a joint venture.
- (2) The Series 2020 Water and Sewer Revenue Bonds were jointly issued by Monroe County and Loudon County, Tennessee. Amounts reported here represent one-half of the total amounts issued, paid, and outstanding. The remaining half is reported by Loudon County.

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	<u>\$ 19,270,000</u>	<u>\$ 4,256,038</u>	<u>\$ 23,526,038</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2024	\$ 2,002,603	\$ 1,788,356	\$ 152,336	\$ 3,943,295
2025	1,952,803	1,711,112	143,992	3,807,907
2026	2,121,959	1,638,080	135,500	3,895,539
2027	2,159,078	1,558,144	125,937	3,843,159
2028	2,282,030	1,477,141	116,264	3,875,435
2029	2,332,969	1,390,851	105,779	3,829,599
2030	2,504,690	1,302,717	95,108	3,902,515
2031	2,019,449	1,207,616	83,368	3,310,433
2032	2,171,184	1,129,469	72,697	3,373,350
2033	2,253,406	1,045,096	61,030	3,359,532
2034	1,491,130	957,460	48,884	2,497,474
2035	1,604,371	902,457	42,496	2,549,324
2036	2,128,142	842,885	35,407	3,006,434
2037	2,077,461	761,304	24,589	2,863,354
2038	2,237,342	682,135	14,289	2,933,766

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (Cont.):

Year Ending June 30	Other Loans - Direct Placement (cont.)			
	Principal	Interest	Other Fees	Total
2039	\$ 1,122,803	\$ 596,437	\$ 2,954	\$ 1,722,194
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	\$ 52,222,523	\$ 25,223,710	\$ 1,260,630	\$ 78,706,863

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Revenue Bonds - Monroe County Half		
	Principal	Interest	Total
2024	\$ 62,500	\$ 52,825	\$ 115,325
2025	65,000	51,550	116,550
2026	65,000	50,250	115,250
2027	67,500	48,925	116,425
2028	67,500	47,575	115,075
2029	70,000	46,200	116,200
2030	70,000	44,800	114,800
2031	72,500	43,012	115,512
2032	75,000	40,800	115,800
2033	77,500	38,512	116,012

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES (Cont.):

Year Ending June 30	Revenue Bonds - Monroe County Half (Cont.)		
	Principal	Interest	Total
2034	\$ 80,000	\$ 36,150	\$ 116,150
2035	82,500	33,712	116,212
2036	85,000	31,200	116,200
2037	87,500	28,612	116,112
2038	90,000	25,950	115,950
2039	92,500	23,213	115,713
2040	95,000	20,400	115,400
2041	97,500	17,513	115,013
2042	100,000	14,550	114,550
2043	105,000	11,475	116,475
2044	107,500	8,288	115,788
2045	110,000	5,025	115,025
2046	112,500	1,688	114,188
Total	\$ 1,937,500	\$ 722,225	\$ 2,659,725

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 184,440	\$ 19,848	\$ 204,288
2025	187,176	17,112	204,288
2026	189,936	14,352	204,288
2027	192,744	11,544	204,288
2028	195,600	8,688	204,288
2029	198,492	5,796	204,288
2030	201,432	2,856	204,288
2031	84,800	313	85,113
Total	\$ 1,434,620	\$ 80,509	\$ 1,515,129

Exhibit K-3

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, 2023

Official	Authorization	Bond	Surety
County Mayor Base salary/Total compensation	Section 8-24-102, TCA	\$ (1)	Tennessee Risk Management Trust
			<u>\$ 108,596</u>
Road Superintendent Base salary/Total compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			<u>\$ 98,425</u>
Director of Schools - Dr. Kristi Windsor Base salary Travel allowance Sick leave incentive Career ladder Total compensation	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
			\$ 112,200
			9,600
			300
			<u>2,000</u>
			<u>\$ 124,100</u>
Director of Schools (former) - Dr. DeAnna McClendon Buyout agreement/Total compensation Total Director of Schools compensation			\$ 109,992
			<u>\$ 234,092</u>
Trustee Base salary/Total compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			<u>\$ 89,477</u>
Assessor of Property Base salary/Total compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			<u>\$ 89,477</u>
County Clerk Base salary/Total compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			<u>\$ 89,477</u>
Circuit and General Sessions Courts Clerk - Martha Cook (7/1/22-8/31/22) Base salary/Total compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			<u>\$ 14,913</u>
Circuit and General Sessions Courts Clerk - Dewayna Martin (9/1/22-6/30/23) Base salary/Total compensation Total Circuit and General Sessions Courts Clerk compensation	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
			\$ 74,564
			<u>\$ 89,477</u>

(Continued)

Exhibit K-3

Monroe County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials (Cont.)

Official	Authorization	Bond	Surety
Clerk and Master	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary	\$ 89,477		
Special commissioner fees	8,835		
Total compensation	<u>\$ 98,312</u>		
Register of Deeds	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 89,477</u>		
Sheriff	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary	\$ 98,425		
Superintendent of workhouse	5,000		
Law enforcement training supplement	800		
Total compensation	<u>\$ 104,225</u>		
Finance Director - Elizabeth Hicks (7/1/22-8/8/22)	County Commission	(1)	Tennessee Risk Management Trust
Base salary	\$ 16,140		
Accrued leave payout	15,398		
Longevity	1,100		
Total compensation	<u>\$ 32,638</u>		
Finance Director - Gail Sensibaugh (8/9/22-6/30/23)			
Base salary	\$ 74,602		
Longevity	1,000		
Total compensation	<u>\$ 75,602</u>		
Total Finance Director compensation	<u>\$ 108,240</u>		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

(1) Official is under the employee fidelity insurance coverage.

Exhibit K-4

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,708,609	\$ 1,043,918	\$ 0	\$ 0	\$ 0	\$ 2,072,921
Trustee's Collections - Prior Year	187,812	18,309	0	0	0	19,542
Circuit Clerk/Clerk and Master Collections - Prior Years	154,289	15,247	0	0	0	29,902
Interest and Penalty	41,060	4,003	0	0	0	5,260
Payments in-Lieu-of Taxes - T.V.A.	72,651	7,082	0	0	0	14,063
Payments in-Lieu-of Taxes - Local Utilities	780,134	76,050	0	0	0	151,015
Payments in-Lieu-of Taxes - Other	103,015	294	0	0	0	155,589
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,112,538	0	0	0	0	0
Hotel/Motel Tax	352,930	0	0	0	0	0
Wheel Tax	1,134,324	0	0	0	0	0
Litigation Tax - General	37,503	0	0	0	0	0
Litigation Tax - Special Purpose	34,791	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	162,947	0	0	0	0	0
Business Tax	298,997	0	0	0	0	13,907
Mixed Drink Tax	11,973	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	73,104
<u>Statutory Local Taxes</u>						
Bank Excise Tax	67,964	6,625	0	0	0	13,156
Wholesale Beer Tax	94,445	0	0	0	0	0
Total Local Taxes	\$ 16,355,982	\$ 1,171,528	\$ 0	\$ 0	\$ 0	\$ 2,548,459
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 51,568	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	54,968	0	0	0	0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 19,785	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 126,321	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,722	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	27,988	0	0	0	0	0
Jail Fees	9,190	0	0	0	0	0
DUI Treatment Fines	1,425	0	0	0	0	0
Data Entry Fee - Circuit Court	3,368	0	0	0	0	0
Courtroom Security Fee	251	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	37,049	0	0	0	0	0
Officers Costs	43,945	0	0	0	0	0
Jail Fees	57,138	0	0	0	0	0
DUI Treatment Fines	8,274	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,443	0	0	0	0	0
Courtroom Security Fee	1,085	0	0	0	0	0
Victims Assistance Assessments	4,370	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,335	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	18,543	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	63	0	0	0	0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	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	\$ 44,275	\$ 0	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties	5,922	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 240,111	\$ 0	\$ 44,275	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tippling Fees	\$ 0	\$ 78,257	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	3,854,533	0	0	0	0	0
Other General Service Charges	298,861	0	0	0	0	338,748
<u>Fees</u>						
Airport Fees	460,802	0	0	0	0	0
Copy Fees	1,673	0	0	0	0	0
Archives and Records Management Fee	15,033	0	0	0	0	0
Telephone Commissions	215,311	0	0	0	0	0
Tourism Fees	102,687	0	0	0	0	0
Additional Fees - Titling and Registration	42,267	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	8,835	0
Data Processing Fee - Register	16,773	0	0	0	0	0
Data Processing Fee - Sheriff	8,178	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	12,800	0	0	0	0	0
Data Processing Fee - County Clerk	7,731	0	0	0	0	0
Total Charges for Current Services	\$ 5,036,649	\$ 78,257	\$ 0	\$ 0	\$ 8,835	\$ 338,748

(Continued)

Exhibit K-4

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 531	\$ 0	\$ 0	\$ 206,596	\$ 0	\$ 0
Lease/Rentals	4,000	0	0	0	0	0
Commissary Sales	72,153	0	0	0	0	0
Sale of Recycled Materials	0	28,025	0	0	0	0
Miscellaneous Refunds	1,501	36	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	90,016	0	0	0	0	9,927
Contributions and Gifts	5,626	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	46,568	0	0	0	0	0
Total Other Local Revenues	\$ 220,395	\$ 28,061	\$ 0	\$ 206,596	\$ 0	\$ 9,927
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 593,711	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	248,817	0	0	0	0	0
General Sessions Court Clerk	247,160	0	0	0	0	0
Clerk and Master	157,119	0	0	0	0	0
Register	243,393	0	0	0	0	0
Sheriff	24,085	0	0	0	0	0
Trustee	914,071	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,428,356	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-4

