



ANNUAL FINANCIAL REPORT

Monroe County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT
MONROE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020**

***COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER***

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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, 2020

Scope

We have audited the basic financial statements of Monroe County as of and for the year ended June 30, 2020.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Monroe County Officials
June 30, 2020

Officials

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

Board of County Commissioners

Mitch Ingram, County Mayor, Chairman
Joe Anderson II
Brian Harrill
Richard Kirkland
T. J. Lankford
Chad Leming

Adam Reynolds
Bill Shadden
Paulette Summey
Roger Thomas
Chris Wiseman

Board of Education

Sonya Lynn, Chairman
Jo T. Cagle
Sharon Freeman
Janie Harrill
Jason Miller

John Ridgell
Marsha Standridge
Dewitt Upton
Donald Weiss

Financial Management Committee

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

Chad Leming
Adam Reynolds
Roger Thomas

Audit Committee

Jim Fairweather, Chairman
Jeff Amburn
Doug Richesin

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Monroe County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required

part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021, on our consideration of Monroe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Monroe County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Monroe County, Tennessee
Statement of Net Position
June 30, 2020

	<u>Primary Governmental Activities</u>	<u>Component Unit Monroe County School Department</u>
<u>ASSETS</u>		
Cash	\$ 10,003	\$ 754
Equity in Pooled Cash and Investments	30,237,956	9,316,241
Accounts Receivable	1,948,289	62,647
Allowance for Uncollectibles	(606,860)	0
Due from Other Governments	1,965,175	2,049,690
Due from Component Unit	94,562	0
Property Taxes Receivable	18,839,896	6,513,341
Allowance for Uncollectible Property Taxes	(596,451)	(206,492)
Net Pension Asset - Agent Plan	1,454,092	722,367
Net Pension Asset - Teacher Retirement Plan	0	185,513
Net Pension Asset - Teacher Legacy Pension Plan	0	5,238,645
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	149,463
Capital Assets:		
Assets Not Depreciated:		
Land	1,383,671	864,562
Construction in Progress	2,789,122	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	37,743,162	38,745,746
Infrastructure - Roads, Streets, and Bridges	78,160,597	0
Other Capital Assets	6,043,139	1,044,418
Total Assets	<u>\$ 179,466,353</u>	<u>\$ 64,686,895</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 69,622	\$ 297,335
Pension Changes in Assumptions	316,095	869,411
Pension Changes in Proportion	0	170,083
Pension Contributions after Measurement Date	469,251	2,095,423
OPEB Change in Experience	6,391	1,167,639
OPEB Change in Assumptions	5,069	754,695
OPEB Changes in Proportion	0	1,008,615
OPEB Contributions after Measurement Date	7,385	352,219
Accumulated Decrease in Fair Value of Hedging Derivatives	2,728,542	0
Total Deferred Outflows of Resources	<u>\$ 3,602,355</u>	<u>\$ 6,715,420</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 536,310	\$ 199,350
Accrued Payroll	172,718	3,707,072
Payroll Deductions Payable	258,223	1,769,006
Accrued Interest Payable	247,122	0
Due to Primary Government	0	94,562
Due to Other Taxing Units	875	0
Derivative - Interest Rate Swap	2,728,542	0
Noncurrent Liabilities:		
Due Within One Year - Debt	3,307,355	0
Due Within One Year - Other	341,637	0
Due in More Than One Year - Debt	77,908,452	0
Due in More Than One Year - Other	708,320	11,262,553
Total Liabilities	<u>\$ 86,209,554</u>	<u>\$ 17,032,543</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Unit Monroe County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 17,888,776	\$ 6,183,857
Pension Changes in Experience	318,602	3,390,529
Pension Changes in Investment Earnings	380,409	1,693,605
Pension Changes in Proportion	0	182,711
OPEB Changes in Experience	306,801	352,739
OPEB Changes in Assumptions	46,059	990,989
OPEB Changes in Proportion	<u>0</u>	<u>45,266</u>
Total Deferred Inflows of Resources	<u>\$ 18,940,647</u>	<u>\$ 12,839,696</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 88,458,061	\$ 40,654,726
Restricted for:		
General Government	168,246	0
Finance	68,810	0
Administration of Justice	27,364	0
Public Safety	80,729	0
Public Health and Welfare	693,286	0
Highways	2,462,109	0
Education	0	2,317,800
Debt Service	14,382,491	0
Capital Projects	1,304,541	0
Pensions	1,454,092	6,295,988
Unrestricted	<u>(31,181,222)</u>	<u>(7,738,438)</u>
Total Net Position	<u>\$ 77,918,507</u>	<u>\$ 41,530,076</u>

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

Exhibit B

Monroe County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental	Monroe County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,249,286	\$ 824,924	\$ 168,715	\$ 2,384,861	\$ (1,870,786)	\$ 0
Finance	1,970,784	1,290,273	0	0	(680,511)	0
Administration of Justice	1,649,374	968,193	9,000	0	(672,181)	0
Public Safety	8,059,595	1,171,338	393,160	80,718	(6,414,379)	0
Public Health and Welfare	5,203,033	3,252,423	435,975	6,922	(1,507,713)	0
Social, Cultural, and Recreational Services	301,850	0	0	0	(301,850)	0
Agriculture and Natural Resources	137,710	0	0	0	(137,710)	0
Highways	8,920,343	164,210	3,282,016	743,935	(4,730,182)	0
Interest on Long-term Debt	2,538,135	0	0	0	(2,538,135)	0
Total Primary Government	\$ 34,030,110	\$ 7,671,361	\$ 4,288,866	\$ 3,216,436	\$ (18,853,447)	\$ 0
Component Unit:						
Monroe County School Department	\$ 49,031,847	\$ 758,629	\$ 7,555,665	\$ 0	\$ 0	\$ (40,717,553)
Total Component Unit	\$ 49,031,847	\$ 758,629	\$ 7,555,665	\$ 0	\$ 0	\$ (40,717,553)

(Continued)

Exhibit B

Monroe County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	
					Governmental Activities	Component Unit Monroe County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 9,035,732	\$ 5,714,973	
Property Taxes Levied for Solid Waste/Sanitation				1,009,420	0	
Property Taxes Levied for Highways				1,081,014	0	
Property Taxes Levied for Debt Service				3,856,336	0	
Local Option Sales Taxes				1,101,402	5,141,196	
Hotel/Motel Tax				196,019	0	
Wheel Tax				1,727,250	0	
Litigation Tax - General				70,246	0	
Litigation Tax - Special Purpose				33,639	0	
Litigation Tax - Jail, Workhouse, or Courthouse				169,450	0	
Business Tax				272,725	152,281	
Mineral Severance Tax				37,075	0	
Wholesale Beer Tax				75,871	0	
Mixed Drink Tax				0	4,653	
Other Local Taxes				5,865	172	
Grants and Contributions Not Restricted to Specific Programs				2,323,845	31,199,809	
Unrestricted Investment Income				459,687	0	
Gain On Investments				0	4,700	
Miscellaneous				18,455	207,942	
Total General Revenues				<u>\$ 21,474,031</u>	<u>\$ 42,425,726</u>	
Change in Fair Value of Investment Derivatives - Interest Rate Swap				\$ 41,837	\$ 0	
Change in Net Position				\$ 2,662,421	\$ 1,708,173	
Net Position, July 1, 2019				<u>75,256,086</u>	<u>39,821,903</u>	
Net Position, June 30, 2020				<u>\$ 77,918,507</u>	<u>\$ 41,530,076</u>	

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

Exhibit C-1

Monroe County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 6,746	\$ 0	\$ 0	\$ 3,257	\$ 10,003
Equity in Pooled Cash and Investments	7,955,483	2,379,683	15,462,497	2,198,722	27,996,385
Accounts Receivable	1,925,981	17,433	55	4,820	1,948,289
Allowance for Uncollectibles	(606,860)	0	0	0	(606,860)
Due from Other Governments	1,281,993	633,169	40,953	9,060	1,965,175
Due from Other Funds	3,095	0	0	0	3,095
Due from Component Units	0	0	0	199	199
Property Taxes Receivable	12,090,581	1,263,982	4,301,250	1,184,083	18,839,896
Allowance for Uncollectible Property Taxes	(372,343)	(41,382)	(144,019)	(38,707)	(596,451)
Total Assets	\$ 22,284,676	\$ 4,252,885	\$ 19,660,736	\$ 3,361,434	\$ 49,559,731
<u>LIABILITIES</u>					
Accounts Payable	\$ 295,974	\$ 166,702	\$ 0	\$ 57,460	\$ 520,136
Accrued Payroll	134,697	30,836	0	7,185	172,718
Payroll Deductions Payable	220,111	31,227	0	6,885	258,223
Due to Other Funds	0	0	0	3,095	3,095
Due to Other Taxing Units	875	0	0	0	875
Total Liabilities	\$ 651,657	\$ 228,765	\$ 0	\$ 74,625	\$ 955,047
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,504,342	\$ 1,197,010	\$ 4,065,943	\$ 1,121,481	\$ 17,888,776
Deferred Delinquent Property Taxes	136,341	16,311	58,188	15,231	226,071
Other Deferred/Unavailable Revenue	882,930	255,333	6,946	1,818	1,147,027
Total Deferred Inflows of Resources	\$ 12,523,613	\$ 1,468,654	\$ 4,131,077	\$ 1,138,530	\$ 19,261,874

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 167,246	\$ 0	\$ 0	\$ 0	\$ 167,246
Restricted for Finance	68,810	0	0	0	68,810
Restricted for Administration of Justice	27,364	0	0	0	27,364
Restricted for Public Safety	51,559	0	0	29,170	80,729
Restricted for Public Health and Welfare	27,245	0	0	701,009	728,254
Restricted for Highways/Public Works	0	2,289,530	0	0	2,289,530
Restricted for Debt Service	0	0	14,571,425	0	14,571,425
Restricted for Capital Projects	0	0	0	1,304,541	1,304,541
Restricted for Other Purposes	1,000	0	0	0	1,000
Committed:					
Committed for General Government	1,969,298	0	0	0	1,969,298
Committed for Public Safety	13,895	0	0	0	13,895
Committed for Public Health and Welfare	0	0	0	113,559	113,559
Committed for Other Operations	79,291	0	0	0	79,291
Committed for Highways/Public Works	0	265,936	0	0	265,936
Committed for Debt Service	0	0	958,234	0	958,234
Assigned:					
Assigned for General Government	762,249	0	0	0	762,249
Assigned for Public Safety	52,283	0	0	0	52,283
Assigned for Other Purposes	78,474	0	0	0	78,474
Unassigned	5,810,692	0	0	0	5,810,692
Total Fund Balances	<u>\$ 9,109,406</u>	<u>\$ 2,555,466</u>	<u>\$ 15,529,659</u>	<u>\$ 2,148,279</u>	<u>\$ 29,342,810</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,284,676</u>	<u>\$ 4,252,885</u>	<u>\$ 19,660,736</u>	<u>\$ 3,361,434</u>	<u>\$ 49,559,731</u>

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

Exhibit C-2

Monroe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2020

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)		\$ 29,342,810
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,383,671	
Add: construction in progress	2,789,122	
Add: buildings and improvements net of accumulated depreciation	37,743,162	
Add: infrastructure net of accumulated depreciation	78,160,597	
Add: other capital assets net of accumulated depreciation	<u>6,043,139</u>	126,119,691
(2) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,225,397
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (53,473,339)	
Less: other loans payable	(24,040,514)	
Less: capital lease payable	(3,701,954)	
Less: accrued interest on bonds, other loans, and capital leases	(247,122)	
Add: debt to be contributed by the school department	94,363	
Less: net OPEB liability	(267,096)	
Less: compensated absences payable	(655,463)	
Less: landfill closure/postclosure care costs	<u>(127,398)</u>	(82,418,523)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 854,968	
Less: deferred inflows of resources related to pensions	(699,011)	
Add: deferred outflows of resources related to OPEB	18,845	
Less: deferred inflows of resources related to OPEB	<u>(352,860)</u>	(178,058)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,454,092
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,373,098</u>
Net position of governmental activities (Exhibit A)		<u>\$ 77,918,507</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, 2020

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 12,599,821	\$ 1,363,251	\$ 5,380,664	\$ 1,123,189	\$ 20,466,925
Licenses and Permits	150,661	0	0	0	150,661
Fines, Forfeitures, and Penalties	222,948	0	0	44,196	267,144
Charges for Current Services	3,660,419	164,210	0	48,910	3,873,539
Other Local Revenues	153,091	0	459,668	15,987	628,746
Fees Received From County Officials	2,237,294	0	0	0	2,237,294
State of Tennessee	3,930,555	3,637,996	23,860	86,194	7,678,605
Federal Government	580,771	95,846	0	0	676,617
Other Governments and Citizens Groups	296,559	0	66,341	261	363,161
Total Revenues	\$ 23,832,119	\$ 5,261,303	\$ 5,930,533	\$ 1,318,737	\$ 36,342,692
<u>Expenditures</u>					
Current:					
General Government	\$ 3,622,930	\$ 0	\$ 0	\$ 0	\$ 3,622,930
Finance	2,008,801	0	0	0	2,008,801
Administration of Justice	1,671,446	0	0	3,045	1,674,491
Public Safety	7,858,584	0	0	34,854	7,893,438
Public Health and Welfare	4,099,510	0	0	1,222,270	5,321,780
Social, Cultural, and Recreational Services	301,850	0	0	0	301,850
Agriculture and Natural Resources	137,991	0	0	0	137,991
Other Operations	3,574,742	0	0	0	3,574,742
Highways	0	5,118,642	0	116,457	5,235,099
Debt Service:					
Principal on Debt	0	0	2,630,550	0	2,630,550
Interest on Debt	0	0	2,373,067	0	2,373,067
Other Debt Service	0	0	101,569	0	101,569

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 1,009	\$ 0	\$ 0	\$ 6,708,469	\$ 6,709,478
Total Expenditures	\$ 23,276,863	\$ 5,118,642	\$ 5,105,186	\$ 8,085,095	\$ 41,585,786
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ 555,256	\$ 142,661	\$ 825,347	\$ (6,766,358)	\$ (5,243,094)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 30,433	\$ 0	\$ 0	\$ 3,210,000	\$ 3,240,433
Insurance Recovery	66,555	32,800	0	8,550	107,905
Transfers In	0	0	0	104,836	104,836
Transfers Out	(104,836)	0	0	0	(104,836)
Discounts on Debt Issued	0	0	0	(98,329)	(98,329)
Total Other Financing Sources (Uses)	\$ (7,848)	\$ 32,800	\$ 0	\$ 3,225,057	\$ 3,250,009
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2019	\$ 8,561,998	\$ 2,380,005	\$ 14,704,312	\$ 5,689,580	\$ 31,335,895
Fund Balance, June 30, 2020	\$ 9,109,406	\$ 2,555,466	\$ 15,529,659	\$ 2,148,279	\$ 29,342,810