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	10,517	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	36,800	0	0	0	0	0
Other Public Safety Grants	8,994	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	57,144	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	37	4	0	0	0	7
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	9,559	0	0	0	0	0
Alcoholic Beverage Tax	131,107	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	212,353	0	0	0	0	0
State Revenue Sharing - T.V.A.	150,000	0	0	0	0	21,000
State Revenue Sharing - Telecommunications	47,666	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	52,962	0	0	0	0	0
Prisoner Transportation	56,590	0	0	0	0	0
Contracted Prisoner Boarding	884,534	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	3,002,280
Petroleum Special Tax	0	0	0	0	0	30,644
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	757,702	0	0	0	0	0
Other State Revenues	11,870	38,379	0	0	0	0
Total State of Tennessee	\$ 2,414,055	\$ 95,527	\$ 0	\$ 0	\$ 0	\$ 3,053,931

(Continued)

Exhibit K-4

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 34,936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	12,117
American Rescue Plan Act Grant #1	0	0	0	2,454,102	0	0
Other Federal through State	485,888	0	0	0	0	90,422
<u>Direct Federal Revenue</u>						
Forest Service	6,735	0	0	0	0	0
Other Direct Federal Revenue	27,881	0	0	0	0	0
Total Federal Government	<u>\$ 555,440</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,454,102</u>	<u>\$ 0</u>	<u>\$ 102,539</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 308,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	28,431	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	28,662	0	0	0	0	0
<u>Other</u>						
Other	17,414	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	145,254	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 528,365</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 27,905,674</u>	<u>\$ 1,373,373</u>	<u>\$ 44,275</u>	<u>\$ 2,660,698</u>	<u>\$ 8,835</u>	<u>\$ 6,053,604</u>

(Continued)

Exhibit K-4

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

	Debt Service Fund		
	General	Debt Service	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 2,826,028		\$ 16,651,476
Trustee's Collections - Prior Year	66,377		292,040
Circuit Clerk/Clerk and Master Collections - Prior Years	40,769		240,207
Interest and Penalty	13,524		63,847
Payments in-Lieu-of Taxes - T.V.A.	19,173		112,969
Payments in-Lieu-of Taxes - Local Utilities	205,879		1,213,078
Payments in-Lieu-of Taxes - Other	796		259,694
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		2,112,538
Hotel/Motel Tax	0		352,930
Wheel Tax	1,101,235		2,235,559
Litigation Tax - General	35,592		73,095
Litigation Tax - Special Purpose	0		34,791
Litigation Tax - Jail, Workhouse, or Courthouse	0		162,947
Business Tax	97,348		410,252
Mixed Drink Tax	0		11,973
Mineral Severance Tax	0		73,104
<u>Statutory Local Taxes</u>			
Bank Excise Tax	17,936		105,681
Wholesale Beer Tax	0		94,445
Total Local Taxes	<u>\$ 4,424,657</u>		<u>\$ 24,500,626</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Vaccination	\$ 0		\$ 51,568
Cable TV Franchise	0		54,968

(Continued)

Exhibit K-4

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

	Debt Service Fund		Total
	General		
	Debt		
	Service		
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Building Permits	\$ 0	\$	19,785
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>126,321</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$	6,722
Officers Costs	0		27,988
Jail Fees	0		9,190
DUI Treatment Fines	0		1,425
Data Entry Fee - Circuit Court	0		3,368
Courtroom Security Fee	0		251
<u>General Sessions Court</u>			
Fines	0		37,049
Officers Costs	0		43,945
Jail Fees	0		57,138
DUI Treatment Fines	0		8,274
Data Entry Fee - General Sessions Court	0		13,443
Courtroom Security Fee	0		1,085
Victims Assistance Assessments	0		4,370
<u>Chancery Court</u>			
Officers Costs	0		1,335
<u>Other Courts - In-county</u>			
Drug Control Fines	0		18,543
<u>Judicial District Drug Program</u>			
Courtroom Security Fee	0		63

(Continued)

Exhibit K-4

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

	Debt Service Fund		Total
	General		
	Debt		
	Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	\$ 0	\$	44,275
Other Fines, Forfeitures, and Penalties	0		5,922
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$</u>	<u>284,386</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Tipping Fees	\$ 0	\$	78,257
Patient Charges	0		3,854,533
Other General Service Charges	0		637,609
<u>Fees</u>			
Airport Fees	0		460,802
Copy Fees	0		1,673
Archives and Records Management Fee	0		15,033
Telephone Commissions	0		215,311
Tourism Fees	0		102,687
Additional Fees - Titling and Registration	0		42,267
Special Commissioner Fees/Special Master Fees	0		8,835
Data Processing Fee - Register	0		16,773
Data Processing Fee - Sheriff	0		8,178
Sexual Offender Registration Fee - Sheriff	0		12,800
Data Processing Fee - County Clerk	0		7,731
Total Charges for Current Services	<u>\$ 0</u>	<u>\$</u>	<u>5,462,489</u>

(Continued)

Exhibit K-4

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

	<u>Debt Service</u>		
	<u>Fund</u>		
	General	Debt	Total
	Service		
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 968,507	\$	1,175,634
Lease/Rentals	0		4,000
Commissary Sales	0		72,153
Sale of Recycled Materials	0		28,025
Miscellaneous Refunds	0		1,537
<u>Nonrecurring Items</u>			
Sale of Equipment	0		99,943
Contributions and Gifts	0		5,626
<u>Other Local Revenues</u>			
Other Local Revenues	0		46,568
Total Other Local Revenues	<u>\$ 968,507</u>	<u>\$</u>	<u>1,433,486</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	593,711
Circuit Court Clerk	0		248,817
General Sessions Court Clerk	0		247,160
Clerk and Master	0		157,119
Register	0		243,393
Sheriff	0		24,085
Trustee	0		914,071
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$</u>	<u>2,428,356</u>

(Continued)

Exhibit K-4

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

	Debt Service Fund	
	General Debt Service	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	10,517
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	36,800
Other Public Safety Grants	0	8,994
<u>Public Works Grants</u>		
Litter Program	0	57,144
<u>Other State Revenues</u>		
Income Tax	10	58
Beer Tax	0	19,200
Vehicle Certificate of Title Fees	0	9,559
Alcoholic Beverage Tax	0	131,107
Opioid Settlement Funds - TN Abatement Council	0	212,353
State Revenue Sharing - T.V.A.	0	171,000
State Revenue Sharing - Telecommunications	0	47,666
State Shared Sports Gaming Privilege Tax	0	52,962
Prisoner Transportation	0	56,590
Contracted Prisoner Boarding	0	884,534
Gasoline and Motor Fuel Tax	0	3,002,280
Petroleum Special Tax	0	30,644
Registrar's Salary Supplement	0	15,164
Other State Grants	0	757,702
Other State Revenues	0	50,249
Total State of Tennessee	<u>\$ 10</u>	<u>\$ 5,563,523</u>

(Continued)

Exhibit K-4

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

	<u>Debt Service</u>		
	<u>Fund</u>		
	General	Debt	Total
	Service	Service	
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 0	\$ 34,936	
Disaster Relief	0	12,117	
American Rescue Plan Act Grant #1	0	2,454,102	
Other Federal through State	0	576,310	
<u>Direct Federal Revenue</u>			
Forest Service	0	6,735	
Other Direct Federal Revenue	0	27,881	
Total Federal Government	<u>\$ 0</u>	<u>\$ 3,112,081</u>	
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 36,645	\$ 345,249	
Contracted Services	0	28,431	
<u>Citizens Groups</u>			
Donations	0	28,662	
<u>Other</u>			
Other	0	17,414	
Opioid Settlement Funds - Past Remediation	0	145,254	
Total Other Governments and Citizens Groups	<u>\$ 36,645</u>	<u>\$ 565,010</u>	
Total	<u>\$ 5,429,819</u>	<u>\$ 43,476,278</u>	

Exhibit K-5

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2023

	<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	\$ 5,659,323	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,659,323
Trustee's Collections - Prior Year	98,947	0	0	0	0	98,947
Circuit Clerk/Clerk and Master Collections - Prior Years	82,379	0	0	0	0	82,379
Interest and Penalty	21,996	0	0	0	0	21,996
Payments in-Lieu-of Taxes - T.V.A.	38,386	0	0	0	0	38,386
Payments in-Lieu-of Taxes - Local Utilities	411,386	0	0	0	0	411,386
Payments in-Lieu-of Taxes - Other	1,593	0	0	0	0	1,593
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,801,291	0	0	0	0	6,801,291
Business Tax	228,232	0	0	0	0	228,232
Mixed Drink Tax	9,498	0	0	0	0	9,498
Other County Local Option Taxes	229	0	0	0	0	229
<u>Statutory Local Taxes</u>						
Bank Excise Tax	35,918	0	0	0	0	35,918
Total Local Taxes	<u>\$ 13,389,178</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,389,178</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,548
Total Licenses and Permits	<u>\$ 2,548</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,548</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 399,098	\$ 0	\$ 0	\$ 399,098

(Continued)

Exhibit K-5

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>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 74,130	\$ 0	\$ 74,130
Income from Breakfast	0	0	2,899	0	2,899
Transportation - Other State Systems	211,549	0	0	0	211,549
School Based Health Services - FFS	35,722	0	0	0	35,722
Receipts from Individual Schools	29,581	0	26,697	0	56,278
Total Charges for Current Services	<u>\$ 276,852</u>	<u>\$ 0</u>	<u>\$ 502,824</u>	<u>\$ 0</u>	<u>\$ 779,676</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 26,377	\$ 0	\$ 0	\$ 0	\$ 26,377
Miscellaneous Refunds	5,024	0	90	0	5,114
<u>Nonrecurring Items</u>					
Sale of Equipment	33,544	0	0	0	33,544
<u>Other Local Revenues</u>					
Other Local Revenues	184,794	0	0	1,803,367	1,988,161
Total Other Local Revenues	<u>\$ 249,739</u>	<u>\$ 0</u>	<u>\$ 90</u>	<u>\$ 1,803,367</u>	<u>\$ 2,053,196</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 188,814	\$ 0	\$ 0	\$ 0	\$ 188,814
<u>State Education Funds</u>					
Basic Education Program	29,867,784	0	0	0	29,867,784
Early Childhood Education	288,419	0	0	0	288,419
School Food Service	0	0	26,126	0	26,126