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

Exhibit C-4

Monroe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2020

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)		\$ (1,993,085)
(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	\$ 9,991,119	
Less: current-year depreciation expense	<u>(5,884,428)</u>	4,106,691
(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	\$ 80,718	
Less: book value of assets disposed	<u>(57,126)</u>	23,592
(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, 2020	\$ 1,373,098	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(1,034,187)</u>	338,911
(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	\$ 1,033,861	
Add: principal payments on other loans	1,542,188	
Add: principal payments on capital leases	582,765	
Less: capital lease proceeds	<u>(3,240,433)</u>	
Less: contributions from the school department for capital leases	<u>(54,501)</u>	(136,120)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ (23,011)	
Change in deferred outflows related to OPEB	12,657	
Change in deferred inflows related to OPEB	58,936	
Change in net pension asset/liability	134,991	
Change in deferred outflows related to pensions	<u>(133,893)</u>	
Change in deferred inflows related to pensions	1,101	
Change in accrued interest payable	<u>(66,739)</u>	
Change in compensated absences payable	<u>(73,496)</u>	
Change in landfill postclosure care costs	<u>(17,547)</u>	(107,001)
(6) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		387,596
(7) For interest rate swap agreements that are classified as investment derivatives, the change in fair market value is reflected in changes in net position for governmental activities.		<u>41,837</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,662,421</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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 12,599,821	\$ 0	\$ 12,599,821	\$ 11,777,805	\$ 11,777,805	\$ 822,016
Licenses and Permits	150,661	0	150,661	123,000	123,000	27,661
Fines, Forfeitures, and Penalties	222,948	0	222,948	240,500	240,500	(17,552)
Charges for Current Services	3,660,419	0	3,660,419	3,793,980	3,793,980	(133,561)
Other Local Revenues	153,091	0	153,091	66,166	101,195	51,896
Fees Received From County Officials	2,237,294	0	2,237,294	2,100,000	2,100,000	137,294
State of Tennessee	3,930,555	0	3,930,555	4,553,698	4,170,438	(239,883)
Federal Government	580,771	0	580,771	486,507	906,905	(326,134)
Other Governments and Citizens Groups	296,559	0	296,559	285,620	288,120	8,439
Total Revenues	\$ 23,832,119	\$ 0	\$ 23,832,119	\$ 23,427,276	\$ 23,501,943	\$ 330,176
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 477,103	\$ 0	\$ 477,103	\$ 661,554	\$ 661,554	\$ 184,451
Board of Equalization	2,600	0	2,600	3,500	3,500	900
County Mayor/Executive	221,462	0	221,462	228,453	228,453	6,991
Personnel Office	120,454	0	120,454	181,938	179,586	59,132
County Attorney	78,311	0	78,311	75,000	75,000	(3,311)
Election Commission	676,002	(14,070)	661,932	360,704	678,794	16,862
Register of Deeds	396,759	0	396,759	411,968	411,969	15,210
Planning	70,881	(40)	70,841	90,599	90,599	19,758
Engineering	415,035	(1,000)	414,035	422,747	429,005	14,970
Codes Compliance	33,372	0	33,372	50,610	50,610	17,238
Geographical Information Systems	133,230	0	133,230	150,713	150,713	17,483
County Buildings	688,838	(54,636)	634,202	748,033	850,512	216,310
Other General Administration	288,529	0	288,529	298,500	298,500	9,971

(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 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>General Government (Cont.)</u>						
Preservation of Records	\$ 20,354	\$ 0	\$ 20,354	\$ 22,010	\$ 28,557	\$ 8,203
<u>Finance</u>						
Accounting and Budgeting	607,798	(8,513)	599,285	677,133	682,296	83,011
Property Assessor's Office	348,789	0	348,789	387,634	387,634	38,845
Reappraisal Program	117,970	0	117,970	151,700	151,700	33,730
County Trustee's Office	365,164	0	365,164	386,769	386,769	21,605
County Clerk's Office	569,080	0	569,080	595,639	601,639	32,559
<u>Administration of Justice</u>						
Circuit Court	1,041,081	0	1,041,081	1,208,721	1,208,721	167,640
General Sessions Judge	256,456	0	256,456	279,892	282,244	25,788
Chancery Court	303,628	(8,208)	295,420	322,469	335,868	40,448
Probate Court	55,281	0	55,281	57,602	57,602	2,321
Other Administration of Justice	15,000	0	15,000	35,065	35,065	20,065
<u>Public Safety</u>						
Sheriff's Department	3,755,672	(3,412)	3,752,260	3,973,166	4,066,311	314,051
Administration of the Sexual Offender Registry	3,068	0	3,068	3,000	3,000	(68)
Jail	3,247,779	(24,389)	3,223,390	3,337,306	3,596,786	373,396
Juvenile Services	130,618	0	130,618	156,903	157,903	27,285
Fire Prevention and Control	247,000	0	247,000	260,000	260,000	13,000
Rescue Squad	60,000	0	60,000	60,000	60,000	0
Other Emergency Management	84,677	0	84,677	100,099	113,599	28,922
County Coroner/Medical Examiner	92,902	0	92,902	142,000	142,000	49,098
Other Public Safety	236,868	0	236,868	880,843	598,043	361,175
<u>Public Health and Welfare</u>						
Local Health Center	47,596	0	47,596	55,807	75,807	28,211

(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 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Rabies and Animal Control	\$ 227,110	\$ (150)	\$ 226,960	\$ 294,577	\$ 294,579	\$ 67,619
Ambulance/Emergency Medical Services	3,160,493	(7,658)	3,152,835	3,509,155	4,038,700	885,865
Dental Health Program	338,484	(801)	337,683	566,407	566,407	228,724
Alcohol and Drug Programs	9,323	0	9,323	9,323	9,323	0
Crippled Children Services	1,995	0	1,995	1,995	1,995	0
Other Local Health Services	314,509	0	314,509	385,777	385,777	71,268
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	38,000	0	38,000	38,000	38,000	0
Libraries	125,000	0	125,000	133,817	133,817	8,817
Other Social, Cultural, and Recreational	138,850	0	138,850	138,850	138,850	0
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	75,393	0	75,393	89,088	89,088	13,695
Soil Conservation	60,598	0	60,598	64,750	64,750	4,152
Flood Control	2,000	0	2,000	2,000	2,000	0
<u>Other Operations</u>						
Tourism	258,294	(27)	258,267	288,418	305,918	47,651
Industrial Development	726,161	(600)	725,561	966,832	993,082	267,521
Airport	2,268,681	(20,000)	2,248,681	3,004,013	2,490,463	241,782
Veterans' Services	51,920	0	51,920	55,277	55,277	3,357
Contributions to Other Agencies	217,528	0	217,528	12,000	218,800	1,272
Employee Benefits	24,914	0	24,914	51,200	51,200	26,286
COVID-19 Grant D	27,244	0	27,244	0	27,244	0
<u>Capital Projects</u>						
Public Safety Projects	1,009	0	1,009	10,000	10,000	8,991
Total Expenditures	\$ 23,276,863	\$ (143,504)	\$ 23,133,359	\$ 26,399,556	\$ 27,255,609	\$ 4,122,250

(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 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 555,256	\$ 143,504	\$ 698,760	\$ (2,972,280)	\$ (3,753,666)	\$ 4,452,426
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 30,433	\$ 0	\$ 30,433	\$ 0	\$ 0	\$ 30,433
Insurance Recovery	66,555	0	66,555	0	65,555	1,000
Transfers Out	(104,836)	0	(104,836)	0	(104,836)	0
Total Other Financing Sources	\$ (7,848)	\$ 0	\$ (7,848)	\$ 0	\$ (39,281)	\$ 31,433
Net Change in Fund Balance	\$ 547,408	\$ 143,504	\$ 690,912	\$ (2,972,280)	\$ (3,792,947)	\$ 4,483,859
Fund Balance, July 1, 2019	8,561,998	(143,504)	8,418,494	7,952,100	7,952,100	466,394
Fund Balance, June 30, 2020	\$ 9,109,406	\$ 0	\$ 9,109,406	\$ 4,979,820	\$ 4,159,153	\$ 4,950,253

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
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,363,251	\$ 0	\$ 1,363,251	\$ 1,242,050	\$ 1,242,050	\$ 121,201
Charges for Current Services	164,210	0	164,210	200,000	200,000	(35,790)
Other Local Revenues	0	0	0	5,000	5,000	(5,000)
State of Tennessee	3,637,996	0	3,637,996	3,234,327	3,575,646	62,350
Federal Government	95,846	0	95,846	85,000	85,000	10,846
Total Revenues	\$ 5,261,303	\$ 0	\$ 5,261,303	\$ 4,766,377	\$ 5,107,696	\$ 153,607
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 257,819	\$ (84)	\$ 257,735	\$ 273,633	\$ 276,059	\$ 18,324
Highway and Bridge Maintenance	3,020,868	(78,745)	2,942,123	3,117,188	3,117,188	175,065
Operation and Maintenance of Equipment	565,015	(26,793)	538,222	745,868	745,868	207,646
Other Charges	278,042	0	278,042	312,000	312,000	33,958
Employee Benefits	600	0	600	5,000	5,000	4,400
Capital Outlay	996,298	0	996,298	777,101	1,151,220	154,922
Total Expenditures	\$ 5,118,642	\$ (105,622)	\$ 5,013,020	\$ 5,230,790	\$ 5,607,335	\$ 594,315
Excess (Deficiency) of Revenues Over Expenditures	\$ 142,661	\$ 105,622	\$ 248,283	\$ (464,413)	\$ (499,639)	\$ 747,922
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 32,800	\$ 0	\$ 32,800	\$ 0	\$ 32,800	\$ 0
Total Other Financing Sources	\$ 32,800	\$ 0	\$ 32,800	\$ 0	\$ 32,800	\$ 0

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 175,461	\$ 105,622	\$ 281,083	\$ (464,413)	\$ (466,839)	\$ 747,922
Fund Balance, July 1, 2019	2,380,005	(105,622)	2,274,383	1,964,885	1,964,885	309,498
Fund Balance, June 30, 2020	\$ 2,555,466	\$ 0	\$ 2,555,466	\$ 1,500,472	\$ 1,498,046	\$ 1,057,420

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

Exhibit D-1

Monroe County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2020

	Governmental Activities - Internal Service Fund
	<u>Fund</u>
	Employee Health Insurance Fund
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,241,571
Total Assets	<u>\$ 2,241,571</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 16,174
Total Liabilities	<u>\$ 16,174</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 2,225,397</u>
Total Net Position	<u>\$ 2,225,397</u>

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

Exhibit D-2

Monroe County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
	Employee Health Insurance Fund
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 741,394
Commercial Insurance Premiums	2,017,626
Total Operating Revenues	<u>\$ 2,759,020</u>
<u>Operating Expenses</u>	
Fiscal Agent Charges	\$ 54,822
Medical Claims	404,154
Insurance Premiums	1,543,812
Other Fringe Benefits	368,636
Total Operating Expenses	<u>\$ 2,371,424</u>
Operating Income (Loss)	<u>\$ 387,596</u>
Change in Net Position	\$ 387,596
Net Position, July 1, 2019	<u>1,837,801</u>
Net Position, June, 30, 2020	<u><u>\$ 2,225,397</u></u>

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

Exhibit D-3

Monroe County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
	<u>Employee Health Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 1,242,273
Receipts for Commercial Insurance Premiums	2,017,626
Payments to Fiscal Agents	(54,822)
Payments to Insurers	(1,527,638)
Payments for Claims	(460,074)
Payments for Other Fringe Benefits	(368,636)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 848,729</u>
Increase (Decrease) in Cash	\$ 848,729
Cash, July 1, 2019	<u>1,392,842</u>
Cash, June 30, 2020	<u><u>\$ 2,241,571</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 387,596
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	500,879
Increase (Decrease) in Current Liabilities	<u>(39,746)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 848,729</u></u>

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

Exhibit E

Monroe County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,522,063
Equity in Pooled Cash and Investments	3,085
Due from Other Governments	1,177,096
Taxes Receivable	1,639,596
Allowance for Uncollectible Taxes	<u>(51,980)</u>
Total Assets	<u><u>\$ 5,289,860</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,767,797
Due to Litigants, Heirs, and Others	<u>2,522,063</u>
Total Liabilities	<u><u>\$ 5,289,860</u></u>

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

MONROE COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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MONROE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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, Tennessee 37354

B. Government-wide and Fund Financial Statements

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

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

Monroe County issues all debt for the discretely presented Monroe County School Department. There were no debt issues were contributed by the county to the school department during the year ended June 30, 2020. Other significant transactions between the primary government and the school department during the year include: \$59,153 paid from the General Purpose School Fund to the county's General Debt Service Fund as discussed in Note

IV.F and \$254,659 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Monroe County reports the following major governmental funds:

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

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

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

Additionally, Monroe County reports the following fund types:

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

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Monroe County, and the city school system’s share of educational revenues. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented 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.

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

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

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

1. Deposits and Investments

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

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

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

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State 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 State 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 1.73 percent of the total taxes levied.

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

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

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation benefits. Vacation benefits granted through the discretely presented Monroe County School Department do not vest or accumulate and must be taken during the year or lost. There is no liability for unpaid accumulated sick leave since neither Monroe County nor the school department has a policy to pay

any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the primary government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are

attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$20,641,668 of restricted net position, of which \$344,149 is restricted by enabling legislation.

As of June 30, 2020, Monroe County had \$43,554,177 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.

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of 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 Retirement 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 Retirement 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 Retirement 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 (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may

not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, 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.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the County Attorney major appropriation category (the legal level of control) in the General Fund by \$3,311. Expenditures that exceed appropriations are a violation of state statutes. These excess expenditures were funded by available fund balance in the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, 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, 2020.

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.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are

not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2020, the Monroe County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 46,333
Developed Market International Equity	N/A	N/A	20,925
Emerging Market International Equity	N/A	N/A	5,978
U.S. Fixed Income	N/A	N/A	29,893
Real Estate	N/A	N/A	14,946
Short-term Securities	N/A	N/A	1,495
NAV - Private Equity and Strategic Lending	N/A	N/A	29,893
Total			<u>\$ 149,463</u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 46,333	\$ 46,333	\$ 0	\$ 0	0
Developed Market International Equity	20,925	20,925	0	0	0
Emerging Market International Equity	5,978	5,978	0	0	0
U.S. Fixed Income	29,893	0	29,893	0	0
Real Estate	14,946	0	0	14,946	0
Short-term Securities	1,495	0	1,495	0	0
Private Equity and Strategic Lending	29,893	0	0	0	29,893
Total	<u>\$ 149,463</u>	<u>\$ 73,236</u>	<u>\$ 31,388</u>	<u>\$ 14,946</u>	<u>\$ 29,893</u>

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Monroe County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Monroe County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

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

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Monroe County School Department to pay retirement benefits of the school department employees.

For further information concerning 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/ag19091.pdf>.

B. Derivative Instruments

At June 30, 2020, Monroe County had the following derivative instruments outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$6.255M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$ 6,255,000	2-19-09	6-1-20	Pay 4.27% receive 63.1% of LIBOR
\$10.05M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	10,050,000	2-19-09	6-1-33	Pay 3.68% receive 63% of LIBOR

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value using a pay fixed rate, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of the derivative instruments for the year then ended as reported in the 2020 financial statements are as follows:

Type	<u>Changes in Fair Value</u> Classification	Amount	<u>Fair Value at June 30, 2020</u> Classification	Amount	6-30-20 Notional Amount
Governmental Activities					
Investment Derivative:					
Pay fixed interest rate swaps:					
\$6.255M Swap	Investment Earnings	\$ (41,837)	Debt	\$ 0	\$ 0
Cash Flow Hedge:					
\$10.05M Swap	Deferred Outflow	(619,481)	Debt	(2,728,542)	10,050,000
Total		<u>\$ (661,318)</u>		<u>\$(2,728,542)</u>	<u>\$ 10,050,000</u>

Derivative Swap Agreement Detail

\$10.05M Swap:

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series V-C-2.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the

county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10.05 million Series V-C-2 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series V-C-2 bonds have since been refunded with a portion of the proceeds of the Series E-7-A bonds and the interest rate swap is now associated with the Series E-7-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.684 percent and receives a variable payment computed as 63 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had a notional amount of \$10.05 million and the associated variable-rate bond had a \$10.05 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-7-A Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association™ (SIFMA). The bonds and the related swap agreement mature on June 1, 2033. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	3.68%
Variable payment from counterparty	% of LIBOR	<u>-0.21%</u>
Net interest rate swap payments		3.48%
Variable-rate bond coupon payments		<u>0.18%</u>
Synthetic interest rate on bonds		<u><u>3.66%</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$2,728,542. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. In order to mitigate the potential for credit risk, the authority, on behalf of the county, entered into the interest rate swap agreement with Depfa Bank, who was rated “A+” by Standard and Poor’s, AA- by Fitch Ratings and “Aa3” by Moody’s Investor Service at the time the interest rate swap agreement was entered into. If Depfa’s credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian. As of June 30, 2020, Depfa’s credit rating had been downgraded and was rated “A2/A-” by Moody’s and Standard

and Poor's, respectively. The counterparty has posted all collateral requirements with a third-party custodian.

Basis risk. As noted above, the swap exposes the county to basis risk should the rate on the bonds increase to above 63 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the rate on the bonds to be below 63 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	Total
	Principal	Interest	Payment	
2021	\$ 0	\$ 18,090	\$ 349,589	367,679
2022	0	18,090	349,589	367,679
2023	0	18,090	349,589	367,679
2024	800,000	18,090	349,589	1,167,679
2025	800,000	16,650	321,761	1,138,411
2026-2030	4,900,000	59,310	1,146,164	6,105,474
2031-2033	3,550,000	13,050	252,191	3,815,241
Total	\$ 10,050,000	\$ 161,370	\$ 3,118,472	\$ 13,329,842

C. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,423,034	\$ 0	\$ (39,363)	\$ 1,383,671
Construction in Progress	31,024,570	5,562,736	(33,798,184)	2,789,122
Total Capital Assets Not Depreciated	\$ 32,447,604	\$ 5,562,736	\$ (33,837,547)	\$ 4,172,793
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,354,575	\$ 33,795,922	\$ 0	\$ 43,150,497
Infrastructure	170,947,788	441,810	0	171,389,598
Other Capital Assets	9,860,722	4,069,553	(81,352)	13,848,923
Total Capital Assets Depreciated	\$ 190,163,085	\$ 38,307,285	\$ (81,352)	\$ 228,389,018
Less: Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,934,530	\$ 472,805	\$ 0	\$ 5,407,335
Infrastructure	88,974,472	4,254,529	0	93,229,001
Other Capital Assets	6,712,279	1,157,094	(63,589)	7,805,784
Total Accumulated Depreciation	\$ 100,621,281	\$ 5,884,428	\$ (63,589)	\$ 106,442,120
Total Capital Assets Depreciated, Net	\$ 89,541,804	\$ 32,422,857	\$ (17,763)	\$ 121,946,898
Governmental Activities Capital Assets, Net	\$ 121,989,408	\$ 37,985,593	\$ (33,855,310)	\$ 126,119,691

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

Governmental Activities:

General Government	\$ 534,866
Finance	4,468
Administration of Justice	1,705
Public Safety	670,669
Public Health and Welfare	264,024
Highways	4,408,696
Total Depreciation Expense - Governmental Activities	\$ 5,884,428

Discretely Presented Monroe County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 864,562	\$ 0	\$ 864,562
Total Capital Assets Not Depreciated	<u>\$ 864,562</u>	<u>\$ 0</u>	<u>\$ 864,562</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 74,124,135	\$ 0	\$ 74,124,135
Other Capital Assets	2,720,036	438,457	3,158,493
Total Capital Assets Depreciated	<u>\$ 76,844,171</u>	<u>\$ 438,457</u>	<u>\$ 77,282,628</u>
Less: Accumulated Depreciation For:			
Buildings and Improvements	\$ 33,722,014	\$ 1,656,375	\$ 35,378,389
Other Capital Assets	1,951,552	162,523	2,114,075
Total Accumulated Depreciation	<u>\$ 35,673,566</u>	<u>\$ 1,818,898</u>	<u>\$ 37,492,464</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,170,605</u>	<u>\$ (1,380,441)</u>	<u>\$ 39,790,164</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,035,167</u>	<u>\$ (1,380,441)</u>	<u>\$ 40,654,726</u>

There were no decreases in capital assets to report during the year ended June 30, 2020.

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

Governmental Activities:

Instruction	\$ 6,871
Support Services	1,805,037
Operation of Non-instructional Services	<u>6,990</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,818,898</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,095

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Nonmajor governmental	General Purpose School	\$ 199
Governmental Activities	Governmental Activities	94,363
Component Unit:		
School Department:		

The amount reflected as Due to Primary Government from the discretely presented school department on the government-wide Statement of Net Position includes \$94,363 for the balance of capital lease obligations issued by the primary government for the benefit of the school department. The school department has agreed to contribute funds annually to retire those debt obligations.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	Nonmajor	
	Governmental	
	Fund	Purpose
General	\$ 104,836	Capital Projects

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

them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

At June 30, 2020, Monroe County had the following outstanding capital leases.

Primary Government

	Original Amount	Date Entered	Maturity Date	Interest Rate	Balance 6-30-20
<u>Payable through General Fund</u>					
Maintenance Vehicle	\$ 28,004	2-10-17	2-10-17	4.65 %	\$ 5,600
Sheriff Vehicle - 2017 Dodge Durango	34,312	4-10-17	4-10-21	4.65	6,863
Three Sheriff's Vehicles - 2017 Dodge Chargers	123,622	8-10-17	8-10-20	4.65	30,904
Five Sheriff's Vehicles - 2017 Dodge Chargers	(1) 247,245	9-10-17	9-10-20	4.65	51,510
Two Sheriff's Vehicles - 2017 Ram Crew Cab	93,342	9-10-17	9-10-20	4.65	23,334
Sheriff Vehicle - 2017 Dodge Charger	41,207	10-10-17	10-10-20	4.65	10,301
Ambulance - Lifepack Defibrillators	214,535	10-10-17	10-10-21	4.90	85,814
Sheriff Vehicle - 2018 Dodge Ram Crew Cab	46,671	6-10-18	6-10-21	4.65	11,668
Property Assessor Vehicle - 2019 Jeep Compass	21,816	2-10-19	2-10-23	4.99	13,090
EMA Vehicle - 2018 Dodge 3500	25,081	4-10-19	4-10-22	4.91	12,541
Sheriff Vehicle - 2019 Dodge Durango	30,433	8-10-19	8-10-24	4.65	24,346
Motorola Radios	(2) 3,210,000	10-1-19	10-1-29	3.16	3,210,000
<u>Payable through Highway/Public Works Fund</u>					
Three 2017 Dodge Ram 1500s	66,582	8-10-17	8-10-20	4.65	16,646
2017 Dodge Ram 2500	29,298	8-10-17	8-10-20	4.65	7,324
Three 2018 International Dump Trucks	324,269	9-7-17	9-7-20	4.25	82,682
Two 2017 Dodge Ram 1500s	59,869	9-10-17	9-10-20	4.65	14,968
<u>Payable by Contributions from the School Department's General Purpose School Fund to the General Debt Service Fund</u>					
Caterpillar Excavator and Skid Loader	67,553	9-20-16	9-20-21	2.89	17,832
2017 Dodge Ram 2500 Crew Cab	32,315	5-10-17	5-10-21	4.65	6,463
2017 Dodge Ram 2500	36,906	6-10-17	6-10-21	4.65	7,382
2017 Jeep Renegade	20,345	6-10-17	6-10-21	4.65	4,069
2018 Dodge Ram 3500	48,649	4-10-18	4-10-22	4.65	19,459
2018 Dodge Caravan	22,976	9-10-18	9-10-22	4.65	13,786
2018 Dodge Caravan	22,976	9-10-18	9-10-22	4.65	13,786
2019 Dodge Caravan	19,310	4-10-19	4-10-22	4.99	11,586
Total Capital Leases					<u>\$ 3,701,954</u>

(1) Includes \$41,206 for a vehicle disposed and paid for through insurance recovery in a prior year.

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

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

The assets acquired through capital leases outstanding at June 30, 2020, are as follows:

Asset	Governmental Activities	
	Primary Government	Discretely Presented School Department
Machinery and Equipment	\$ 4,462,592	\$ 271,030
Less: Accumulated Depreciation	<u>(910,133)</u>	<u>(129,367)</u>
Total Book Value	<u>\$ 3,552,459</u>	<u>\$ 141,663</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year Ending June 30	Governmental Funds
2021	\$ 770,774
2022	462,001
2023	393,569
2024	374,431
2025	367,768
2026-2030	<u>1,838,838</u>
Total Minimum Lease Payments	\$ 4,207,381
Less: Amount Representing Interest	<u>(505,427)</u>
Present Value of Minimum Lease Payments	<u>\$ 3,701,954</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Monroe County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In

addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 40 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Monroe County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The county had no outstanding capital outlay notes at June 30, 2020. Other loans outstanding were issued for original terms of up to 30 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital lease obligations outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	2.875 %	6-5-59	\$ 30,917,200	\$ 30,498,339
General Obligation Refunding Bonds	2.0 to 3.25	6-1-38	25,540,000	22,975,000
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate -				
Public Improvement and Refunding	Variable	6-1-39	31,965,000	24,025,000
Other Loan - Fixed Rate	0	8-20-22	71,820	15,514
Capital Leases	2.89 to 4.99	10-1-29	4,867,316	3,701,954

In prior years, Monroe County entered into variable rate loan agreements with Public Building Authorities (PBAs) to finance capital projects for the county and the discretely presented Monroe County School Department. During the 2008-09 year, Monroe County issued a loan agreement (Series E-7-A) to refund all outstanding PBA loan agreements and to provide funds for capital projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, administrative, and debt remarketing) in connection with this loan. The following table summarizes loan agreements outstanding at June 30, 2020, including interest rates and other loan fees:

<u>Description</u>	<u>Original Amount of Loan Agreement</u>	<u>Outstanding Principal 6-30-20</u>	<u>Interest Type</u>	<u>Interest Rate as of 6-30-20</u>	<u>Other Fees on Variable Rate Debt</u>
<u>Blount County Public Building Authority</u>					
Series E-7-A (Public Improvement and Refunding) (1)	\$ 31,965,000	\$ 24,025,000	Variable	0.11%	0.84%
<u>Ft. Loudoun Electric Cooperative</u>					
Interest Free Loan	71,820	<u>15,514</u>	N/A	0	N/A
Total		<u>\$ 24,040,514</u>			

- (1) A portion of this issue refunded other issues for which outstanding interest rate swap agreements exist (Series V-C-2). See Note IV.B., Derivative Instruments.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2020, 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, 2020.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,471,063	\$ 1,476,889	\$ 2,947,952
2022	1,473,621	1,441,782	2,915,403
2023	1,546,545	1,406,507	2,953,052
2024	1,649,845	1,369,408	3,019,253
2025	1,693,532	1,329,670	3,023,202
2026-2030	8,582,342	6,021,321	14,603,663
2031-2035	9,824,540	4,844,885	14,669,425
2036-2040	8,214,607	3,295,318	11,509,925
2041-2045	4,057,253	2,453,947	6,511,200
2046-2050	4,683,679	1,827,521	6,511,200
2051-2055	5,406,825	1,104,374	6,511,199
2056-2059	4,869,487	288,227	5,157,714
Total	\$ 53,473,339	\$ 26,859,849	\$ 80,333,188

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest (1)	Other Fees	Total
2021	\$ 1,092,188	\$ 383,203	\$ 202,960	\$ 1,678,351
2022	1,162,188	382,009	193,794	1,737,991
2023	1,156,138	380,738	184,036	1,720,912
2024	1,130,000	379,468	174,279	1,683,747
2025	1,150,000	349,825	164,733	1,664,558
2026-2030	7,060,000	1,255,915	661,931	8,977,846
2031-2035	6,495,000	303,328	352,909	7,151,237
2036-2039	4,795,000	11,506	88,365	4,894,871
Total	\$ 24,040,514	\$ 3,445,992	\$ 2,023,007	\$ 29,509,513

(1) Includes net interest rate swap payments discussed in Note IV.B., Derivative Instruments.

There is \$15,529,659 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,201, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and capital leases, totaled \$1,824, based on the 2010 federal census.

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

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

<u>Description of Debt</u>	<u>Outstanding 6-30-20</u>
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Vehicles	\$ 76,531
Excavator and Skid Loader	<u>17,832</u>
Total	<u><u>\$ 94,363</u></u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Bonds	Other Loans - Direct Placement	Capital Leases- Direct Placement
Balance, July 1, 2019	\$ 54,507,200	\$ 25,582,702	\$ 1,044,286
Additions	0	0	3,240,433
Reductions	<u>(1,033,861)</u>	<u>(1,542,188)</u>	<u>(582,765)</u>
Balance, June 30, 2020	<u><u>\$ 53,473,339</u></u>	<u><u>\$ 24,040,514</u></u>	<u><u>\$ 3,701,954</u></u>
Balance Due Within One Year	<u><u>\$ 1,471,063</u></u>	<u><u>\$ 1,092,188</u></u>	<u><u>\$ 744,104</u></u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 81,215,807
Less: Balance Due Within One Year - Debt	<u>(3,307,355)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 77,908,452</u></u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Comp- ensated Absences
Balance, July 1, 2019	\$ 109,851	\$ 244,085	\$ 581,967
Additions	32,547	29,199	455,107
Reductions	(15,000)	(6,188)	(381,611)
Balance, June 30, 2020	<u>\$ 127,398</u>	<u>\$ 267,096</u>	<u>\$ 655,463</u>
Balance Due Within One Year	<u>\$ 13,905</u>	<u>\$ 0</u>	<u>\$ 327,732</u>

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

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 1,049,957
Less: Balance Due Within One Year - Other	<u>(341,637)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 708,320</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, 2020, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2019	\$ 11,303,103
Additions	1,618,844
Reductions	<u>(1,659,394)</u>
Balance, June 30, 2020	<u>\$ 11,262,553</u>
Balance Due Within One Year	<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 Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$112,855 and \$47,830, 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.

Monroe County has established the Employee Health Insurance Fund for risks associated with the county employees' health insurance plan. As explained below, the county changed its employee health coverage effective October 1, 2019. The Employee Health Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retained the risk of loss to a limit of \$85,000 for each employee. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability.