(Continued)

Exhibit K-5

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	\$ 170,687	\$ 0	\$ 0	\$ 0	\$ 0	170,687
Coordinated School Health	180,043	0	0	0	0	180,043
Family Resource Centers	29,612	0	0	0	0	29,612
Career Ladder Program	73,939	0	0	0	0	73,939
Other Vocational	19,140	0	0	0	0	19,140
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,549,833	0	0	0	0	1,549,833
Safe Schools	108,950	0	0	0	0	108,950
Total State of Tennessee	<u>\$ 32,477,221</u>	<u>\$ 0</u>	<u>\$ 26,126</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,503,347</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,664,701	\$ 0	\$ 0	1,664,701
USDA - Commodities	0	0	226,833	0	0	226,833
Breakfast	0	0	740,568	0	0	740,568
USDA - Other	0	0	161,307	0	0	161,307
Vocational Education - Basic Grants to States	0	147,087	0	0	0	147,087
Title I Grants to Local Education Agencies	0	1,660,917	0	0	0	1,660,917
Special Education - Grants to States	81,838	949,299	0	0	0	1,031,137
Special Education Preschool Grants	0	33,761	0	0	0	33,761
English Language Acquisition Grants	0	6,434	0	0	0	6,434
Eisenhower Professional Development State Grants	0	367,705	0	0	0	367,705
COVID-19 Grant #1	0	69,250	0	0	0	69,250
COVID-19 Grant #2	0	374,806	0	0	0	374,806

(Continued)

Exhibit K-5

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant B	\$ 0	\$ 4,894,620	\$ 0	\$ 0	\$ 4,894,620
COVID-19 Grant C	0	60,000	0	0	60,000
COVID-19 Grant D	0	69,000	0	0	69,000
COVID-19 Grant E	0	130,317	0	0	130,317
American Rescue Plan Act Grant #1	0	275,129	0	0	275,129
American Rescue Plan Act Grant #2	0	12,434	0	0	12,434
American Rescue Plan Act Grant #3	0	22,263	0	0	22,263
American Rescue Plan Act Grant #4	0	321,385	0	0	321,385
American Rescue Plan Act Grant #5	0	137,594	0	0	137,594
Other Federal through State	90,422	49,365	0	0	139,787
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	599,780	0	0	0	599,780
Total Federal Government	<u>\$ 772,040</u>	<u>\$ 9,581,366</u>	<u>\$ 2,793,409</u>	<u>\$ 0</u>	<u>\$ 13,146,815</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 105,629	\$ 0	\$ 0	\$ 0	\$ 105,629
Contracted Services	26,776	0	0	0	26,776
Total Other Governments and Citizens Groups	<u>\$ 132,405</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 132,405</u>
Total	<u>\$ 47,299,983</u>	<u>\$ 9,581,366</u>	<u>\$ 3,322,449</u>	<u>\$ 1,803,367</u>	<u>\$ 62,007,165</u>

Exhibit K-6

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	52,999	
Social Security		3,217	
Employer Medicare		768	
Audit Services		19,425	
Contracts with Private Agencies		27,188	
Dues and Memberships		4,550	
Postal Charges		242	
Travel		10,132	
Other Contracted Services		8,359	
Building and Contents Insurance		125,830	
Liability Insurance		16,200	
Workers' Compensation Insurance		191,998	
Tax Relief Program		67,066	
Other Charges		20,325	
Total County Commission			\$ 548,299

Board of Equalization

Board and Committee Members Fees	\$	3,475	
Total Board of Equalization			3,475

County Mayor/Executive

County Official/Administrative Officer	\$	108,596	
Assistant(s)		42,331	
Deputy(ies)		25,817	
Longevity Pay		800	
Social Security		10,494	
Pensions		9,784	
Employee and Dependent Insurance		51,218	
Life Insurance		164	
Employer Medicare		2,454	
Postal Charges		184	
Office Supplies		735	
Other Charges		988	
Office Equipment		675	
Total County Mayor/Executive			254,240

Personnel Office

Secretary(ies)	\$	98,363	
Longevity Pay		1,400	
Social Security		6,056	
Pensions		5,351	
Employee and Dependent Insurance		23,127	
Life Insurance		114	
Employer Medicare		1,416	
Consultants		849	
Lease Payments		3,192	
Maintenance Agreements		464	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Travel	\$	162	
Other Charges		4,554	
Office Equipment		1,351	
Total Personnel Office			\$ 146,399

County Attorney

Legal Services	\$	37,380	
Total County Attorney			37,380

Election Commission

County Official/Administrative Officer	\$	80,529	
Assistant(s)		40,750	
Deputy(ies)		39,670	
Longevity Pay		1,300	
Election Commission		21,000	
Election Workers		72,690	
Social Security		14,120	
Pensions		8,992	
Employee and Dependent Insurance		49,835	
Life Insurance		171	
Employer Medicare		3,315	
Data Processing Services		1,045	
Lease Payments		3,496	
Legal Notices, Recording, and Court Costs		5,218	
Maintenance Agreements		23,396	
Maintenance and Repair Services - Office Equipment		169	
Postal Charges		990	
Travel		942	
Data Processing Supplies		620	
Gasoline		742	
Office Supplies		3,645	
Other Supplies and Materials		12,799	
Building and Contents Insurance		172	
Total Election Commission			385,606

Register of Deeds

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		188,939	
Part-time Personnel		9,616	
Longevity Pay		2,200	
Social Security		16,702	
Pensions		15,054	
Employee and Dependent Insurance		84,636	
Life Insurance		352	
Employer Medicare		3,995	
Dues and Memberships		1,003	
Lease Payments		4,945	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Maintenance Agreements	\$	26,600	
Postal Charges		1,500	
Travel		1,677	
Office Supplies		5,675	
Other Charges		119	
Office Equipment		5,600	
Total Register of Deeds			\$ 458,090

Planning

Supervisor/Director	\$	61,473	
Clerical Personnel		22,400	
Longevity Pay		1,300	
Board and Committee Members Fees		1,450	
Social Security		5,089	
Pensions		4,563	
Employee and Dependent Insurance		12,399	
Life Insurance		76	
Employer Medicare		1,191	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		376	
Maintenance Agreements		2,025	
Postal Charges		35	
Travel		1,314	
Office Supplies		652	
Other Supplies and Materials		900	
Other Charges		7,000	
Office Equipment		2,880	
Total Planning			125,348

Engineering

Supervisor/Director	\$	64,890	
Computer Programmer(s)		35,360	
Social Security		6,075	
Pensions		5,217	
Employee and Dependent Insurance		21,164	
Life Insurance		57	
Employer Medicare		1,421	
Communication		243,107	
Licenses		16,689	
Maintenance Agreements		11,653	
Travel		145	
Equipment and Machinery Parts		14,091	
Other Supplies and Materials		39	
Motor Vehicles		26,489	
Office Equipment		1,034	
Total Engineering			447,431

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance

County Official/Administrative Officer	\$	17,906	
Clerical Personnel		1,957	
Social Security		1,203	
Pensions		1,096	
Employee and Dependent Insurance		1,756	
Life Insurance		7	
Employer Medicare		281	
Legal Notices, Recording, and Court Costs		19	
Maintenance Agreements		657	
Postal Charges		34	
Office Supplies		259	
Other Charges		315	
Office Equipment		418	
Total Codes Compliance	\$		25,908

Geographical Information Systems

Supervisor/Director	\$	52,403	
Longevity Pay		1,500	
Social Security		3,062	
Pensions		2,976	
Employee and Dependent Insurance		16,247	
Life Insurance		57	
Employer Medicare		716	
Licenses		700	
Maintenance Agreements		13,735	
Maintenance and Repair Services - Vehicles		188	
Postal Charges		31	
Travel		1,204	
Gasoline		361	
Office Supplies		1,650	
Uniforms		378	
Other Charges		1,201	
Office Equipment		165	
Total Geographical Information Systems			96,574

County Buildings

Assistant(s)	\$	81,611	
Supervisor/Director		52,842	
Attendants		28,043	
Custodial Personnel		27,175	
Longevity Pay		4,100	
Other Salaries and Wages		28,043	
Social Security		12,733	
Pensions		11,930	
Employee and Dependent Insurance		78,555	
Life Insurance		347	
Employer Medicare		2,978	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Buildings	\$	165,951	
Other Contracted Services		34,702	
Custodial Supplies		6,137	
Electricity		108,514	
Natural Gas		26,885	
Water and Sewer		9,440	
Other Supplies and Materials		4,165	
Other Charges		7,240	
Maintenance Equipment		5,561	
Total County Buildings			\$ 696,952

Other General Administration

Lease Payments	\$	1,312	
Legal Notices, Recording, and Court Costs		1,436	
Maintenance Agreements		1,243	
Maintenance and Repair Services - Vehicles		116	
Duplicating Supplies		2,016	
Gasoline		13,383	
Trustee's Commission		348,040	
Total Other General Administration			367,546

Preservation of Records

Supervisor/Director	\$	13,447	
Other Salaries and Wages		2,356	
Social Security		941	
Employer Medicare		229	
Lease Payments		969	
Maintenance Agreements		358	
Postal Charges		3	
Travel		30	
Other Supplies and Materials		354	
Other Charges		220	
Total Preservation of Records			18,907

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	106,140	
Assistant(s)		13,449	
Accountants/Bookkeepers		316,246	
Longevity Pay		5,200	
Social Security		26,380	
Pensions		22,304	
Employee and Dependent Insurance		105,576	
Life Insurance		478	
Employer Medicare		6,169	
Data Processing Services		23,364	
Lease Payments		1,507	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance Agreements	\$	464	
Postal Charges		7,313	
Travel		182	
Office Supplies		8,929	
Other Charges		3,611	
Administration Equipment		700	
Data Processing Equipment		1,088	
Office Equipment		6,806	
Total Accounting and Budgeting			\$ 655,906