Effective October 1, 2019, Monroe County changed its employee health insurance coverage from the self-insured plan to a commercial plan. Settled claims did not exceed commercial health insurance coverage during the fiscal year. After the self-insured plan was discontinued the county continued to utilize the Employee Insurance Health Fund to collect employee premiums and process payments for the commercial plan.

Liabilities of the Employee Insurance Health Fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claims adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments - Net of Stop-Loss Recovery	Liability Balance at Fiscal Year-end
2018-2019	\$ 89,245	\$ 2,186,805	\$ (2,220,130)	\$ 55,920
2019-2020	55,920	404,154	(460,074)	0

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 Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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

B. Contingent Liabilities

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

Monroe County issued a State of Tennessee revolving loan agreement for the benefit of the Tellico Area Service System (TASS) joint venture. The loan is being retired from revenues of TASS and is not reflected on the financial statements of the county. Monroe County would become liable for the loan agreement in the event of default by TASS. As of June 30, 2020, future principal and interest requirements for which the county is contingently liable were \$1,971,956 and \$103,860, respectively, for the State of Tennessee revolving loan.

C. Changes in Administration

Tim Blankenship left the Office of Director of Schools on June 30, 2019 and was succeeded by Dr. DeAnna McClendon.

D. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Monroe County closed its sanitary landfill in 1999. The \$127,398 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

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

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District; Monroe, Bradley, McMinn, and Polk counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Monroe County made no contributions to the DTF for the year ended June 30, 2020.

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

Administrative Offices:

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

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

F. Jointly Governed Organizations

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

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

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Monroe County and non-certified employees of the discretely presented Monroe County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 66.81 percent, the non-certified employees of the discretely presented school department comprise 33.19 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	256
Inactive Employees Entitled to But Not Yet Receiving Benefits	373
Active Employees	482
Total	<u><u>1,111</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, 2020, the employer contribution for Monroe County was \$701,562 based on a rate of 4.35 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Monroe County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Monroe County’s net pension liability (asset) was measured as of June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2018	\$ 44,250,095	\$ 46,221,256	\$ (1,971,161)
Changes for the Year:			
Service Cost	\$ 1,392,996	\$ 0	\$ 1,392,996
Interest	3,240,783	0	3,240,783
Differences Between Expected and Actual Experience	46,410	0	46,410
Contributions-Employer	0	714,928	(714,928)
Contributions-Employees	0	785,812	(785,812)
Net Investment Income	0	3,425,776	(3,425,776)
Benefit Payments, Including Refunds of Employee Contributions	(1,885,279)	(1,885,279)	0
Administrative Expense	0	(41,029)	41,029
Net Changes	\$ 2,794,910	\$ 3,000,208	\$ (205,298)
Balance, June 30, 2019	\$ 47,045,005	\$ 49,221,464	\$ (2,176,459)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	66.81%	\$ 31,430,768	\$ 32,884,860	\$ (1,454,092)
School Department	33.19%	15,614,237	16,336,604	(722,367)
Total		\$ 47,045,005	\$ 49,221,464	\$ (2,176,459)

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

	1% Decrease	Current Discount Rate	1% Increase
<u>Monroe County</u>	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>

Net Pension Liability (Asset) \$ 3,999,936 \$ (2,176,459) \$ (7,267,486)

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

Pension Expense. For the year ended June 30, 2020, Monroe County recognized pension expense of \$697,364.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 104,209	\$ 476,878
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	569,389
Changes in Assumptions	473,126	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	<u>701,562</u>	<u>N/A</u>
Total	<u>\$ 1,278,897</u>	<u>\$ 1,046,267</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 854,968	\$ 699,011
School Department	423,929	347,256
Total	\$ 1,278,897	\$ 1,046,267

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

Year Ending June 30	Amount
2021	\$ 10,682
2022	(425,072)
2023	(45,797)
2024	(8,750)
2025	0
Thereafter	0

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

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 Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 66.81 percent and the non-certified employees of the discretely presented school department comprise 33.19 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher

Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$79,036, which is 2.03 percent of covered payroll. In addition, employer contributions of \$72,719 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$185,513) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .328640 percent. The proportion as of June 30, 2018, was .327262 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$57,995.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 7,692	\$ 32,385
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,843
Changes in Assumptions	6,446	0
Changes in Proportion of Net Pension Liability (Asset)	680	3,079
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	79,036	N/A
Total	<u>\$ 93,854</u>	<u>\$ 43,307</u>

The school department's employer contributions of \$79,036, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. 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
2021	\$ (4,158)
2022	(5,358)
2023	(3,158)
2024	(2,036)
2025	(1,716)
Thereafter	(12,066)

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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 58,778 \$ (185,513) \$ (366,089)

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, 2020, Monroe County School Department reported a payable of \$6,534 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension 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. 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, 2020, to the Teacher Legacy Pension Plan were \$1,784,076, which is 10.63 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$5,238,645) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .509507 percent. The proportion measured at June 30, 2018, was .487314 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$674,535.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 255,056	\$ 3,199,868
Changes in Assumptions	705,934	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,496,782
Changes in Proportion of Net Pension Liability (Asset)	169,403	179,632
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>1,784,076</u>	<u>N/A</u>
Total	<u>\$ 2,914,469</u>	<u>\$ 4,876,282</u>

The school department's employer contributions of \$1,784,076 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2021. 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
2021	\$ (1,093,476)
2022	(1,491,633)
2023	(660,341)
2024	(500,438)
2025	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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one

percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 10,711,515 \$ (5,238,645) \$ (17,926,554)

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

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 \$265,053 and teachers contributed \$73,060 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Postemployment Healthcare Plans

OPEB Provided through State Administered Public Entity Risk Pools

Monroe County and the discretely presented Monroe County School Department provide OPEB benefits to their retirees under various OPEB plans through state administered public entity risks 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, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, 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	2.2%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10-year period to an ultimate trend rate of 4.5%. TN-Ms: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable.
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on the average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but no not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2019, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the Tennessee Consolidated Retirement

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

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. 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 2020 plan year was revised from 6.75 percent to 6.03 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	14
Active Employees	179
	<hr/>
Total	<u>205</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, 2020, the county paid \$7,385 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 244,085
Changes for the Year:	
Service Cost	\$ 7,225
Interest	8,986
Difference between	
Expected and Actuarial	
Experience	7,243
Changes in Assumption	
and Other Inputs	5,745
Benefit Payments	(6,188)
Net Changes	<u>\$ 23,011</u>
Balance June 30, 2019	<u>\$ 267,096</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized negative OPEB expense of \$41,196. At June 30, 2020, 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	\$ 306,801
Changes of Assumptions/Inputs	5,069	46,059
Benefits Paid After the Measurement Date of June 30, 2019	<u>7,385</u>	<u>0</u>
Total	<u>\$ 18,845</u>	<u>\$ 352,860</u>

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

<u>Year Ending June 30</u>	<u>County</u>
2021	\$ (57,407)
2022	(57,407)
2023	(57,407)
2024	(57,407)
2025	(57,407)
Thereafter	(54,365)

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 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 308,942	\$ 267,096	\$ 232,754

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, 2019, 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	88
Inactive Employees Entitled to But Not Yet Receiving Benefits	44
Active Employees	523
 Total	 <u><u>655</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, 2020, the school department paid \$58,560 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Monroe County School Department 64.1893%</u>	<u>State of TN 35.8107%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 1,528,531	\$ 1,354,402	\$ 2,882,933
Changes for the Year:			
Service Cost	\$ 42,900	\$ 23,933	\$ 66,833
Interest	67,331	37,563	104,894
Difference between Expected and Actuarial Experience	(80,781)	(45,067)	(125,848)
Change in Proportion	322,003	(322,003)	0
Changes in Assumption and Other Inputs	570,133	318,071	888,204
Benefit Payments	(67,539)	(37,680)	(105,219)
Net Changes	<u>\$ 854,046</u>	<u>\$ (25,182)</u>	<u>\$ 828,864</u>
Balance June 30, 2019	<u>\$ 2,382,577</u>	<u>\$ 1,329,220</u>	<u>\$ 3,711,797</u>

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 \$36,720 in revenue 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 64.1893 percent and the State of Tennessee's share was 35.8107 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$198,136, which includes expenses funded by nonemployer contributing entities.

At June 30, 2020, 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	\$ 167,714
Changes of Assumptions/Inputs	503,991	144,373
Changes in Proportion	317,407	45,266
Benefits Paid After the Measurement Date of June 30, 2019	<u>58,560</u>	<u>0</u>
Total	<u>\$ 879,958</u>	<u>\$ 357,353</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
2021	\$ 51,185
2022	51,185
2023	51,185
2024	51,185
2025	51,185
Thereafter	208,120

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
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,751,100	\$ 2,382,577	\$ 2,078,840
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

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

Benefits Provided. The Monroe County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Monroe County School Department

provides a direct subsidy for certified retirees with at least 20 years of service. The subsidy ranges from \$251 to \$345 per month based on coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree’s premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	31
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	491
Total	<u><u>523</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 \$293,659 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Monroe County School Department</u> 74.2692%	<u>State of TN</u> 25.7308%	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 9,774,572	\$ 3,442,186	\$ 13,216,758
Changes for the Year:			
Service Cost	\$ 567,785	\$ 196,711	\$ 764,496
Interest	370,697	128,429	499,126
Changes in Benefit Terms	(721,741)	(250,049)	(971,790)
Difference between Expected and Actuarial Experience	(208,387)	(72,197)	(280,584)
Change in Proportion	41,408	(41,408)	0
Changes in Assumption and Other Inputs	(654,727)	(226,832)	(881,559)
Benefit Payments	(289,631)	(100,343)	(389,974)
Net Changes	\$ (894,596)	\$ (365,689)	\$ (1,260,285)
Balance June 30, 2019	\$ 8,879,976	\$ 3,076,497	\$ 11,956,473

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 \$3,781 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 74.2692 percent and the State of Tennessee's share was 25.7308 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$350,652, which includes expenses funded by nonemployer contributing entities. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,167,638	\$ 185,025
Changes of Assumptions/Inputs	250,704	846,616
Changes in Proportion	691,208	0
Benefits Paid After the Measurement Date June 30, 2019	293,659	0
Total	<u>\$ 2,403,209</u>	<u>\$ 1,031,641</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
2021	\$ 130,130
2022	130,130
2023	130,130
2024	130,130
2025	130,130
Thereafter	427,259

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 9,594,141	\$ 8,879,976	\$ 8,204,393
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 5.03 to 3.5%	Curent Rates 6.03 to 4.5%	1% Increase 7.03 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 7,866,257	\$ 8,879,976	\$ 10,072,464

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Laws

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

K. Subsequent Event

On December 15, 2020, Monroe County paid \$1,464,998 to terminate the interest rate swap agreement discussed in note IV.B., Derivative Instruments.

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

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

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-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
Actuarially Determined Contribution	\$ 867,537	\$ 884,358	\$ 911,140	\$ 658,612	\$ 661,551	\$ 714,928	\$ 701,562
Less Contributions in Relation to the Actuarially Determined Contribution	(867,537)	(884,358)	(911,140)	(658,612)	(661,551)	(714,928)	(701,562)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	6.64%	6.52%	6.51%	4.54%	4.43%	4.55%	4.35%

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

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
Contractually Required Contribution	\$ 27,263	\$ 56,931	\$ 83,017	\$ 114,395	\$ 67,467	\$ 79,036
Less Contributions in Relation to the Contractually Required Contribution	(27,263)	(56,931)	(83,017)	(114,395)	(67,467)	(79,036)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 681,586	\$ 1,423,268	\$ 2,080,484	\$ 2,874,414	\$ 3,477,658	\$ 3,893,436
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.99%	3.98%	1.94%	2.03%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,429,001	\$ 1,610,641	\$ 1,548,796	\$ 1,529,821	\$ 1,549,424	\$ 1,787,037	\$ 1,784,076
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)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.09%	10.46%	10.63%

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

Exhibit F-5

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

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

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
School Department's Proportion of the Net Pension Liability/Asset	0.409997%	0.475940%	0.474617%	0.478728%	0.487314%	0.509507%
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)
Covered Payroll	\$ 16,092,355	\$ 17,816,806	\$ 17,132,694	\$ 16,917,694	\$ 17,038,198	\$ 17,084,489
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

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

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%

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

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%

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

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

MONROE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for Fiscal Year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for expenditures associated with the construction of a new justice center.

Exhibit G-1

Monroe County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 210	\$ 0	\$ 3,047	\$ 3,257	\$ 0
Equity in Pooled Cash and Investments	865,011	29,170	0	894,181	824,855
Accounts Receivable	4,772	0	48	4,820	0
Due from Other Governments	9,060	0	0	9,060	0
Due from Component Units	199	0	0	199	0
Property Taxes Receivable	1,184,083	0	0	1,184,083	0
Allowance for Uncollectible Property Taxes	(38,707)	0	0	(38,707)	0
Total Assets	\$ 2,024,628	\$ 29,170	\$ 3,095	\$ 2,056,893	\$ 824,855
<u>LIABILITIES</u>					
Accounts Payable	\$ 57,460	\$ 0	\$ 0	\$ 57,460	\$ 0
Accrued Payroll	7,185	0	0	7,185	0
Payroll Deductions Payable	6,885	0	0	6,885	0
Due to Other Funds	0	0	3,095	3,095	0
Total Liabilities	\$ 71,530	\$ 0	\$ 3,095	\$ 74,625	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,121,481	\$ 0	\$ 0	\$ 1,121,481	\$ 0
Deferred Delinquent Property Taxes	15,231	0	0	15,231	0
Other Deferred/Unavailable Revenue	1,818	0	0	1,818	0
Total Deferred Inflows of Resources	\$ 1,138,530	\$ 0	\$ 0	\$ 1,138,530	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 29,170	\$ 0	\$ 29,170	\$ 0
Restricted for Public Health and Welfare	701,009	0	0	701,009	0
Restricted for Capital Projects	0	0	0	0	824,855
Committed:					
Committed for Public Health and Welfare	113,559	0	0	113,559	0
Total Fund Balances	<u>\$ 814,568</u>	<u>\$ 29,170</u>	<u>\$ 0</u>	<u>\$ 843,738</u>	<u>\$ 824,855</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,024,628</u>	<u>\$ 29,170</u>	<u>\$ 3,095</u>	<u>\$ 2,056,893</u>	<u>\$ 824,855</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects -	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 3,257
Equity in Pooled Cash and Investments	479,686	1,304,541	2,198,722
Accounts Receivable	0	0	4,820
Due from Other Governments	0	0	9,060
Due from Component Units	0	0	199
Property Taxes Receivable	0	0	1,184,083
Allowance for Uncollectible Property Taxes	0	0	(38,707)
Total Assets	<u>\$ 479,686</u>	<u>\$ 1,304,541</u>	<u>\$ 3,361,434</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 57,460
Accrued Payroll	0	0	7,185
Payroll Deductions Payable	0	0	6,885
Due to Other Funds	0	0	3,095
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 74,625</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,121,481
Deferred Delinquent Property Taxes	0	0	15,231
Other Deferred/Unavailable Revenue	0	0	1,818
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,138,530</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety

 Restricted for Public Health and Welfare

 Restricted for Capital Projects

Committed:

 Committed for Public Health and Welfare

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		Total
<u>Other</u>		<u>Nonmajor</u>
<u>Capital</u>		<u>Governmental</u>
<u>Projects -</u>	<u>Total</u>	<u>Funds</u>
\$ 0	\$ 0	\$ 29,170
0	0	701,009
479,686	1,304,541	1,304,541
0	0	113,559
<u>\$ 479,686</u>	<u>\$ 1,304,541</u>	<u>\$ 2,148,279</u>
<u>\$ 479,686</u>	<u>\$ 1,304,541</u>	<u>\$ 3,361,434</u>

Exhibit G-2

Monroe County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,123,189	\$ 0	\$ 0	\$ 1,123,189	\$ 0
Fines, Forfeitures, and Penalties	0	44,196	0	44,196	0
Charges for Current Services	45,865	0	3,045	48,910	0
Other Local Revenues	14,436	1,551	0	15,987	0
State of Tennessee	86,194	0	0	86,194	0
Other Governments and Citizens Groups	0	261	0	261	0
Total Revenues	<u>\$ 1,269,684</u>	<u>\$ 46,008</u>	<u>\$ 3,045</u>	<u>\$ 1,318,737</u>	<u>\$ 0</u>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 3,045	\$ 3,045	\$ 0
Public Safety	0	34,854	0	34,854	0
Public Health and Welfare	1,222,270	0	0	1,222,270	0
Highways	116,457	0	0	116,457	0
Capital Projects	0	0	0	0	3,724,936
Total Expenditures	<u>\$ 1,338,727</u>	<u>\$ 34,854</u>	<u>\$ 3,045</u>	<u>\$ 1,376,626</u>	<u>\$ 3,724,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (69,043)</u>	<u>\$ 11,154</u>	<u>\$ 0</u>	<u>\$ (57,889)</u>	<u>\$ (3,724,936)</u>
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,210,000
Insurance Recovery	8,550	0	0	8,550	0
Transfers In	0	0	0	0	104,836

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Other Financing Sources (Uses) (Cont.)</u>					
Discounts on Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	(98,329)
Total Other Financing Sources (Uses)	\$ 8,550	\$ 0	\$ 0	\$ 8,550	\$ 3,216,507
Net Change in Fund Balances	\$ (60,493)	\$ 11,154	\$ 0	\$ (49,339)	\$ (508,429)
Fund Balance, July 1, 2019	875,061	18,016	0	893,077	1,333,284
Fund Balance, June 30, 2020	\$ 814,568	\$ 29,170	\$ 0	\$ 843,738	\$ 824,855

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects -	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 1,123,189
Fines, Forfeitures, and Penalties	0	0	44,196
Charges for Current Services	0	0	48,910
Other Local Revenues	0	0	15,987
State of Tennessee	0	0	86,194
Other Governments and Citizens Groups	0	0	261
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,318,737</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 3,045
Public Safety	0	0	34,854
Public Health and Welfare	0	0	1,222,270
Highways	0	0	116,457
Capital Projects	2,983,533	6,708,469	6,708,469
Total Expenditures	<u>\$ 2,983,533</u>	<u>\$ 6,708,469</u>	<u>\$ 8,085,095</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,983,533)</u>	<u>\$ (6,708,469)</u>	<u>\$ (6,766,358)</u>
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 0	\$ 3,210,000	\$ 3,210,000
Insurance Recovery	0	0	8,550
Transfers In	0	104,836	104,836

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects -	Total	
<u>Other Financing Sources (Uses) (Cont.)</u>			
Discounts on Debt Issued	\$ 0	\$ (98,329)	\$ (98,329)
Total Other Financing Sources (Uses)	\$ 0	\$ 3,216,507	\$ 3,225,057
Net Change in Fund Balances	\$ (2,983,533)	\$ (3,491,962)	\$ (3,541,301)
Fund Balance, July 1, 2019	3,463,219	4,796,503	5,689,580
Fund Balance, June 30, 2020	\$ 479,686	\$ 1,304,541	\$ 2,148,279

Exhibit G-3

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,123,189	\$ 1,114,371	\$ 1,114,371	\$ 8,818
Charges for Current Services	45,865	34,000	34,000	11,865
Other Local Revenues	14,436	19,000	19,000	(4,564)
State of Tennessee	86,194	62,000	62,000	24,194
Total Revenues	<u>\$ 1,269,684</u>	<u>\$ 1,229,371</u>	<u>\$ 1,229,371</u>	<u>\$ 40,313</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 665,215	\$ 674,642	\$ 718,192	\$ 52,977
Convenience Centers	542,055	651,556	616,556	74,501
Postclosure Care Costs	15,000	25,000	25,000	10,000
<u>Highways</u>				
Litter and Trash Collection	116,457	125,739	125,739	9,282
Total Expenditures	<u>\$ 1,338,727</u>	<u>\$ 1,476,937</u>	<u>\$ 1,485,487</u>	<u>\$ 146,760</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (69,043)</u>	<u>\$ (247,566)</u>	<u>\$ (256,116)</u>	<u>\$ 187,073</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,550	\$ 0	\$ 8,550	\$ 0
Total Other Financing Sources	<u>\$ 8,550</u>	<u>\$ 0</u>	<u>\$ 8,550</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (60,493)	\$ (247,566)	\$ (247,566)	\$ 187,073
Fund Balance, July 1, 2019	<u>875,061</u>	<u>844,755</u>	<u>844,755</u>	<u>30,306</u>
Fund Balance, June 30, 2020	<u>\$ 814,568</u>	<u>\$ 597,189</u>	<u>\$ 597,189</u>	<u>\$ 217,379</u>

Exhibit G-4

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 44,196	\$ 125,000	\$ 125,000	\$ (80,804)
Other Local Revenues	1,551	0	0	1,551
Other Governments and Citizens Groups	261	0	261	0
Total Revenues	<u>\$ 46,008</u>	<u>\$ 125,000</u>	<u>\$ 125,261</u>	<u>\$ (79,253)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 34,854	\$ 113,916	\$ 114,177	\$ 79,323
Total Expenditures	<u>\$ 34,854</u>	<u>\$ 113,916</u>	<u>\$ 114,177</u>	<u>\$ 79,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,154</u>	<u>\$ 11,084</u>	<u>\$ 11,084</u>	<u>\$ 70</u>
Net Change in Fund Balance	\$ 11,154	\$ 11,084	\$ 11,084	\$ 70
Fund Balance, July 1, 2019	18,016	24,382	24,382	(6,366)
Fund Balance, June 30, 2020	<u>\$ 29,170</u>	<u>\$ 35,466</u>	<u>\$ 35,466</u>	<u>\$ (6,296)</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,380,664	\$ 5,427,013	\$ 5,427,013	\$ (46,349)
Other Local Revenues	459,668	350,000	350,000	109,668
State of Tennessee	23,860	0	0	23,860
Other Governments and Citizens Groups	66,341	7,188	66,341	0
Total Revenues	<u>\$ 5,930,533</u>	<u>\$ 5,784,201</u>	<u>\$ 5,843,354</u>	<u>\$ 87,179</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 418,861	\$ 418,170	\$ 418,861	\$ 0
Education	2,211,689	2,157,188	2,211,689	0
<u>Interest on Debt</u>				
General Government	883,379	884,070	883,379	0
Education	1,489,688	1,640,662	1,645,314	155,626
<u>Other Debt Service</u>				
General Government	2,500	3,000	3,000	500
Education	99,069	102,500	102,500	3,431
Total Expenditures	<u>\$ 5,105,186</u>	<u>\$ 5,205,590</u>	<u>\$ 5,264,743</u>	<u>\$ 159,557</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 825,347</u>	<u>\$ 578,611</u>	<u>\$ 578,611</u>	<u>\$ 246,736</u>
Net Change in Fund Balance	\$ 825,347	\$ 578,611	\$ 578,611	\$ 246,736
Fund Balance, July 1, 2019	14,704,312	14,741,023	14,741,023	(36,711)
Fund Balance, June 30, 2020	<u>\$ 15,529,659</u>	<u>\$ 15,319,634</u>	<u>\$ 15,319,634</u>	<u>\$ 210,025</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Exhibit I-1

Monroe County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Sweetwater	Constitu - tional Officers - Agency		
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 2,522,063	\$	2,522,063
Equity in Pooled Cash and Investments	0	3,085	0		3,085
Due from Other Governments	932,374	244,722	0		1,177,096
Property Taxes Receivable	0	1,639,596	0		1,639,596
Allowance for Uncollectible Property Taxes	0	(51,980)	0		(51,980)
Total Assets	<u>\$ 932,374</u>	<u>\$ 1,835,423</u>	<u>\$ 2,522,063</u>	<u>\$</u>	<u>5,289,860</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 932,374	\$ 1,835,423	\$ 0	\$	2,767,797
Due to Litigants, Heirs, and Others	0	0	2,522,063		2,522,063
Total Liabilities	<u>\$ 932,374</u>	<u>\$ 1,835,423</u>	<u>\$ 2,522,063</u>	<u>\$</u>	<u>5,289,860</u>

Exhibit I-2

Monroe County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,842,708	\$ 4,842,708	\$ 0
Due from Other Governments	438,019	932,374	438,019	932,374
Total Assets	\$ 438,019	\$ 5,775,082	\$ 5,280,727	\$ 932,374
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 438,019	\$ 5,775,082	\$ 5,280,727	\$ 932,374
Total Liabilities	\$ 438,019	\$ 5,775,082	\$ 5,280,727	\$ 932,374
<u>City School ADA - Sweetwater Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,396	\$ 2,767,994	\$ 2,768,305	\$ 3,085
Due from Other Governments	125,225	244,722	125,225	244,722
Taxes Receivable	1,430,040	1,639,596	1,430,040	1,639,596
Allowance for Uncollectible Taxes	(65,331)	(51,980)	(65,331)	(51,980)
Total Assets	\$ 1,493,330	\$ 4,600,332	\$ 4,258,239	\$ 1,835,423
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,493,330	\$ 4,600,332	\$ 4,258,239	\$ 1,835,423
Total Liabilities	\$ 1,493,330	\$ 4,600,332	\$ 4,258,239	\$ 1,835,423
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,443,628	\$ 10,421,268	\$ 10,342,833	\$ 2,522,063
Total Assets	\$ 2,443,628	\$ 10,421,268	\$ 10,342,833	\$ 2,522,063
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,443,628	\$ 10,421,268	\$ 10,342,833	\$ 2,522,063
Total Liabilities	\$ 2,443,628	\$ 10,421,268	\$ 10,342,833	\$ 2,522,063

(Continued)

Exhibit I-2

Monroe County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,443,628	\$ 10,421,268	\$ 10,342,833	\$ 2,522,063
Equity in Pooled Cash and Investments	3,396	7,610,702	7,611,013	3,085
Due from Other Governments	563,244	1,177,096	563,244	1,177,096
Taxes Receivable	1,430,040	1,639,596	1,430,040	1,639,596
Allowance for Uncollectible Taxes	(65,331)	(51,980)	(65,331)	(51,980)
Total Assets	<u>\$ 4,374,977</u>	<u>\$ 20,796,682</u>	<u>\$ 19,881,799</u>	<u>\$ 5,289,860</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,931,349	\$ 10,375,414	\$ 9,538,966	\$ 2,767,797
Due to Litigants, Heirs, and Others	2,443,628	10,421,268	10,342,833	2,522,063
Total Liabilities	<u>\$ 4,374,977</u>	<u>\$ 20,796,682</u>	<u>\$ 19,881,799</u>	<u>\$ 5,289,860</u>

Monroe County School Department

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

Exhibit J-1

Monroe County, Tennessee
Statement of Activities
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 27,848,084	\$ 0	\$ 4,453,464	\$ (23,394,620)
Support Services	17,736,566	0	0	(17,736,566)
Operation of Non-instructional Services	3,447,197	758,629	3,102,201	413,633
Total Governmental Activities	\$ 49,031,847	\$ 758,629	\$ 7,555,665	\$ (40,717,553)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 5,714,973
Local Option Sales Taxes				5,141,196
Business Tax				152,281
Mixed Drink Tax				4,653
Other Local Taxes				172
Grants and Contributions Not Restricted for Specific Programs				31,199,809
Gain on Investments				4,700
Miscellaneous				207,942
Total General Revenues				\$ 42,425,726
Change in Net Position				\$ 1,708,173
Net Position, July 1, 2019				39,821,903
Net Position, June 30, 2020				\$ 41,530,076

Exhibit J-2

Monroe County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Monroe County School Department
June 30, 2020

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 754	\$ 754
Equity in Pooled Cash and Investments	6,908,999	400,831	2,006,411	9,316,241
Accounts Receivable	62,647	0	0	62,647
Due from Other Governments	1,299,048	230,464	520,178	2,049,690
Property Taxes Receivable	6,513,341	0	0	6,513,341
Allowance for Uncollectible Property Taxes	(206,492)	0	0	(206,492)
Restricted Assets	149,463	0	0	149,463
Total Assets	\$ 14,727,006	\$ 631,295	\$ 2,527,343	\$ 17,885,644
<u>LIABILITIES</u>				
Accounts Payable	\$ 32,175	\$ 16,756	\$ 150,419	\$ 199,350
Accrued Payroll	3,498,594	163,927	44,551	3,707,072
Payroll Deductions Payable	1,570,042	120,373	78,591	1,769,006
Due to Primary Government	199	0	0	199
Total Liabilities	\$ 5,101,010	\$ 301,056	\$ 273,561	\$ 5,675,627
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,183,857	\$ 0	\$ 0	\$ 6,183,857
Deferred Delinquent Property Taxes	78,397	0	0	78,397
Other Deferred/Unavailable Revenue	505,201	0	0	505,201
Total Deferred Inflows of Resources	\$ 6,767,455	\$ 0	\$ 0	\$ 6,767,455

(Continued)

Exhibit J-2

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

FUND BALANCES

Restricted:

 Restricted for Education

 Restricted for Hybrid Retirement Stabilization Funds

Committed:

 Committed for Education

Assigned:

 Assigned for Education

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
	\$ 64,018	\$ 0	\$ 2,253,782	\$ 2,317,800
	149,463	0	0	149,463
	14,358	330,239	0	344,597
	149	0	0	149
	2,630,553	0	0	2,630,553
	<u>\$ 2,858,541</u>	<u>\$ 330,239</u>	<u>\$ 2,253,782</u>	<u>\$ 5,442,562</u>
	<u>\$ 14,727,006</u>	<u>\$ 631,295</u>	<u>\$ 2,527,343</u>	<u>\$ 17,885,644</u>

Exhibit J-3

Monroe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Monroe County School Department
June 30, 2020

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)		\$	5,442,562
(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		38,745,746	
Add: other capital assets net of accumulated depreciation		<u>1,044,418</u>	40,654,726
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for capital leases	\$	(94,363)	
Less: net OPEB liability		<u>(11,262,553)</u>	(11,356,916)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,432,252	
Less: deferred inflows of resources related to pensions		(5,266,845)	
Add: deferred outflows of resources related to OPEB		3,283,168	
Less: deferred inflows of resources related to OPEB		<u>(1,388,994)</u>	59,581
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	722,367	
Add: net pension asset - teacher retirement plan		185,513	
Add: net pension asset - teacher legacy pension plan		<u>5,238,645</u>	6,146,525
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>583,598</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>41,530,076</u></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, 2020