Property Assessor's Office

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		37,235	
Secretary(ies)		32,748	
Clerical Personnel		70,219	
Longevity Pay		5,800	
Social Security		13,996	
Pensions		12,670	
Employee and Dependent Insurance		60,768	
Life Insurance		228	
Employer Medicare		3,273	
Contracts with Private Agencies		1,125	
Data Processing Services		24,375	
Dues and Memberships		2,040	
Lease Payments		176	
Maintenance Agreements		1,967	
Maintenance and Repair Services - Vehicles		742	
Postal Charges		600	
Printing, Stationery, and Forms		470	
Travel		1,786	
Gasoline		2,358	
Office Supplies		2,705	
Other Charges		168	
Office Equipment		3,425	
Total Property Assessor's Office			368,351

Reappraisal Program

Secretary(ies)	\$	32,748	
Clerical Personnel		33,567	
Part-time Personnel		39,229	
Longevity Pay		575	
Social Security		5,713	
Pensions		3,419	
Employee and Dependent Insurance		27,136	
Life Insurance		57	
Employer Medicare		1,458	
Data Processing Services		5,646	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Travel	\$	807	
Office Supplies		5,556	
Other Charges		1,288	
Office Equipment		1,915	
Total Reappraisal Program			\$ 159,114

County Trustee's Office

County Official/Administrative Officer	\$	89,477	
Assistant(s)		38,765	
Deputy(ies)		94,325	
Part-time Personnel		20,010	
Longevity Pay		2,400	
Social Security		14,564	
Pensions		12,435	
Employee and Dependent Insurance		62,405	
Life Insurance		258	
Employer Medicare		3,406	
Dues and Memberships		1,153	
Lease Payments		861	
Legal Notices, Recording, and Court Costs		125	
Maintenance Agreements		6,993	
Postal Charges		3,009	
Travel		1,421	
Other Contracted Services		33,919	
Office Supplies		4,005	
Other Charges		267	
Office Equipment		7,405	
Total County Trustee's Office			397,203

County Clerk's Office

County Official/Administrative Officer	\$	89,477
Assistant(s)		52,500
Deputy(ies)		294,273
Secretary to Board		3,000
Part-time Personnel		1,428
Longevity Pay		7,675
Overtime Pay		4,120
Social Security		27,302
Pensions		24,618
Employee and Dependent Insurance		113,247
Life Insurance		560
Employer Medicare		6,406
Dues and Memberships		918
Lease Payments		3,752
Legal Notices, Recording, and Court Costs		110
Maintenance Agreements		319
Maintenance and Repair Services - Office Equipment		22,278

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Travel	\$	1,759	
Office Supplies		10,636	
Other Charges		215	
Office Equipment		331	
Total County Clerk's Office			\$ 664,924

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	89,477	
Assistant(s)		41,745	
Deputy(ies)		598,924	
Part-time Personnel		35,481	
Longevity Pay		20,083	
Other Salaries and Wages		18,567	
Jury and Witness Expense		24,020	
Social Security		47,108	
Pensions		42,223	
Employee and Dependent Insurance		225,363	
Life Insurance		978	
Employer Medicare		11,204	
Lease Payments		5,678	
Legal Notices, Recording, and Court Costs		220	
Maintenance Agreements		40,538	
Postal Charges		6,909	
Printing, Stationery, and Forms		4,112	
Travel		1,479	
Office Supplies		17,455	
Other Charges		10,569	
Communication Equipment		2,370	
Data Processing Equipment		1,298	
Office Equipment		1,250	
Total Circuit Court			1,247,051

General Sessions Judge

Judge(s)	\$	174,906
Secretary(ies)		38,651
Longevity Pay		2,500
Social Security		11,896
Pensions		11,926
Employee and Dependent Insurance		30,060
Life Insurance		86
Employer Medicare		3,020
Data Processing Services		4,200
Dues and Memberships		1,100
Lease Payments		1,092
Maintenance Agreements		1,290
Postal Charges		184

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Travel	\$	773	
Other Contracted Services		3,250	
Library Books/Media		368	
Office Supplies		322	
Furniture and Fixtures		900	
Office Equipment		348	
Total General Sessions Judge			\$ 286,872

Chancery Court

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		87,718	
Part-time Personnel		12,671	
Longevity Pay		1,900	
Social Security		11,105	
Pensions		9,474	
Employee and Dependent Insurance		37,429	
Life Insurance		171	
Employer Medicare		2,597	
Dues and Memberships		1,090	
Maintenance Agreements		5,984	
Postal Charges		4,000	
Office Supplies		4,231	
Office Equipment		20,110	
Total Chancery Court			287,957

Probate Court

Deputy(ies)	\$	36,794	
Longevity Pay		3,000	
Social Security		2,355	
Pensions		2,197	
Employee and Dependent Insurance		10,903	
Life Insurance		57	
Employer Medicare		551	
Postal Charges		400	
Office Supplies		995	
Office Equipment		1,053	
Total Probate Court			58,305

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,425
Assistant(s)		72,502
Supervisor/Director		149,348
Deputy(ies)		501,214
Investigator(s)		306,789
Captain(s)		310,187
Sergeant(s)		178,654

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Accountants/Bookkeepers	\$	41,802	
Mechanic(s)		39,473	
Clerical Personnel		84,650	
Part-time Personnel		30,093	
School Resource Officer		509,027	
Longevity Pay		30,808	
Overtime Pay		108,530	
Other Salaries and Wages		169,678	
In-service Training		36,800	
Social Security		159,401	
Pensions		139,622	
Employee and Dependent Insurance		663,384	
Life Insurance		2,870	
Employer Medicare		37,279	
Dues and Memberships		5,197	
Lease Payments		5,076	
Maintenance Agreements		23,931	
Maintenance and Repair Services - Vehicles		44,605	
Postal Charges		4,786	
Travel		18,534	
Tuition		16,203	
Garage Supplies		36,390	
Gasoline		173,588	
Office Supplies		8,130	
Tires and Tubes		30,282	
Uniforms		34,041	
Vehicle Parts		34,264	
Other Charges		222,385	
Communication Equipment		14,858	
Law Enforcement Equipment		131,794	
Motor Vehicles		312,781	
Office Equipment		8,412	
Total Sheriff's Department			\$ 4,800,793

Jail

Assistant(s)	\$	71,469
Supervisor/Director		49,337
Captain(s)		119,901
Lieutenant(s)		65,720
Sergeant(s)		189,174
Accountants/Bookkeepers		68,089
Guards		934,708
Clerical Personnel		68,388
Part-time Personnel		59,391
Longevity Pay		5,283
Overtime Pay		160,409
Social Security		107,322

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pensions	\$	87,357	
Employee and Dependent Insurance		366,658	
Life Insurance		1,643	
Employer Medicare		25,159	
Contracts with Private Agencies		339,116	
Data Processing Services		2,010	
Lease Payments		3,168	
Maintenance Agreements		2,074	
Travel		9,957	
Custodial Supplies		27,485	
Drugs and Medical Supplies		823,186	
Office Supplies		2,911	
Prisoners Clothing		17,069	
Uniforms		14,052	
Other Charges		28,800	
Law Enforcement Equipment		3,523	
Total Jail			\$ 3,653,359

Juvenile Services

Supervisor/Director	\$	50,000	
Probation Officer(s)		43,000	
Youth Service Officer(s)		141,458	
Longevity Pay		5,200	
Social Security		13,736	
Pensions		12,585	
Employee and Dependent Insurance		80,216	
Life Insurance		171	
Employer Medicare		3,212	
Dues and Memberships		655	
Travel		7,342	
Other Contracted Services		6,200	
Office Supplies		2,759	
Other Charges		17,085	
Office Equipment		2,160	
Total Juvenile Services			385,779

Fire Prevention and Control

Contributions	\$	5,000	
Liability Insurance		9,400	
Vehicle and Equipment Insurance		76,000	
Workers' Compensation Insurance		24,600	
Other Charges		185,000	
Total Fire Prevention and Control			300,000

Rescue Squad

Contributions	\$	100,000	
Total Rescue Squad			100,000

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Other Salaries and Wages	\$	52,912	
Social Security		3,233	
Pensions		2,921	
Employee and Dependent Insurance		8,928	
Life Insurance		57	
Employer Medicare		756	
Dues and Memberships		400	
Maintenance and Repair Services - Equipment		2,501	
Maintenance and Repair Services - Office Equipment		11	
Maintenance and Repair Services - Vehicles		1,416	
Postal Charges		45	
Gasoline		2,847	
Uniforms		999	
Other Supplies and Materials		369	
Other Charges		5,153	
Office Equipment		230	
Total Other Emergency Management			\$ 82,778

County Coroner/Medical Examiner

Assistant(s)	\$	7,200	
Supervisor/Director		30,000	
Pauper Burials		1,175	
Other Charges		131,760	
Total County Coroner/Medical Examiner			170,135

Other Public Safety

Assistant(s)	\$	37,480	
Other Salaries and Wages		35,551	
Social Security		4,465	
Pensions		2,405	
Employee and Dependent Insurance		11,237	
Life Insurance		90	
Employer Medicare		1,044	
Maintenance Agreements		34,754	
Maintenance and Repair Services - Buildings		75,908	
Custodial Supplies		12,837	
Electricity		273,667	
Natural Gas		37,725	
Water and Sewer		132,618	
Total Other Public Safety			659,781

Public Health and Welfare

Local Health Center

Lease Payments	\$	1,992	
Maintenance Agreements		5,860	
Postal Charges		1,017	
Other Contracted Services		6,333	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Drugs and Medical Supplies	\$	433	
Office Supplies		2,892	
Liability Insurance		116	
Other Charges		21,923	
Total Local Health Center			\$ 40,566