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 10,633,075	\$ 0	\$ 0	\$ 10,633,075
Licenses and Permits	2,582	0	0	2,582
Charges for Current Services	310,568	0	448,014	758,582
Other Local Revenues	212,689	0	0	212,689
State of Tennessee	31,986,974	0	26,779	32,013,753
Federal Government	475,775	3,335,101	3,078,887	6,889,763
Other Governments and Citizens Groups	0	0	1,525	1,525
Total Revenues	<u>\$ 43,621,663</u>	<u>\$ 3,335,101</u>	<u>\$ 3,555,205</u>	<u>\$ 50,511,969</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,331,906	\$ 2,455,087	\$ 0	\$ 28,786,993
Support Services	16,040,615	880,014	0	16,920,629
Operation of Non-Instructional Services	365,818	0	3,100,121	3,465,939
Total Expenditures	<u>\$ 42,738,339</u>	<u>\$ 3,335,101</u>	<u>\$ 3,100,121</u>	<u>\$ 49,173,561</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 883,324</u>	<u>\$ 0</u>	<u>\$ 455,084</u>	<u>\$ 1,338,408</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 242,538	\$ 0	\$ 0	\$ 242,538
Total Other Financing Sources (Uses)	<u>\$ 242,538</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 242,538</u>

(Continued)

Exhibit J-4

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

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
Net Change in Fund Balances	\$ 1,125,862	\$ 0	\$ 455,084	\$ 1,580,946
Fund Balance, July 1, 2019	1,732,679	330,239	1,798,698	3,861,616
Fund Balance, June 30, 2020	\$ 2,858,541	\$ 330,239	\$ 2,253,782	\$ 5,442,562

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, 2020

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)		\$ 1,580,946
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 438,457	
Less: current-year depreciation expense	<u>(1,818,898)</u>	(1,380,441)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 583,598	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(108,914)</u>	474,684
<p>(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.</p>		
Add: principal contributions on leases to primary government		54,501
<p>(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.</p>		
Change in OPEB liability	\$ 40,550	
Change in deferred outflows related to OPEB	607,556	
Change in deferred inflows related to OPEB	(803,760)	
Change in net pension asset/liability	3,631,227	
Change in deferred outflows related to pensions	(609,001)	
Change in deferred inflows related to pensions	<u>(1,888,089)</u>	<u>978,483</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,708,173</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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,633,075	\$ 0	\$ 0	\$ 10,633,075	\$ 10,514,735	\$ 10,514,735	\$ 118,340
Licenses and Permits	2,582	0	0	2,582	3,000	3,000	(418)
Charges for Current Services	310,568	0	0	310,568	322,000	322,000	(11,432)
Other Local Revenues	212,689	0	0	212,689	242,100	243,343	(30,654)
State of Tennessee	31,986,974	0	0	31,986,974	31,691,572	31,948,055	38,919
Federal Government	475,775	0	0	475,775	450,418	903,669	(427,894)
Other Governments and Citizens Groups	0	0	0	0	6,000	6,000	(6,000)
Total Revenues	\$ 43,621,663	\$ 0	\$ 0	\$ 43,621,663	\$ 43,229,825	\$ 43,940,802	\$ (319,139)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,509,813	\$ 0	\$ 0	\$ 20,509,813	\$ 20,701,658	\$ 20,812,667	\$ 302,854
Alternative Instruction Program	124,656	0	0	124,656	153,737	125,274	618
Special Education Program	3,838,424	0	0	3,838,424	3,904,846	3,851,474	13,050
Career and Technical Education Program	1,859,013	0	0	1,859,013	1,826,631	1,919,016	60,003
<u>Support Services</u>							
Attendance	39,955	0	0	39,955	39,001	40,112	157
Health Services	1,248,455	(648)	0	1,247,807	1,237,456	1,303,811	56,004
Other Student Support	1,035,299	(51,327)	0	983,972	1,035,024	1,015,310	31,338
Regular Instruction Program	1,173,157	0	0	1,173,157	1,081,728	1,177,454	4,297
Special Education Program	470,197	(526)	0	469,671	530,263	479,302	9,631
Career and Technical Education Program	609	0	0	609	1,217	1,217	608
Technology	875,713	0	0	875,713	1,244,448	886,281	10,568
Other Programs	412,336	0	0	412,336	0	518,012	105,676
Board of Education	572,468	0	0	572,468	596,342	596,342	23,874
Director of Schools	350,414	0	0	350,414	349,240	369,703	19,289
Office of the Principal	2,324,692	0	0	2,324,692	2,252,742	2,340,584	15,892
Operation of Plant	3,240,925	(1,431)	0	3,239,494	3,579,597	3,399,703	160,209
Maintenance of Plant	1,626,453	(44,051)	149	1,582,551	1,517,603	2,083,500	500,949

(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 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 2,669,942	\$ (900)	\$ 0	\$ 2,669,042	\$ 2,461,042	\$ 2,677,574	\$ 8,532
<u>Operation of Non-Instructional Services</u>							
Food Service	0	0	0	0	700	0	0
Community Services	56,431	(3,500)	0	52,931	49,763	58,195	5,264
Early Childhood Education	309,387	0	0	309,387	322,469	324,844	15,457
Total Expenditures	\$ 42,738,339	\$ (102,383)	\$ 149	\$ 42,636,105	\$ 42,885,507	\$ 43,980,375	\$ 1,344,270
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 883,324	\$ 102,383	\$ (149)	\$ 985,558	\$ 344,318	\$ (39,573)	\$ 1,025,131
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 242,538	\$ 0	\$ 0	\$ 242,538	\$ 4,380	\$ 160,548	\$ 81,990
Total Other Financing Sources	\$ 242,538	\$ 0	\$ 0	\$ 242,538	\$ 4,380	\$ 160,548	\$ 81,990
Net Change in Fund Balance							
Fund Balance, July 1, 2019	\$ 1,125,862	\$ 102,383	\$ (149)	\$ 1,228,096	\$ 348,698	\$ 120,975	\$ 1,107,121
	1,732,679	(102,383)	0	1,630,296	1,813,920	1,813,920	(183,624)
Fund Balance, June 30, 2020							
	\$ 2,858,541	\$ 0	\$ (149)	\$ 2,858,392	\$ 2,162,618	\$ 1,934,895	\$ 923,497

Exhibit J-7

Monroe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Monroe County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,335,101	\$ 3,304,611	\$ 4,108,847	\$ (773,746)
Total Revenues	\$ 3,335,101	\$ 3,304,611	\$ 4,108,847	\$ (773,746)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,119,881	\$ 1,190,568	\$ 1,480,109	\$ 360,228
Special Education Program	1,159,603	1,188,279	1,204,575	44,972
Career and Technical Education Program	175,603	156,947	176,860	1,257
<u>Support Services</u>				
Other Student Support	55,937	135,935	118,544	62,607
Regular Instruction Program	585,127	476,773	883,168	298,041
Special Education Program	226,857	239,966	229,290	2,433
Career and Technical Education Program	9,303	11,862	9,301	(2)
Transportation	2,790	7,000	7,000	4,210
Total Expenditures	\$ 3,335,101	\$ 3,407,330	\$ 4,108,847	\$ 773,746
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (102,719)	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 102,719	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 102,719	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2019	330,239	333,075	333,075	(2,836)
Fund Balance, June 30, 2020	\$ 330,239	\$ 333,075	\$ 333,075	\$ (2,836)

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 448,014	\$ 0	\$ 448,014	\$ 676,250	\$ 676,250	\$ (228,236)
Other Local Revenues	0	0	0	512	512	(512)
State of Tennessee	26,779	0	26,779	40,000	40,000	(13,221)
Federal Government	3,078,887	0	3,078,887	2,372,758	2,372,758	706,129
Other Governments and Citizens Groups	1,525	0	1,525	0	0	1,525
Total Revenues	\$ 3,555,205	\$ 0	\$ 3,555,205	\$ 3,089,520	\$ 3,089,520	\$ 465,685
Expenditures						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,100,121	\$ (55,662)	\$ 3,044,459	\$ 3,089,520	\$ 3,133,020	\$ 88,561
Total Expenditures	\$ 3,100,121	\$ (55,662)	\$ 3,044,459	\$ 3,089,520	\$ 3,133,020	\$ 88,561
Excess (Deficiency) of Revenues Over Expenditures	\$ 455,084	\$ 55,662	\$ 510,746	\$ 0	\$ (43,500)	\$ 554,246
Net Change in Fund Balance	\$ 455,084	\$ 55,662	\$ 510,746	\$ 0	\$ (43,500)	\$ 554,246
Fund Balance, July 1, 2019	1,798,698	(55,662)	1,743,036	1,661,216	1,661,216	81,820
Fund Balance, June 30, 2020	\$ 2,253,782	\$ 0	\$ 2,253,782	\$ 1,661,216	\$ 1,617,716	\$ 636,066

MISCELLANEOUS SCHEDULES

Exhibit K-1

Monroe County, Tennessee
 Schedule of Changes in Long-term Bonds, Other Loans, and Capital Leases
 For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation School Refunding Bonds, Series 2015	\$ 7,810,000	2.0 to 3.0	%	11-24-15	6-1-35	\$ 7,575,000	\$ 0	\$ 45,000	\$ 7,530,000
General Obligation School Refunding Bonds, Series 2016	8,005,000	2.0		9-14-16	6-1-31	6,315,000	0	545,000	5,770,000
General Obligation School Refunding Bonds, Series 2017	9,725,000	2.5 to 3.25		7-28-17	6-1-38	9,700,000	0	25,000	9,675,000
General Obligation Bonds, Series 2017	30,917,200	2.875		6-5-19	6-5-59	30,917,200	0	418,861	30,498,339
Total Bonds Payable						\$ 54,507,200	\$ 0	\$ 1,033,861	\$ 53,473,339
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Public Improvement and Refunding, Series E-7-A	31,965,000	Variable	(1)	2-19-09	6-1-39	\$ 25,560,000	\$ 0	\$ 1,535,000	\$ 24,025,000
Fort Loudoun Electric Cooperative Interest-Free Loan	71,820	0		9-13-12	8-20-22	22,702	0	7,188	15,514
Total Other Loans Payable						\$ 25,582,702	\$ 0	\$ 1,542,188	\$ 24,040,514
CAPITAL LEASES PAYABLE									
<u>Payable through General Fund</u>									
Maintenance Vehicle - 2017 Ram Crew Cab SSV	28,004	4.65		2-10-17	2-10-21	\$ 11,201	\$ 0	\$ 5,601	\$ 5,600
Sheriff Vehicle - 2017 Dodge Journey	18,156	4.65	(2)	4-10-17	4-10-21	7,263	0	7,263	0
Sheriff Vehicle - 2017 Dodge Durango	34,312	4.65		4-10-17	4-10-21	13,725	0	6,862	6,863
Eight Sheriff's Vehicles - 2016 Dodge Chargers AWD	329,660	4.65		6-10-17	6-10-20	82,415	0	82,415	0
Three Sheriff's Vehicles - 2017 Dodge Chargers AWD	123,622	4.65		8-10-17	8-10-20	61,810	0	30,906	30,904
Five Sheriff's Vehicles - 2017 Dodge Chargers AWD	247,245	4.65		9-10-17	9-10-20	103,019	0	51,509	51,510
Two Sheriff's Vehicles - 2017 Ram Crew Cab SSV	93,342	4.65		9-10-17	9-10-20	46,670	0	23,336	23,334
Sheriff Vehicle - 2017 Dodge Chargers AWD	41,207	4.65		10-10-17	10-10-20	20,603	0	10,302	10,301
Ambulance - Lifepack Defibrillators	214,535	4.90		10-10-17	10-10-21	128,721	0	42,907	85,814
Two Ambulances - 2016 Chevrolet Express Cargo G3500	254,548	4.75		1-10-18	1-10-20	84,850	0	84,850	0
Sheriff Vehicle - 2018 Dodge Ram Crew Cab	46,671	4.65		6-10-18	6-10-21	23,336	0	11,668	11,668
Property Assessor Vehicle - 2019 Jeep Compass	21,816	4.99		2-10-19	2-10-23	17,453	0	4,363	13,090
EMA Vehicle - 2018 Dodge 3500	25,081	4.91		4-10-19	4-10-22	18,811	0	6,270	12,541
Sheriff Vehicle - 2019 Dodge Durango	30,433	4.65	(3)	8-10-19	8-10-24	0	30,433	6,087	24,346
Motorola Radio Lease	3,210,000	3.16		10-1-19	10-1-29	0	3,210,000	0	3,210,000
Total Payable through General Fund						\$ 619,877	\$ 3,240,433	\$ 374,339	\$ 3,485,971

(Continued)

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
CAPITAL LEASES PAYABLE (Cont.)								
<u>Payable through Solid Waste/Sanitation Fund</u>								
Three 2017 Dodge Ram 1500s	\$ 82,632	4.65 %	3-10-17	3-10-20	\$ 20,658	\$ 0	\$ 20,658	\$ 0
Two 2017 Dodge Ram 1500s	60,075	4.65	4-10-17	4-10-20	15,018	0	15,018	0
Total Payable through Solid Waste/Sanitation Fund					<u>\$ 35,676</u>	<u>\$ 0</u>	<u>\$ 35,676</u>	<u>\$ 0</u>
<u>Payable through Highway/Public Works Fund</u>								
Three 2017 Dodge Ram 1500s	66,582	4.65	8-10-17	8-10-20	\$ 33,292	\$ 0	\$ 16,646	\$ 16,646
2017 Dodge Ram 2500	29,298	4.65	8-10-17	8-10-20	14,648	0	7,324	7,324
Three 2018 International Dump Trucks	324,269	4.25	9-7-17	9-7-20	161,994	0	79,312	82,682
Two 2017 Dodge Ram 1500s	59,869	4.65	9-10-17	9-10-20	29,935	0	14,967	14,968
Total Payable through Highway/Public Works Fund					<u>\$ 239,869</u>	<u>\$ 0</u>	<u>\$ 118,249</u>	<u>\$ 121,620</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
Caterpillar Excavator and Skid Loader	67,553	2.89	9-20-16	9-20-21	\$ 31,638	\$ 0	\$ 13,806	\$ 17,832
2017 Dodge Ram 2500 Crew Cab	32,315	4.65	5-10-17	5-10-21	12,926	0	6,463	6,463
2017 Dodge Ram 2500	36,906	4.65	6-10-17	6-10-21	14,763	0	7,381	7,382
2017 Jeep Renegade	20,345	4.65	6-10-17	6-10-21	8,138	0	4,069	4,069
2018 Dodge Ram 3500	48,649	4.65	4-10-18	4-10-22	29,189	0	9,730	19,459
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	18,381	0	4,595	13,786
2018 Dodge Caravan	22,976	4.65	9-10-18	9-10-22	18,381	0	4,595	13,786
2019 Dodge Caravan	19,310	4.99	4-10-19	4-10-22	15,448	0	3,862	11,586
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 148,864</u>	<u>\$ 0</u>	<u>\$ 54,501</u>	<u>\$ 94,363</u>
Total Capital Leases Payable					<u>\$ 1,044,286</u>	<u>\$ 3,240,433</u>	<u>\$ 582,765</u>	<u>\$ 3,701,954</u>

- (1) This loan agreement included refunding outstanding principal of \$6,000,000 on Series IV-A-4 and \$10,050,000 on Series V-C-2, which were swapped from variable to a synthetic fixed rate by execution of swap agreements during the years ended June 30, 2005, and 2007, respectively. The swap agreements have been retained.
- (2) During the year, this leased vehicle was wrecked and insurance recovery was used to pay off the balance of the lease.
- (3) During the year, this vehicle was leased to replace wrecked leased vehicle noted above. The vehicle has a lease term of five years and was added to Master Lease Agreement with Bancorp dated 1-18-17.

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,471,063	\$ 1,476,889	\$ 2,947,952
2022	1,473,621	1,441,782	2,915,403
2023	1,546,545	1,406,507	2,953,052
2024	1,649,845	1,369,408	3,019,253
2025	1,693,532	1,329,670	3,023,202
2026	1,647,618	1,289,072	2,936,690
2027	1,727,115	1,248,450	2,975,565
2028	1,702,034	1,205,781	2,907,815
2029	1,777,387	1,162,578	2,939,965
2030	1,728,188	1,115,440	2,843,628
2031	1,979,449	1,069,728	3,049,177
2032	1,481,184	1,016,619	2,497,803
2033	1,513,406	973,409	2,486,815
2034	2,416,130	928,535	3,344,665
2035	2,434,371	856,594	3,290,965
2036	2,118,142	784,123	2,902,265
2037	2,317,461	721,154	3,038,615
2038	2,312,342	652,223	2,964,565
2039	722,803	579,437	1,302,240
2040	743,859	558,381	1,302,240
2041	765,530	536,710	1,302,240
2042	787,831	514,409	1,302,240
2043	810,782	491,458	1,302,240
2044	834,401	467,839	1,302,240
2045	858,709	443,531	1,302,240
2046	883,725	418,515	1,302,240
2047	909,469	392,771	1,302,240
2048	935,964	366,276	1,302,240
2049	963,230	339,010	1,302,240
2050	991,291	310,949	1,302,240
2051	1,020,169	282,071	1,302,240
2052	1,049,889	252,351	1,302,240
2053	1,080,474	221,766	1,302,240
2054	1,111,950	190,290	1,302,240
2055	1,144,343	157,896	1,302,239
2056	1,177,680	124,560	1,302,240
2057	1,211,988	90,252	1,302,240
2058	1,247,296	54,944	1,302,240
2059	1,232,523	18,471	1,250,994
Total	\$ 53,473,339	\$ 26,859,849	\$ 80,333,188

(Continued)

Exhibit K-2

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

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 1,092,188	\$ 383,203	\$ 202,960	\$ 1,678,351
2022	1,162,188	382,009	193,794	1,737,991
2023	1,156,138	380,738	184,036	1,720,912
2024	1,130,000	379,468	174,279	1,683,747
2025	1,150,000	349,825	164,733	1,664,558
2026	1,295,000	320,160	155,018	1,770,178
2027	1,310,000	286,785	144,078	1,740,863
2028	1,420,000	253,395	133,011	1,806,406
2029	1,445,000	216,332	121,016	1,782,348
2030	1,590,000	179,243	108,808	1,878,051
2031	1,445,000	138,444	95,376	1,678,820
2032	1,580,000	97,805	83,169	1,760,974
2033	1,645,000	53,467	69,822	1,768,289
2034	865,000	7,282	55,925	928,207
2035	960,000	6,330	48,617	1,014,947
2036	1,465,000	5,275	40,508	1,510,783
2037	1,395,000	3,663	28,131	1,426,794
2038	1,535,000	2,128	16,347	1,553,475
2039	400,000	440	3,379	403,819
Total	<u>\$ 24,040,514</u>	<u>\$ 3,445,992</u>	<u>\$ 2,023,007</u>	<u>\$ 29,509,513</u>

Year Ending June 30	Capital Leases - Direct Placement		
	Principal	Interest	Total
2021	\$ 744,104	\$ 26,670	\$ 770,774
2022	363,982	98,019	462,001
2023	310,238	83,331	393,569
2024	301,884	72,547	374,431
2025	305,145	62,623	367,768
2026	314,787	52,981	367,768
2027	324,734	43,033	367,767
2028	334,996	32,772	367,768
2029	345,582	22,186	367,768
2030	356,502	11,265	367,767
Total	<u>\$ 3,701,954</u>	<u>\$ 505,427</u>	<u>\$ 4,207,381</u>

Exhibit K-3

Monroe County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital Projects	\$ 104,836
Total Transfers Primary Government			\$ 104,836

Exhibit K-4

Monroe County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Monroe County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> and County Commission	\$ 98,518	\$ 400,000	Tennessee Risk Management Trust
Road Superintendent	Section 8-24-102, <i>TCA</i>	88,827	400,000	"
Director of Schools	State Board of Education and County Board of Education	100,750 (1) (5)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Director of Finance	County Commission	86,934 (2)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court	80,751 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	93,827 (4)	400,000	"
Employee Blanket Bond Coverage:				
Monroe County and Monroe County School Department:				
Public Employee Dishonesty			400,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,000.

(2) Does not include longevity of \$800.

(3) Does not include special commissioner fees of \$3,045.

(4) Includes a \$5,000 supplement for serving as a workhouse superintendent. Does not include a law enforcement training supplement of \$800.

(5) Does not include payments during the year to the former director for his last month's salary of \$8,616, vacation pay of \$7,131, and chief executive officer training supplement of \$1,000.

Exhibit K-5

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,485,969	\$ 947,977	\$ 0	\$ 0	\$ 1,015,251
Trustee's Collections - Prior Year	318,953	35,648	0	0	38,161
Circuit Clerk/Clerk and Master Collections - Prior Years	245,321	27,405	0	0	29,350
Interest and Penalty	43,277	4,845	0	0	5,166
Payments in-Lieu-of Taxes - T.V.A.	12,449	1,388	0	0	1,464
Payments in-Lieu-of Taxes - Local Utilities	896,173	100,112	0	0	107,217
Payments in-Lieu-of Taxes - Other	101,689	189	0	0	114,297
<u>County Local Option Taxes</u>					
Local Option Sales Tax	993,485	0	0	0	0
Hotel/Motel Tax	196,019	0	0	0	0
Wheel Tax	737,253	0	0	0	0
Litigation Tax - General	35,285	0	0	0	0
Litigation Tax - Special Purpose	33,639	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	169,450	0	0	0	0
Business Tax	198,766	0	0	0	9,245
Mixed Drink Tax	5,865	0	0	0	0
Mineral Severance Tax	0	0	0	0	37,075
<u>Statutory Local Taxes</u>					
Bank Excise Tax	50,357	5,625	0	0	6,025
Wholesale Beer Tax	75,871	0	0	0	0
Total Local Taxes	<u>\$ 12,599,821</u>	<u>\$ 1,123,189</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,363,251</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Vaccination	\$ 45,033	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	86,695	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Building Permits	\$ 18,933	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 150,661	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 9,257	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	24,717	0	0	0	0
Jail Fees	12,892	0	0	0	0
DUI Treatment Fines	760	0	0	0	0
Data Entry Fee - Circuit Court	3,090	0	0	0	0
Courtroom Security Fee	258	0	0	0	0
<u>General Sessions Court</u>					
Fines	43,553	0	0	0	0
Officers Costs	53,965	0	0	0	0
Jail Fees	34,953	0	0	0	0
DUI Treatment Fines	8,740	0	0	0	0
Data Entry Fee - General Sessions Court	12,816	0	0	0	0
Courtroom Security Fee	1,151	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	4,142	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Control Fines	12,475	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	179	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 44,196	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 222,948	\$ 0	\$ 44,196	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 45,865	\$ 0	\$ 0	\$ 0
Patient Charges	2,867,884	0	0	0	0
Other General Service Charges	304,420	0	0	0	164,210
<u>Fees</u>					
Airport Fees	312,760	0	0	0	0
Copy Fees	1,248	0	0	0	0
Archives and Records Management Fee	358	0	0	0	0
Telephone Commissions	78,171	0	0	0	0
Vending Machine Collections	38	0	0	0	0
Tourism Fees	61,220	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	3,045	0
Data Processing Fee - Register	16,249	0	0	0	0
Data Processing Fee - Sheriff	4,431	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,950	0	0	0	0
Data Processing Fee - County Clerk	5,690	0	0	0	0
Total Charges for Current Services	\$ 3,660,419	\$ 45,865	\$ 0	\$ 3,045	\$ 164,210
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 19	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 7,200	\$ 0	\$ 0	\$ 0	\$ 0
Commissary Sales	48,368	0	0	0	0
Sale of Recycled Materials	0	14,136	0	0	0
Miscellaneous Refunds	2,908	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	29,197	300	1,551	0	0
Sale of Property	41,625	0	0	0	0
Contributions and Gifts	6,228	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	17,546	0	0	0	0
Total Other Local Revenues	<u>\$ 153,091</u>	<u>\$ 14,436</u>	<u>\$ 1,551</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 513,517	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	231,524	0	0	0	0
General Sessions Court Clerk	242,463	0	0	0	0
Clerk and Master	223,951	0	0	0	0
Register	232,074	0	0	0	0
Sheriff	23,099	0	0	0	0
Trustee	770,666	0	0	0	0
Total Fees Received From County Officials	<u>\$ 2,237,294</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	8,621	0	0	0	0
Other General Government Grants	1,715,951	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	39,200	0	0	0	0
Other Public Safety Grants	13,318	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	20,000	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	442,535
State Aid Program	0	0	0	0	301,400
Litter Program	0	51,636	0	0	0
<u>Other State Revenues</u>					
Income Tax	55,908	6,245	0	0	6,688
Beer Tax	18,175	0	0	0	0
Vehicle Certificate of Title Fees	9,652	0	0	0	0
Alcoholic Beverage Tax	114,125	0	0	0	0
State Revenue Sharing - T.V.A.	150,000	0	0	0	21,000
State Revenue Sharing - Telecommunications	46,582	0	0	0	0
Contracted Prisoner Boarding	1,009,281	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,834,222
Petroleum Special Tax	0	0	0	0	32,122
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	552,038	0	0	0	0
Other State Revenues	153,540	28,313	0	0	29
Total State of Tennessee	\$ 3,930,555	\$ 86,194	\$ 0	\$ 0	\$ 3,637,996

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 6,922	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	33,253	0	0	0	0
COVID-19 Grant #2	29,768	0	0	0	0
COVID-19 Grant B	7,617	0	0	0	0
COVID-19 Grant D	20,433	0	0	0	0
Other Federal through State	336,772	0	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	26,211	0	0	0	95,846
COVID-19 Grant #6	71,766	0	0	0	0
COVID-19 Grant #7	32,229	0	0	0	0
Other Direct Federal Revenue	15,800	0	0	0	0
Total Federal Government	<u>\$ 580,771</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,846</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 283,559	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	10,500	0	261	0	0
<u>Other</u>					
Other	2,500	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 296,559</u>	<u>\$ 0</u>	<u>\$ 261</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 23,832,119</u>	<u>\$ 1,269,684</u>	<u>\$ 46,008</u>	<u>\$ 3,045</u>	<u>\$ 5,261,303</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 3,621,701	\$ 14,070,898
Trustee's Collections - Prior Year	136,130	528,892
Circuit Clerk/Clerk and Master Collections - Prior Years	104,700	406,776
Interest and Penalty	18,469	71,757
Payments in-Lieu-of Taxes - T.V.A.	5,304	20,605
Payments in-Lieu-of Taxes - Local Utilities	382,475	1,485,977
Payments in-Lieu-of Taxes - Other	721	216,896
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	993,485
Hotel/Motel Tax	0	196,019
Wheel Tax	989,997	1,727,250
Litigation Tax - General	34,961	70,246
Litigation Tax - Special Purpose	0	33,639
Litigation Tax - Jail, Workhouse, or Courthouse	0	169,450
Business Tax	64,714	272,725
Mixed Drink Tax	0	5,865
Mineral Severance Tax	0	37,075
<u>Statutory Local Taxes</u>		
Bank Excise Tax	21,492	83,499
Wholesale Beer Tax	0	75,871
Total Local Taxes	<u>\$ 5,380,664</u>	<u>\$ 20,466,925</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 45,033
Cable TV Franchise	0	86,695

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		<u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Building Permits	\$	0	\$	18,933
Total Licenses and Permits	\$	0	\$	150,661
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	9,257
Officers Costs		0		24,717
Jail Fees		0		12,892
DUI Treatment Fines		0		760
Data Entry Fee - Circuit Court		0		3,090
Courtroom Security Fee		0		258
<u>General Sessions Court</u>				
Fines		0		43,553
Officers Costs		0		53,965
Jail Fees		0		34,953
DUI Treatment Fines		0		8,740
Data Entry Fee - General Sessions Court		0		12,816
Courtroom Security Fee		0		1,151
<u>Chancery Court</u>				
Officers Costs		0		4,142
<u>Other Courts - In-county</u>				
Drug Control Fines		0		12,475
<u>Judicial District Drug Program</u>				
Courtroom Security Fee		0		179

(Continued)

Exhibit K-5

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	\$ 0	\$ 44,196
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 267,144</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Tipping Fees	\$ 0	\$ 45,865
Patient Charges	0	2,867,884
Other General Service Charges	0	468,630
<u>Fees</u>		
Airport Fees	0	312,760
Copy Fees	0	1,248
Archives and Records Management Fee	0	358
Telephone Commissions	0	78,171
Vending Machine Collections	0	38
Tourism Fees	0	61,220
Special Commissioner Fees/Special Master Fees	0	3,045
Data Processing Fee - Register	0	16,249
Data Processing Fee - Sheriff	0	4,431
Sexual Offender Registration Fee - Sheriff	0	7,950
Data Processing Fee - County Clerk	0	5,690
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 3,873,539</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 459,668	\$ 459,687

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		General Debt Service	Total
<u>Other Local Revenues (Cont.)</u>				
<u>Recurring Items (Cont.)</u>				
Lease/Rentals	\$	0	\$	7,200
Commissary Sales		0		48,368
Sale of Recycled Materials		0		14,136
Miscellaneous Refunds		0		2,908
<u>Nonrecurring Items</u>				
Sale of Equipment		0		31,048
Sale of Property		0		41,625
Contributions and Gifts		0		6,228
<u>Other Local Revenues</u>				
Other Local Revenues		0		17,546
Total Other Local Revenues	\$	459,668	\$	628,746
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	513,517
Circuit Court Clerk		0		231,524
General Sessions Court Clerk		0		242,463
Clerk and Master		0		223,951
Register		0		232,074
Sheriff		0		23,099
Trustee		0		770,666
Total Fees Received From County Officials	\$	0	\$	2,237,294