Rabies and Animal Control

Assistant(s)	\$	26,437	
Supervisor/Director		36,178	
Attendants		9,751	
Part-time Personnel		43,620	
Social Security		6,754	
Pensions		4,039	
Employee and Dependent Insurance		30,155	
Life Insurance		62	
Employer Medicare		1,579	
Rentals		9,000	
Veterinary Services		38,273	
Custodial Supplies		3,953	
Electricity		10,524	
Gasoline		193	
Natural Gas		484	
Office Supplies		199	
Water and Sewer		473	
Other Charges		9,970	
Total Rabies and Animal Control			231,644

Ambulance/Emergency Medical Services

Supervisor/Director	\$	66,485	
Paraprofessionals		2,274,187	
Secretary(ies)		71,549	
Longevity Pay		22,300	
Social Security		145,921	
Pensions		121,905	
Employee and Dependent Insurance		471,449	
Life Insurance		2,024	
Employer Medicare		34,127	
Contracts with Private Agencies		9,318	
Lease Payments		1,260	
Licenses		2,500	
Maintenance Agreements		716	
Maintenance and Repair Services - Equipment		2,611	
Maintenance and Repair Services - Vehicles		67,535	
Postal Charges		8	
Travel		3,645	
Tuition		11,870	
Other Contracted Services		64,427	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$	2,650	
Diesel Fuel		145,995	
Drugs and Medical Supplies		149,648	
Electricity		7,546	
Natural Gas		1,499	
Office Supplies		1,608	
Tires and Tubes		13,832	
Uniforms		14,374	
Water and Sewer		1,462	
Other Charges		155,707	
Communication Equipment		2,368	
Office Equipment		197	
Health Equipment		678	
Total Ambulance/Emergency Medical Services			\$ 3,871,401

Dental Health Program

Supervisor/Director	\$	51,251	
Deputy(ies)		30,287	
Medical Personnel		64,219	
Part-time Personnel		25,876	
Longevity Pay		1,500	
Other Salaries and Wages		59,130	
Social Security		13,502	
Pensions		7,777	
Employee and Dependent Insurance		59,472	
Life Insurance		185	
Employer Medicare		3,157	
Dues and Memberships		1,219	
Janitorial Services		346	
Maintenance and Repair Services - Equipment		1,722	
Postal Charges		753	
Drugs and Medical Supplies		37,055	
Gasoline		93	
Office Supplies		2,422	
Uniforms		754	
Other Supplies and Materials		740	
Liability Insurance		8,552	
Other Charges		1,811	
Health Equipment		4,001	
Total Dental Health Program			375,824

Alcohol and Drug Programs

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

Crippled Children Services

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

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Assistant(s)	\$	35,003	
Deputy(ies)		36,458	
Teachers		43,145	
Guidance Personnel		27,708	
Secretary(ies)		29,456	
Attendants		82,855	
Longevity Pay		4,200	
Social Security		15,367	
Pensions		13,043	
Employee and Dependent Insurance		76,931	
Life Insurance		290	
Employer Medicare		3,594	
Travel		13,151	
Liability Insurance		5,000	
Total Other Local Health Services			\$ 386,201

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	40,000	
Total Senior Citizens Assistance			40,000

Libraries

Contributions	\$	125,000	
Total Libraries			125,000

Parks and Fair Boards

Other Contracted Services	\$	26,674	
Total Parks and Fair Boards			26,674

Other Social, Cultural, and Recreational

Contributions	\$	100,900	
Total Other Social, Cultural, and Recreational			100,900

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	18,466	
Assistant(s)		17,942	
Supervisor/Director		17,478	
Clerical Personnel		8,927	
Other Salaries and Wages		7,865	
Social Security		4,267	
Pensions		13,666	
Employee and Dependent Insurance		3,127	
Employer Medicare		998	
Lease Payments		971	
Maintenance Agreements		562	
Travel		1,500	
Office Supplies		886	
Total Agricultural Extension Service			96,655

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	36,245	
Longevity Pay		2,300	
Other Salaries and Wages		7,575	
Social Security		2,560	
Pensions		2,128	
Employee and Dependent Insurance		16,364	
Life Insurance		57	
Employer Medicare		599	
Contributions		2,042	
Travel		839	
Instructional Supplies and Materials		997	
Total Soil Conservation			\$ 71,706

Flood Control

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

Other Operations

Tourism

Supervisor/Director	\$	53,268	
Part-time Personnel		43,690	
Social Security		5,668	
Pensions		2,940	
Employee and Dependent Insurance		19,188	
Life Insurance		57	
Employer Medicare		1,322	
Advertising		50,506	
Dues and Memberships		5,461	
Lease Payments		1,148	
Maintenance Agreements		775	
Postal Charges		3,098	
Travel		5,869	
Other Contracted Services		10,000	
Custodial Supplies		3,448	
Electricity		4,303	
Office Supplies		4,138	
Water and Sewer		2,721	
Other Supplies and Materials		62,057	
Other Charges		11,019	
Office Equipment		2,622	
Total Tourism			293,298

Industrial Development

Dues and Memberships	\$	2,500	
Other Charges		102,227	
Land		592,478	
Office Equipment		574	
Total Industrial Development			697,779

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Supervisor/Director	\$	49,139	
Longevity Pay		1,100	
Social Security		3,056	
Pensions		2,773	
Employee and Dependent Insurance		10,703	
Life Insurance		57	
Employer Medicare		715	
Maintenance and Repair Services - Equipment		6,591	
Travel		1,645	
Other Contracted Services		6,128	
Electricity		19,405	
Gasoline		311,977	
Water and Sewer		1,435	
Other Supplies and Materials		20,916	
Liability Insurance		7,880	
Other Charges		704,267	
Total Airport			\$ 1,147,787

Veterans' Services

Supervisor/Director	\$	40,895	
Social Security		2,519	
Pensions		2,257	
Employee and Dependent Insurance		10,603	
Life Insurance		57	
Employer Medicare		589	
Advertising		60	
Contracts with Private Agencies		449	
Postal Charges		60	
Travel		477	
Office Supplies		749	
Total Veterans' Services			58,715

Other Charges

Licenses	\$	39,590	
Maintenance Agreements		35,000	
Maintenance and Repair Services - Equipment		1,530	
Other Contracted Services		60,000	
Total Other Charges			136,120

Contributions to Other Agencies

Contributions	\$	219,947	
Total Contributions to Other Agencies			219,947

Employee Benefits

Employee and Dependent Insurance	\$	3,650	
Unemployment Compensation		24,078	
Total Employee Benefits			27,728

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Other Loans	\$ 297,187	
Total General Government		\$ 297,187

Interest on Debt

General Government

Interest on Other Loans	\$ 82,021	
Total General Government		82,021

Capital Projects

General Administration Projects

Communication Equipment	\$ 9,273	
Total General Administration Projects		9,273

Public Safety Projects

Other Charges	\$ 484,687	
Total Public Safety Projects		<u>484,687</u>

Total General Fund		\$ 26,724,894
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$ 57,533
Laborers	52,822
Clerical Personnel	33,880
Part-time Personnel	5,548
Longevity Pay	1,100
Social Security	8,570
Pensions	8,043
Employee and Dependent Insurance	45,785
Life Insurance	240
Employer Medicare	2,048
Advertising	556
Communication	5,272
Contracts with Private Agencies	460,821
Dues and Memberships	1,413
Lease Payments	1,294
Maintenance and Repair Services - Equipment	5,920
Postal Charges	19
Travel	2,030
Gasoline	20,803
Office Supplies	1,892
Small Tools	782
Tires and Tubes	2,553
Utilities	8,423
Other Supplies and Materials	1,620
Trustee's Commission	23,814

(Continued)

Exhibit K-6

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Other Charges	\$	10,357	
Office Equipment		<u>771</u>	
Total Sanitation Education/Information	\$		763,909

Convenience Centers

Secretary(ies)	\$	10,013	
Attendants		127,998	
Part-time Personnel		77,501	
Longevity Pay		3,600	
Social Security		13,409	
Pensions		7,699	
Employee and Dependent Insurance		51,986	
Life Insurance		302	
Employer Medicare		3,136	
Communication		531	
Maintenance and Repair Services - Equipment		12,976	
Other Contracted Services		314,956	
Crushed Stone		1,711	
Office Supplies		108	
Utilities		6,061	
Other Supplies and Materials		9,564	
Building and Contents Insurance		57,000	
Liability Insurance		10,500	
Workers' Compensation Insurance		10,000	
Other Charges		3,541	
Office Equipment		38	
Solid Waste Equipment		<u>999</u>	
Total Convenience Centers			723,629

Postclosure Care Costs

Testing	\$	15,300	
Other Charges		<u>1,000</u>	
Total Postclosure Care Costs			16,300

Highways

Litter and Trash Collection

Laborers	\$	41,773	
Social Security		2,572	
Pensions		2,326	
Employee and Dependent Insurance		19,108	
Life Insurance		90	
Employer Medicare		602	
Contracts with Other Public Agencies		14,412	
Motor Vehicles		<u>88,007</u>	
Total Litter and Trash Collection			<u>168,890</u>

Total Solid Waste/Sanitation Fund \$ 1,672,728

(Continued)

Exhibit K-6

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

Drug Control Fund

Public Safety

Drug Enforcement

Part-time Personnel	\$	7,799	
Social Security		484	
Employer Medicare		113	
Communication		1,027	
Confidential Drug Enforcement Payments		30,000	
Animal Food and Supplies		1,371	
Gasoline		10,315	
Other Charges		9,392	
Motor Vehicles		1,426	
Total Drug Enforcement			\$ 61,927

Total Drug Control Fund \$ 61,927

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #6

Other Charges	\$	376,795	
Total American Rescue Plan Act Grant #6			\$ 376,795

Highways

American Rescue Plan Act Grant #1

Other Charges	\$	1,170,426	
Total American Rescue Plan Act Grant #1			1,170,426

Capital Projects

American Rescue Plan Act Grant #1

Other Charges	\$	1,255,278	
Total American Rescue Plan Act Grant #1			1,255,278

Total Other Special Revenue Fund 2,802,499

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	8,835	
Total Chancery Court			\$ 8,835

Total Constitutional Officers - Fees Fund 8,835

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	98,425	
Accountants/Bookkeepers		25,285	
Secretary(ies)		37,783	
Longevity Pay		2,900	
Social Security		9,769	

(Continued)

Exhibit K-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Pensions	\$	8,770	
Employee and Dependent Insurance		32,320	
Life Insurance		142	
Employer Medicare		2,285	
Communication		11,029	
Dues and Memberships		4,540	
Legal Services		120	
Maintenance and Repair Services - Office Equipment		1,255	
Postal Charges		354	
Travel		913	
Other Contracted Services		2,900	
Electricity		13,518	
Office Supplies		2,190	
Water and Sewer		13,455	
Other Charges		1,899	
Total Administration			\$ 269,852

Highway and Bridge Maintenance

Foremen	\$	46,363	
Laborers		1,062,393	
Part-time Personnel		23,136	
Longevity Pay		18,700	
Overtime Pay		26,492	
Social Security		72,287	
Pensions		64,612	
Employee and Dependent Insurance		333,530	
Life Insurance		1,672	
Employer Medicare		16,906	
Other Contracted Services		8,821	
Asphalt - Hot Mix		1,129,099	
Asphalt - Liquid		51,274	
Crushed Stone		214,248	
Other Road Materials		43,653	
Pipe - Metal		188,392	
Road Signs		8,567	
Salt		18,932	
Uniforms		16,119	
Total Highway and Bridge Maintenance			3,345,196

Operation and Maintenance of Equipment

Foremen	\$	48,315
Mechanic(s)		38,891
Longevity Pay		1,700
Social Security		3,341
Pensions		3,031
Employee and Dependent Insurance		20,219
Life Insurance		71

(Continued)

Exhibit K-6

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.)

Employer Medicare	\$	781	
Diesel Fuel		210,950	
Equipment and Machinery Parts		219,126	
Garage Supplies		6,394	
Gasoline		236,100	
Lubricants		16,069	
Tires and Tubes		42,289	
Other Supplies and Materials		9,898	
Total Operation and Maintenance of Equipment			\$ 857,175

Other Charges

Building and Contents Insurance	\$	184,111	
Liability Insurance		28,000	
Trustee's Commission		83,747	
Workers' Compensation Insurance		27,000	
Total Other Charges			322,858

Capital Outlay

Communication Equipment	\$	13,872	
Highway Equipment		234,601	
Site Development		350	
Total Capital Outlay			248,823

Principal on Debt

Highways and Streets

Principal on Other Loans	\$	87,172	
Total Highways and Streets			87,172

Interest on Debt

Highways and Streets

Interest on Other Loans	\$	5,193	
Total Highways and Streets			5,193

Total Highway/Public Works Fund \$ 5,136,269

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	456,545	
Total General Government			\$ 456,545

Education

Principal on Bonds	\$	1,190,000	
Principal on Other Loans		1,182,499	
Total Education			2,372,499

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 845,695	
Total General Government		\$ 845,695

Education

Interest on Bonds	\$ 499,275	
Interest on Other Loans	<u>775,244</u>	
Total Education		1,274,519

Other Debt Service

General Government

Other Debt Issuance Charges	\$ 2,500	
Total General Government		2,500

Education

Trustee's Commission	\$ 85,682	
Other Debt Issuance Charges	<u>2,000</u>	
Total Education		<u>87,682</u>

Total General Debt Service Fund		<u>\$ 5,039,440</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 41,446,592</u></u>
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Exhibit K-7

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,403,100	
Career Ladder Program	50,500	
Career Ladder Extended Contracts	15,188	
Homebound Teachers	62,683	
Educational Assistants	806,271	
Bonus Payments	25,000	
Other Salaries and Wages	250,121	
Social Security	849,804	
Pensions	1,129,900	
Life Insurance	13,682	
Medical Insurance	3,187,362	
Employer Medicare	203,512	
Contracts for Substitute Teachers - Certified	371,887	
Other Contracted Services	148,774	
Instructional Supplies and Materials	354,526	
Textbooks - Bound	612,240	
Software	21,452	
Other Supplies and Materials	21,140	
Fee Waivers	45,286	
Total Regular Instruction Program		\$ 21,572,428

Alternative Instruction Program

Teachers	\$ 52,238	
Social Security	3,224	
Pensions	4,382	
Life Insurance	56	
Medical Insurance	7,060	
Employer Medicare	752	
Contracts for Substitute Teachers - Certified	416	
Total Alternative Instruction Program		68,128

Special Education Program

Teachers	\$ 1,456,887	
Career Ladder Program	4,000	
Homebound Teachers	15,875	
Educational Assistants	624,948	
Speech Pathologist	217,668	
Other Salaries and Wages	325	
Social Security	137,871	
Pensions	157,845	
Life Insurance	2,346	
Medical Insurance	608,086	
Employer Medicare	32,419	
Contracts with Other Public Agencies	138,920	
Contracts with Private Agencies	32,580	
Contracts for Substitute Teachers - Certified	109,610	

(Continued)

Exhibit K-7

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.)

Instructional Supplies and Materials	\$	211,729	
Other Supplies and Materials		127,072	
Special Education Equipment		268,079	
Total Special Education Program			\$ 4,146,260

Career and Technical Education Program

Teachers	\$	1,177,375	
Career Ladder Program		4,000	
Longevity Pay		500	
Other Salaries and Wages		41,476	
Social Security		72,810	
Pensions		99,957	
Life Insurance		1,136	
Medical Insurance		331,766	
Employer Medicare		17,028	
Contracts for Substitute Teachers - Certified		29,014	
Instructional Supplies and Materials		27,976	
Other Charges		95,436	
Total Career and Technical Education Program			1,898,474

Support Services

Health Services

Supervisor/Director	\$	134,219	
Data Processing Personnel		9,927	
Paraprofessionals		588,318	
Clerical Personnel		69,787	
Educational Assistants		19,107	
Longevity Pay		480	
Other Salaries and Wages		42,860	
Social Security		49,752	
Pensions		53,028	
Life Insurance		841	
Medical Insurance		241,271	
Employer Medicare		11,646	
Lease Payments		35	
Maintenance and Repair Services - Equipment		2,110	
Travel		2,289	
Other Contracted Services		1,349	
Drugs and Medical Supplies		253	
Other Supplies and Materials		34,971	
In Service/Staff Development		7,473	
Other Charges		6,621	
Health Equipment		14,636	
Total Health Services			1,290,973

(Continued)

Exhibit K-7

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		443,720	
School Resource Officer		205,849	
Longevity Pay		2,192	
Social Security		39,187	
Pensions		45,271	
Life Insurance		562	
Medical Insurance		147,797	
Employer Medicare		9,165	
Other Fringe Benefits		2,000	
Evaluation and Testing		12,000	
Contracts for Substitute Teachers - Certified		878	
Other Contracted Services		96,694	
Workers' Compensation Insurance		3,026	
Total Other Student Support			\$ 1,009,341

Regular Instruction Program

Supervisor/Director	\$	247,568	
Career Ladder Program		3,000	
Librarians		539,268	
Social Security		46,144	
Pensions		66,674	
Life Insurance		686	
Medical Insurance		177,739	
Employer Medicare		10,496	
Travel		8,897	
Contracts for Substitute Teachers - Certified		8,408	
Library Books/Media		26,254	
Total Regular Instruction Program			1,135,134

Special Education Program

Supervisor/Director	\$	88,991	
Psychological Personnel		109,021	
Secretary(ies)		31,827	
Longevity Pay		500	
Social Security		14,251	
Pensions		16,616	
Life Insurance		165	
Medical Insurance		31,893	
Employer Medicare		3,333	
Lease Payments		3,540	
Maintenance and Repair Services - Equipment		1,641	
Travel		9,387	
Other Supplies and Materials		86,517	
In Service/Staff Development		7,264	
Other Charges		8,630	
Total Special Education Program			413,576

(Continued)

Exhibit K-7

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.)

Technology

Supervisor/Director	\$	57,027	
Other Salaries and Wages		156,195	
Social Security		12,666	
Pensions		11,425	
Life Insurance		28	
Medical Insurance		51,102	
Employer Medicare		2,962	
Communication		90,933	
Data Processing Services		48,789	
Maintenance and Repair Services - Equipment		214,221	
Internet Connectivity		121,219	
Travel		9,806	
Other Contracted Services		4,500	
Other Charges		55,410	
Other Equipment		4,995	
Total Technology			\$ 841,278

Other Programs

Supervisor/Director	\$	72,936	
Guidance Personnel		212,875	
Clerical Personnel		20,706	
Other Salaries and Wages		166,479	
Social Security		28,618	
Pensions		21,968	
Life Insurance		169	
Medical Insurance		87,587	
Employer Medicare		6,693	
On-behalf Payments to OPEB		188,814	
Travel		163,047	
Other Contracted Services		19,489	
Office Supplies		9,945	
Other Supplies and Materials		33,077	
Other Charges		2,478	
Total Other Programs			1,034,881

Board of Education

Secretary to Board	\$	4,500	
Board and Committee Members Fees		39,500	
Social Security		2,431	
Pensions		248	
Life Insurance		63	
Unemployment Compensation		7,446	
Employer Medicare		632	
Other Fringe Benefits		151,221	
Audit Services		22,500	
Dues and Memberships		11,538	

(Continued)

Exhibit K-7

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.)