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	8,621
Other General Government Grants	0	1,715,951
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	39,200
Other Public Safety Grants	0	13,318
<u>Health and Welfare Grants</u>		
Health Department Programs	0	20,000
<u>Public Works Grants</u>		
Bridge Program	0	442,535
State Aid Program	0	301,400
Litter Program	0	51,636
<u>Other State Revenues</u>		
Income Tax	23,860	92,701
Beer Tax	0	18,175
Vehicle Certificate of Title Fees	0	9,652
Alcoholic Beverage Tax	0	114,125
State Revenue Sharing - T.V.A.	0	171,000
State Revenue Sharing - Telecommunications	0	46,582
Contracted Prisoner Boarding	0	1,009,281
Gasoline and Motor Fuel Tax	0	2,834,222
Petroleum Special Tax	0	32,122
Registrar's Salary Supplement	0	15,164
Other State Grants	0	552,038
Other State Revenues	0	181,882
Total State of Tennessee	<u>\$ 23,860</u>	<u>\$ 7,678,605</u>

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		General Debt Service	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	0	\$	6,922
Homeland Security Grants		0		33,253
COVID-19 Grant #2		0		29,768
COVID-19 Grant B		0		7,617
COVID-19 Grant D		0		20,433
Other Federal through State		0		336,772
<u>Direct Federal Revenue</u>				
Forest Service		0		122,057
COVID-19 Grant #6		0		71,766
COVID-19 Grant #7		0		32,229
Other Direct Federal Revenue		0		15,800
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>676,617</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$	66,341	\$	349,900
<u>Citizens Groups</u>				
Donations		0		10,761
<u>Other</u>				
Other		0		2,500
Total Other Governments and Citizens Groups	<u>\$</u>	<u>66,341</u>	<u>\$</u>	<u>363,161</u>
Total	<u>\$</u>	<u>5,930,533</u>	<u>\$</u>	<u>36,342,692</u>

Exhibit K-6

Monroe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,879,527	\$ 0	\$ 0	\$ 4,879,527	
Trustee's Collections - Prior Year	183,765	0	0	183,765	
Circuit Clerk/Clerk and Master Collections - Prior Years	141,165	0	0	141,165	
Interest and Penalty	24,752	0	0	24,752	
Payments in-Lieu-of Taxes - T.V.A.	7,145	0	0	7,145	
Payments in-Lieu-of Taxes - Local Utilities	515,310	0	0	515,310	
Payments in-Lieu-of Taxes - Other	971	0	0	971	
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,694,378	0	0	4,694,378	
Business Tax	152,281	0	0	152,281	
Mixed Drink Tax	4,653	0	0	4,653	
Other County Local Option Taxes	172	0	0	172	
<u>Statutory Local Taxes</u>					
Bank Excise Tax	28,956	0	0	28,956	
Total Local Taxes	<u>\$ 10,633,075</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,633,075</u>	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,582	\$ 0	\$ 0	\$ 2,582	
Total Licenses and Permits	<u>\$ 2,582</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,582</u>	
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 0	\$ 0	\$ 153	\$ 153	

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 287,203	\$ 287,203
Lunch Payments - Adults	0	0	61,110	61,110
Income from Breakfast	0	0	52,951	52,951
Transportation - Other State Systems	244,521	0	0	244,521
School Based Health Services - FFS	45,064	0	0	45,064
Receipts from Individual Schools	20,983	0	46,597	67,580
Total Charges for Current Services	<u>\$ 310,568</u>	<u>\$ 0</u>	<u>\$ 448,014</u>	<u>\$ 758,582</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 4,700	\$ 0	\$ 0	\$ 4,700
Lease/Rentals	200	0	0	200
Miscellaneous Refunds	1,700	0	0	1,700
<u>Nonrecurring Items</u>				
Sale of Equipment	14,418	0	0	14,418
<u>Other Local Revenues</u>				
Other Local Revenues	191,671	0	0	191,671
Total Other Local Revenues	<u>\$ 212,689</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,689</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 160,685	\$ 0	\$ 0	\$ 160,685
<u>State Education Funds</u>				
Basic Education Program	29,351,664	0	0	29,351,664

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Early Childhood Education	\$ 286,667	\$ 0	\$ 0	\$ 286,667
School Food Service	0	0	24,629	24,629
Other State Education Funds	302,695	0	0	302,695
Coordinated School Health	168,509	0	0	168,509
Family Resource Centers	30,212	0	0	30,212
Career Ladder Program	102,047	0	0	102,047
Vocational Equipment	36,000	0	0	36,000
Other Vocational	42,967	0	0	42,967
<u>Other State Revenues</u>				
Income Tax	32,373	0	0	32,373
State Revenue Sharing - T.V.A.	1,472,996	0	0	1,472,996
Other State Grants	0	0	2,150	2,150
Other State Revenues	159	0	0	159
Total State of Tennessee	<u>\$ 31,986,974</u>	<u>\$ 0</u>	<u>\$ 26,779</u>	<u>\$ 32,013,753</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,091,684	\$ 1,091,684
USDA - Commodities	0	0	191,799	191,799
Breakfast	0	0	502,945	502,945
USDA - Other	0	0	1,291,144	1,291,144
Vocational Education - Basic Grants to States	0	199,638	0	199,638
Title I Grants to Local Education Agencies	0	1,404,223	0	1,404,223
Special Education - Grants to States	69,958	1,357,883	0	1,427,841

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Special Education Preschool Grants	\$ 0	\$ 31,365	\$ 0	\$ 31,365
Eisenhower Professional Development State Grants	0	272,745	0	272,745
COVID-19 Grant B	241	0	0	241
Other Federal through State	0	69,247	1,315	70,562
<u>Direct Federal Revenue</u>				
Forest Service	95,846	0	0	95,846
Other Direct Federal Revenue	309,730	0	0	309,730
Total Federal Government	<u>\$ 475,775</u>	<u>\$ 3,335,101</u>	<u>\$ 3,078,887</u>	<u>\$ 6,889,763</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 1,525	\$ 1,525
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,525</u>	<u>\$ 1,525</u>
Total	<u>\$ 43,621,663</u>	<u>\$ 3,335,101</u>	<u>\$ 3,555,205</u>	<u>\$ 50,511,969</u>

Exhibit K-7

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	52,116	
Social Security		2,847	
Employer Medicare		743	
Audit Services		16,917	
Contracts with Private Agencies		35,955	
Dues and Memberships		5,869	
Postal Charges		315	
Travel		1,500	
Building and Contents Insurance		94,174	
Liability Insurance		8,700	
Workers' Compensation Insurance		181,949	
Tax Relief Program		69,533	
Other Charges		6,485	
Total County Commission			\$ 477,103

Board of Equalization

Board and Committee Members Fees	\$	2,600	
Total Board of Equalization			2,600

County Mayor/Executive

County Official/Administrative Officer	\$	98,518	
Assistant(s)		45,008	
Deputy(ies)		28,637	
Longevity Pay		583	
Social Security		10,388	
Pensions		7,514	
Employee and Dependent Insurance		25,656	
Life Insurance		179	
Employer Medicare		2,429	
Dues and Memberships		573	
Postal Charges		165	
Travel		375	
Office Supplies		868	
Other Charges		50	
Communication Equipment		19	
Office Equipment		500	
Total County Mayor/Executive			221,462

Personnel Office

Secretary(ies)	\$	80,305	
Longevity Pay		3,800	
Social Security		4,988	
Pensions		3,553	
Employee and Dependent Insurance		16,201	
Life Insurance		114	
Employer Medicare		1,167	
Consultants		1,139	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Operating Lease Payments	\$	3,806	
Maintenance Agreements		448	
Travel		1,012	
Other Charges		3,884	
Office Equipment		37	
Total Personnel Office			\$ 120,454

County Attorney

Legal Services	\$	78,311	
Total County Attorney			78,311

Election Commission

County Official/Administrative Officer	\$	72,676	
Assistant(s)		34,338	
Deputy(ies)		33,368	
Election Commission		21,000	
Election Workers		52,135	
Social Security		12,122	
Pensions		6,107	
Employee and Dependent Insurance		37,385	
Life Insurance		171	
Employer Medicare		2,865	
Data Processing Services		749	
Operating Lease Payments		1,500	
Legal Notices, Recording, and Court Costs		2,892	
Maintenance Agreements		26,941	
Maintenance and Repair Services - Office Equipment		65	
Postal Charges		9,469	
Travel		3,008	
Data Processing Supplies		843	
Gasoline		72	
Office Supplies		7,154	
Building and Contents Insurance		400	
Other Equipment		350,742	
Total Election Commission			676,002

Register of Deeds

County Official/Administrative Officer	\$	80,751	
Assistant(s)		33,260	
Deputy(ies)		135,711	
Part-time Personnel		9,970	
Longevity Pay		7,900	
Social Security		15,946	
Pensions		11,206	
Employee and Dependent Insurance		52,450	
Life Insurance		342	
Employer Medicare		3,729	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Dues and Memberships	\$	915	
Operating Lease Payments		5,443	
Maintenance Agreements		24,128	
Postal Charges		1,500	
Travel		844	
Office Supplies		6,484	
Other Charges		437	
Office Equipment		5,743	
Total Register of Deeds			\$ 396,759

Planning

Supervisor/Director	\$	51,142	
Board and Committee Members Fees		500	
Social Security		3,196	
Pensions		2,046	
Employee and Dependent Insurance		8,016	
Life Insurance		57	
Employer Medicare		749	
Dues and Memberships		382	
Legal Notices, Recording, and Court Costs		146	
Maintenance Agreements		1,814	
Postal Charges		16	
Travel		1,286	
Office Supplies		31	
Office Equipment		1,500	
Total Planning			70,881

Engineering

Supervisor/Director	\$	60,368	
Computer Programmer(s)		37,561	
Social Security		5,956	
Pensions		3,263	
Employee and Dependent Insurance		16,548	
Life Insurance		104	
Employer Medicare		1,393	
Communication		244,200	
Licenses		4,764	
Maintenance Agreements		27,433	
Equipment and Machinery Parts		8,082	
Office Supplies		288	
Other Supplies and Materials		3,270	
Office Equipment		1,805	
Total Engineering			415,035

Codes Compliance

County Official/Administrative Officer	\$	16,074	
Clerical Personnel		2,467	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Part-time Personnel	\$	6,448	
Social Security		1,456	
Pensions		806	
Employee and Dependent Insurance		3,911	
Life Insurance		16	
Employer Medicare		341	
Dues and Memberships		25	
Maintenance Agreements		1,162	
Office Supplies		13	
Other Charges		25	
Office Equipment		628	
Total Codes Compliance			\$ 33,372

Geographical Information Systems

Supervisor/Director	\$	47,043	
Clerical Personnel		32,537	
Longevity Pay		3,200	
Social Security		4,500	
Pensions		3,601	
Employee and Dependent Insurance		25,399	
Life Insurance		114	
Employer Medicare		1,052	
Licenses		200	
Maintenance Agreements		10,660	
Gasoline		313	
Office Supplies		1,005	
Other Charges		1,162	
Office Equipment		2,444	
Total Geographical Information Systems			133,230

County Buildings

Assistant(s)	\$	76,043	
Supervisor/Director		52,755	
Attendants		25,383	
Custodial Personnel		25,582	
Longevity Pay		1,950	
Other Salaries and Wages		25,383	
Social Security		12,116	
Pensions		9,000	
Employee and Dependent Insurance		55,814	
Life Insurance		342	
Employer Medicare		2,834	
Consultants		180	
Maintenance Agreements		2,692	
Maintenance and Repair Services - Buildings		90,552	
Other Contracted Services		63,275	
Custodial Supplies		3,131	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	101,870	
Natural Gas		19,296	
Water and Sewer		8,869	
Other Supplies and Materials		1,497	
Other Charges		67,102	
Principal on Capital Leases		5,601	
Interest on Capital Leases		531	
Communication Equipment		1,024	
Maintenance Equipment		1,981	
Motor Vehicles		34,035	
Total County Buildings			\$ 688,838

Other General Administration

Operating Lease Payments	\$	1,920	
Legal Notices, Recording, and Court Costs		713	
Maintenance Agreements		1,506	
Maintenance and Repair Services - Vehicles		28	
Duplicating Supplies		853	
Gasoline		6,636	
Trustee's Commission		276,873	
Total Other General Administration			288,529

Preservation of Records

Supervisor/Director	\$	13,442	
Other Salaries and Wages		1,712	
Social Security		940	
Employer Medicare		220	
Maintenance Agreements		655	
Postal Charges		73	
Other Supplies and Materials		363	
Other Charges		2,949	
Total Preservation of Records			20,354

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	86,934	
Assistant(s)		67,429	
Accountants/Bookkeepers		230,075	
Longevity Pay		3,300	
Social Security		22,256	
Pensions		16,848	
Employee and Dependent Insurance		102,208	
Life Insurance		501	
Employer Medicare		5,205	
Data Processing Services		20,806	
Operating Lease Payments		1,939	
Maintenance Agreements		747	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Equipment	\$	85	
Postal Charges		6,419	
Travel		1,874	
Other Contracted Services		7,249	
Office Supplies		16,407	
Other Charges		4,434	
Office Equipment		13,082	
Total Accounting and Budgeting			\$ 607,798

Property Assessor's Office

County Official/Administrative Officer	\$	80,751	
Deputy(ies)		33,426	
Secretary(ies)		29,399	
Clerical Personnel		63,036	
Longevity Pay		4,400	
Social Security		12,305	
Pensions		9,179	
Employee and Dependent Insurance		53,133	
Life Insurance		285	
Employer Medicare		2,878	
Contracts with Private Agencies		20,321	
Data Processing Services		19,771	
Dues and Memberships		2,040	
Operating Lease Payments		1,250	
Maintenance Agreements		2,262	
Maintenance and Repair Services - Vehicles		280	
Postal Charges		1,928	
Printing, Stationery, and Forms		73	
Travel		1,694	
Gasoline		1,638	
Office Supplies		3,059	
Tires and Tubes		930	
Other Charges		879	
Office Equipment		3,872	
Total Property Assessor's Office			348,789

Reappraisal Program

Secretary(ies)	\$	29,399	
Clerical Personnel		30,134	
Part-time Personnel		16,547	
Social Security		4,145	
Pensions		2,590	
Employee and Dependent Insurance		16,314	
Life Insurance		114	
Employer Medicare		1,092	
Data Processing Services		5,577	
Travel		36	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Office Supplies	\$	3,666	
Other Charges		2,088	
Principal on Capital Leases		4,363	
Interest on Capital Leases		414	
Office Equipment		1,491	
Total Reappraisal Program			\$ 117,970

County Trustee's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		34,800	
Deputy(ies)		86,639	
Part-time Personnel		19,438	
Longevity Pay		2,600	
Social Security		13,096	
Pensions		8,908	
Employee and Dependent Insurance		53,896	
Life Insurance		285	
Employer Medicare		3,063	
Dues and Memberships		1,623	
Operating Lease Payments		1,620	
Maintenance Agreements		7,826	
Postal Charges		534	
Travel		353	
Other Contracted Services		29,978	
Office Supplies		4,696	
Other Charges		958	
Office Equipment		5,174	
Other Capital Outlay		8,926	
Total County Trustee's Office			365,164

County Clerk's Office

County Official/Administrative Officer	\$	80,751
Assistant(s)		43,810
Deputy(ies)		230,310
Secretary to Board		3,000
Part-time Personnel		2,870
Longevity Pay		5,383
Overtime Pay		4,352
Social Security		21,840
Pensions		15,990
Employee and Dependent Insurance		93,542
Life Insurance		575
Employer Medicare		