Legal Services	\$	39,958	
Postal Charges		243	
Travel		20,634	
Other Contracted Services		259	
Other Supplies and Materials		4,634	
Trustee's Commission		260,594	
Workers' Compensation Insurance		93,355	
In Service/Staff Development		702	
Other Charges		14,883	
Total Board of Education	\$		675,341

Director of Schools

County Official/Administrative Officer	\$	231,792	
Career Ladder Program		2,000	
Secretary(ies)		51,528	
Clerical Personnel		61,032	
Longevity Pay		620	
Social Security		21,779	
Pensions		17,943	
Life Insurance		228	
Medical Insurance		45,814	
Employer Medicare		5,094	
Communication		26,316	
Dues and Memberships		2,633	
Lease Payments		7,379	
Maintenance and Repair Services - Equipment		2,082	
Postal Charges		1,457	
Travel		2,454	
Other Contracted Services		608	
Office Supplies		2,220	
Other Charges		6,778	
Total Director of Schools			489,757

Office of the Principal

Principals	\$	973,266	
Career Ladder Program		6,000	
Assistant Principals		496,538	
Secretary(ies)		328,020	
Longevity Pay		4,200	
Social Security		106,509	
Pensions		145,394	
Life Insurance		1,752	
Medical Insurance		425,309	
Employer Medicare		24,909	
Communication		51,905	
Lease Payments		12,672	

(Continued)

Exhibit K-7

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.)

Maintenance and Repair Services - Equipment	\$	2,993	
Printing, Stationery, and Forms		3,688	
Total Office of the Principal			\$ 2,583,155

Operation of Plant

Custodial Personnel	\$	741,682	
Longevity Pay		5,230	
Other Salaries and Wages		56,742	
Social Security		48,566	
Pensions		40,560	
Life Insurance		1,026	
Medical Insurance		273,720	
Employer Medicare		11,326	
Other Contracted Services		112,201	
Custodial Supplies		242,193	
Electricity		1,244,502	
Natural Gas		117,906	
Propane Gas		80,069	
Water and Sewer		171,806	
Building and Contents Insurance		383,284	
Plant Operation Equipment		30,695	
Total Operation of Plant			3,561,508

Maintenance of Plant

Supervisor/Director	\$	57,950	
Secretary(ies)		32,169	
Maintenance Personnel		393,642	
Longevity Pay		3,150	
Social Security		28,870	
Pensions		24,648	
Life Insurance		610	
Medical Insurance		116,493	
Employer Medicare		6,862	
Communication		3,102	
Maintenance and Repair Services - Buildings		3,052,095	
Maintenance and Repair Services - Equipment		350,567	
Maintenance and Repair Services - Vehicles		12,603	
Travel		2,547	
Other Contracted Services		9,403	
Gasoline		36,909	
Office Supplies		782	
Other Supplies and Materials		188,528	
Maintenance Equipment		123,090	
Total Maintenance of Plant			4,444,020

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	20,000	
Mechanic(s)		42,844	
Longevity Pay		900	
Social Security		2,458	
Pensions		2,415	
Life Insurance		68	
Medical Insurance		18,834	
Employer Medicare		575	
Contracts with Vehicle Owners		2,051,772	
Maintenance and Repair Services - Vehicles		18,741	
Other Contracted Services		2,700	
Diesel Fuel		28,194	
Other Supplies and Materials		2,279	
In Service/Staff Development		700	
Other Charges		2,162	
Transportation Equipment		5,613	
Total Transportation			\$ 2,200,255

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	29,114	
Longevity Pay		240	
Social Security		1,750	
Pensions		1,653	
Life Insurance		57	
Medical Insurance		8,081	
Employer Medicare		409	
Other Charges		5,905	
Other Equipment		165,799	
Total Community Services			213,008

Early Childhood Education

Teachers	\$	164,577	
Clerical Personnel		3,425	
Educational Assistants		53,747	
Social Security		13,164	
Pensions		16,775	
Life Insurance		286	
Medical Insurance		60,748	
Employer Medicare		3,079	
Contracts for Substitute Teachers - Non-certified		4,435	
Instructional Supplies and Materials		8,860	
In Service/Staff Development		1,519	
Total Early Childhood Education			330,615

(Continued)

Exhibit K-7

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 29,517	
Total Education		\$ 29,517

Total General Purpose School Fund \$ 47,937,649

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 556,831	
Educational Assistants	625,361	
Other Salaries and Wages	49,625	
Certified Substitute Teachers	2,079	
Social Security	70,373	
Pensions	63,543	
Life Insurance	1,150	
Medical Insurance	230,226	
Employer Medicare	16,953	
Contracts for Substitute Teachers - Certified	878	
Other Contracted Services	123,536	
Instructional Supplies and Materials	82,726	
Textbooks - Bound	197,076	
Software	165,029	
Regular Instruction Equipment	304,152	
Total Regular Instruction Program		\$ 2,489,538

Special Education Program

Teachers	\$ 210,276	
Educational Assistants	349,269	
Speech Pathologist	7,500	
Social Security	33,798	
Pensions	33,537	
Life Insurance	707	
Medical Insurance	174,878	
Employer Medicare	7,905	
Contracts for Substitute Teachers - Certified	8,686	
Instructional Supplies and Materials	58,016	
Special Education Equipment	5,041	
Total Special Education Program		889,613

Career and Technical Education Program

Contracts for Substitute Teachers - Certified	\$ 416	
Instructional Supplies and Materials	96,091	
Other Supplies and Materials	8,668	
Vocational Instruction Equipment	30,956	
Total Career and Technical Education Program		136,131

(Continued)

Exhibit K-7

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

Attendance

Clerical Personnel	\$	23,299	
Social Security		1,433	
Pensions		1,286	
Life Insurance		6	
Medical Insurance		7,253	
Employer Medicare		335	
Total Attendance			\$ 33,612

Health Services

Medical Personnel	\$	25,000	
Social Security		1,550	
Pensions		1,896	
Employer Medicare		362	
Total Health Services			28,808

Other Student Support

Guidance Personnel	\$	13,915	
Social Security		871	
Pensions		1,128	
Medical Insurance		1,434	
Employer Medicare		204	
Travel		10,013	
Other Contracted Services		14,271	
Other Supplies and Materials		9,446	
In Service/Staff Development		8,234	
Other Charges		12,266	
Other Equipment		24,172	
Total Other Student Support			95,954

Regular Instruction Program

Supervisor/Director	\$	71,193	
Secretary(ies)		55,159	
Other Salaries and Wages		603,586	
Social Security		46,177	
Pensions		61,279	
Life Insurance		479	
Medical Insurance		103,822	
Employer Medicare		10,835	
Lease Payments		6,498	
Travel		2,263	
Other Contracted Services		172,232	
Other Supplies and Materials		31,670	
In Service/Staff Development		134,933	
Other Equipment		9,957	
Total Regular Instruction Program			1,310,083

(Continued)

Exhibit K-7

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.)

Special Education Program

Psychological Personnel	\$	125,264	
Secretary(ies)		9,754	
Clerical Personnel		30,534	
Longevity Pay		240	
Social Security		9,880	
Pensions		12,564	
Life Insurance		183	
Medical Insurance		33,698	
Employer Medicare		2,311	
Contracts with Private Agencies		39,250	
Other Supplies and Materials		949	
Total Special Education Program			\$ 264,627

Career and Technical Education Program

In Service/Staff Development	\$	3,082	
Total Career and Technical Education Program			3,082

Technology

Other Salaries and Wages	\$	50,044	
Social Security		3,103	
Employer Medicare		726	
Total Technology			53,873

Operation of Plant

Plant Operation Equipment	\$	552,166	
Total Operation of Plant			552,166

Maintenance of Plant

Communication	\$	270,769	
Maintenance and Repair Services - Buildings		3,341,981	
Total Maintenance of Plant			3,612,750

Transportation

Contracts with Vehicle Owners	\$	3,400	
Transportation Equipment		116,183	
Total Transportation			119,583

Total School Federal Projects Fund \$ 9,589,820

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	47,000	
Clerical Personnel		48,007	
Cafeteria Personnel		846,812	
Longevity Pay		11,040	

(Continued)

Exhibit K-7

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Salaries and Wages	\$	79,719	
Social Security		61,552	
Pensions		44,016	
Life Insurance		1,607	
Medical Insurance		352,749	
Employer Medicare		14,527	
Communication		1,981	
Maintenance and Repair Services - Equipment		94,706	
Other Contracted Services		8,450	
Food Supplies		1,376,299	
USDA - Commodities		226,833	
Other Supplies and Materials		151,240	
Other Charges		1,389	
Food Service Equipment		432,973	
Total Food Service			\$ 3,800,900

Total Central Cafeteria Fund \$ 3,800,900

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,711,450	
Total Community Services			\$ 1,711,450

Total Internal School Fund 1,711,450

Total Governmental Funds - Monroe County School Department \$ 63,039,819

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 business-type 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, 2023, 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 29, 2024. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-001.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2023-002.

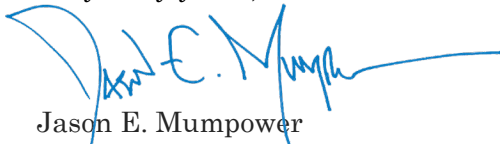
Monroe County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Monroe County's responses to the findings identified in our audit and 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 the responses.

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 29, 2024

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 identified as subject to audit 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, 2023. 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 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, 2023.

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, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Monroe County's 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 business-type 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, 2023, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements. We issued our report thereon dated January 29, 2024, 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 29, 2024

JEM/tg

Monroe County, Tennessee, and the Monroe County School Department
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
 For the Year-Ended June 30, 2023

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	\$ 226,833 (6)
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	212,758
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	917,347
National School Lunch Program	10.555	N/A	2,340,175 (6)
National School Lunch Program - Supply Chain Assistance Grant	10.555	N/A	152,836 (6)
National School Lunch Program - Commodities Storage Grant	10.555	N/A	5,336 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,135
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75497-00	119,328
Total U.S. Department of Agriculture			<u>\$ 3,977,748</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 150,828 (7)
Total U.S. Department of Defense			<u>\$ 150,828</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	30432-14688	\$ 34,936
Total U.S. Department of Housing and Urban Development			<u>\$ 34,936</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 255,005
Total U.S. Department of Interior			<u>\$ 255,005</u>
U.S. Department of Justice:			
Direct Programs:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 165,799
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	14,081
Total U.S. Department of Justice			<u>\$ 179,880</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	AERO-21-261-00	\$ 57,834
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	Z-21THS201	1,555
Total U.S. Department of Transportation			<u>\$ 59,389</u>
U.S. Department of Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 2,454,102
Total U.S. Department of Treasury			<u>\$ 2,454,102</u>
U.S. Department of Education:			
Direct Program:			
TRIO Cluster: (5)			
TRIO Talent Search	84.044	N/A	\$ 474,401
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,660,293
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,030,937 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	84.027X	275,129 (6)
Special Education - Preschool Grants	84.173	N/A	33,761 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	84.173X	12,434 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	157,460
English Language Acquisition State Grants	84.365	N/A	6,434
Supporting Effective Instruction State Grants	84.367	N/A	366,610
Student Support and Academic Enrichment Program	84.424	N/A	49,365
COVID 19 - Education Stabilization Fund Program - Governors Emergency			
Education Relief Fund (GEER)	84.425C	N/A	69,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and			
Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	69,250 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and			
Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	374,806 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and			
Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER ARP)	84.425D	N/A	321,385 (6)

(Continued)

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (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 - Elementary and Secondary School Emergency Relief Fund - Best for All Districts Grant (ESSER II)	84.425D	N/A	\$ 137,594 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Planning Grant (ESSER II)	84.425D	N/A	60,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	4,894,620 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	22,263 (6)
Total U.S. Department of Education			<u>\$ 10,015,742</u>
U.S. Election Assistance Commission:			
Passed-through State Secretary of State:			
HAVA Election Security Grants	90.404	30501-02720-62	\$ 10,292
Total U.S. Election Assistance Commission			<u>\$ 10,292</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-23-75497-03	\$ 12,327
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Z-23-260-626	178,000
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	130,317
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-23-75497-00	28,830
HIV Prevention Activities - Health Department Based	93.940	GG-23-75497-00	6,011
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	GG-23-75497-00	23,781
Maternal and Child Health Services Block Grant to the States	93.994	GG-23-75497-00	16,016
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	N/A	135,808
Total U.S. Department of Health and Human Services			<u>\$ 531,090</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	66921-37368	\$ 12,117
Total U.S. Department of Homeland Security			<u>\$ 12,117</u>
Total Expenditures of Federal Grants			<u>\$ 17,681,129</u>
<u>State Grants</u>			
Juvenile Services Program - State Children's Services Commission	N/A	(4)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(4)	53,933
Tourism Marketing Grant - State Department of Tourist Development	N/A	(4)	6,292
Tennessee Byways Grant - State Department of Tourist Development	N/A	(4)	9,310
Mental Health Pre Arrest Diversion Infrastructure Capital Grant - State Department of Mental Health and Substance Abuse	N/A	(4)	56,590
Local Health Services - State Department of Health	N/A	GG-23-75497-00	178,563
Law Enforcement Training Grants - State Department of Safety	N/A	(4)	36,800
Law Enforcement Equipment Grants - State Department of Safety	N/A	(4)	8,994
Airport Maintenance - State Department of Transportation	N/A	(4)	10,517
Airport Improvement Program (State Portion) - State Department of Transportation	N/A	AER1011517	544,913
State Direct Appropriation Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	3,280
Early Childhood Education - Lottery - State Department of Education	N/A	(4)	288,419
Coordinated School Health - State Department of Education	N/A	(4)	159,762
Safe Schools Act - State Department of Education	N/A	(4)	108,950
Summer Learning Camps Grant - State Department of Education	N/A	(4)	258,982
Summer Learning Camps Transportation Grant - State Department of Education	N/A	(4)	78,708
Healthy Students Stronger Learners - State Department of Education	N/A	(4)	20,281
Family Resource Center - State Department of Education	N/A	(4)	29,612
Middle School CTE Career Exploration Grant - State Department of Education	N/A	(4)	19,140
Total State Grants			<u>\$ 1,882,046</u>

(Continued)

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

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 \$212,758; Child Nutrition Cluster total \$3,642,527;
 TRIO Cluster total \$474,401; Special Education Cluster total \$1,352,261; and Medicaid Cluster total \$28,830.
- (6) FAL Totals: FAL No. 10.555, \$2,725,180; FAL No. 84.027, \$1,306,066; FAL No. 84.173, \$46,195;
 FAL No. 84.425, \$5,948,918.
- (7) During the year ended June 30, 2023, Monroe County received excess military equipment from the U.S. Department of
 Military valued at \$150,828.
- (8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 168,159
English Language Acquisition State Grants	84.365	184
Supporting Effective Instruction State Grants	84.367	19,936
Student Support and Academic Enrichment Program	84.424	506
Total amounts consolidated for administration purposes		<u>\$ 188,785</u>

Monroe County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

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, 2023.

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

2022	211	2022-001	Surplus property was not disposed of properly.	N/A	Corrected
2022	212	2022-002	Competitive bids were not solicited for various roofing projects.	N/A	Corrected

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, 2023

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? **YES**
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 Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * 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.

OFFICE OF DIRECTOR OF FINANCE

FINDING 2023-001 **CONTROLS FAILED TO DETECT REVENUE NOT RECEIVED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

While performing year end audit procedures, it was discovered that a recurring payment for In-Lieu of Taxes had not been received since September 2022. After being made aware of the situation by a representative of the Comptroller's office, county personnel contacted the Tennessee Valley Authority to determine why they had not received the payments. The county received a payment on December 29, 2023, totaling \$34,578 for the delinquent payments. The payment was for the period October 2022 through November 2023. Sound business practice requires anticipated revenue to be tracked and accounted for in a timely manner. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Adequate controls should be implemented to ensure all anticipated revenues are received in a timely manner.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE AND COUNTY MAYOR

This finding is acknowledged and agreed upon. This is very unfortunate on our end due to this being the Finance Director's first year in this position and having several new employees along with different moves within the Finance Office. Time constraints have made it difficult to properly analyze revenue. To prevent this finding from happening in the future the Finance Director will review all revenue monthly instead of quarterly and has also asked the Trustee, if a discrepancy is noticed, to also bring this to the Finance Director's attention.

OFFICE OF COUNTY MAYOR

FINDING 2023-002

OPERATIONS OF A COUNTY SPONSORED RODEO WERE HANDLED THROUGH AN OUTSIDE BANK ACCOUNT

(Noncompliance Under *Government Auditing Standards*)

Audit procedures discovered that the mayor's staff opened a checking account in March 2023 to account for operations of a county sponsored rodeo. The rodeo was scheduled to be held in June 2023 at the Monroe County Fairgrounds. The mayor's staff maintained the checking account outside of the county's finance office. Donations and ticket sales totaling \$32,267.67 were deposited into the account which were then used to pay for operating expenses of \$27,374.17. These expenses were paid from the checking account. Section 5-9-401, *Tennessee Code Annotated (TCA)*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." Monroe County also operates under the County Financial Management System of 1981. This act establishes that the Finance Director is responsible for installing and maintaining a purchasing, payroll, budgeting, accounting, and cash financial management system for the county. The Finance Director also serves as the purchasing agent for Monroe County. The 1981 Act requires the county purchasing agent to make all purchases for the various county departments.

The remaining balance in the checking account of \$4,893.50 was remitted to the county on June 26, 2023. We provided management with audit adjustments, which they approved and agreed to post, to reflect the transactions in the financial statements of this report.

RECOMMENDATION

All receipts related to the operation of the county sponsored rodeo should be deposited with the county trustee and appropriated by the county commission. Expenditures necessary to operate the rodeo should be made through the county's purchasing department as required by state statutes.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE AND COUNTY MAYOR

This finding is acknowledged and agreed upon. This finding was corrected as soon as audit brought it to our attention. The funds were deposited with the Trustee in June 2023 and will continue to be accounted for properly through deposits with the Trustee and expenditures through the Finance Office under the 81 ACT.

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, 2023.

Monroe County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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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OFFICES OF DIRECTOR OF FINANCE AND COUNTY MAYOR

2023-001	Controls failed to detect revenue not received.	207
2023-002	Operations of a county sponsored rodeo were handled through an outside bank account	207



Gail Sensibaugh
Director of Finance

Corrective Action Plan

FINDING: 2023-001 CONTROLS FAILED TO DETECT ANTICIPATED REVENUE NOT RECEIVED

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

Person Responsible for Implementing the Corrective Action:
Gail Sensibaugh, Finance Director

Anticipated Completion Date of Corrective Action:
06/2023

Repeat Finding:
No

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

Planned Corrective Action:

This finding is acknowledged and agreed upon. This is very unfortunate on our end due to this being the Finance Director's first year in this position and having several new employees along with different moves within the Finance Office. Time constraints have made it difficult to properly analyze revenue. To prevent this finding from happening in the future the Finance Director will review all revenue monthly instead of quarterly and has also asked the Trustee if a discrepancy is noticed she also brings this to the Finance Director's attention.

FINDING: 2023-002 OPERATIONS OF COUNTY SPONSORED RODEO WERE HANDLED THROUGH AN OUTSIDE BANK ACCOUNT

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

Person Responsible for Implementing the Corrective Action:
Gail Sensibaugh, Finance Director
Mitch Ingram, Monroe County Mayor

Anticipated Completion Date of Corrective Action:
06/2023



Gail Sensibaugh
Director of Finance

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

This finding is acknowledged and agreed upon. This finding was corrected as soon as audit brought it to our attention. The funds were deposited with the Trustee in June 2023 and will continue to be accounted for properly through deposits with the Trustee and expenditures through the Finance Office under the 81 ACT.

Signature:

Signature: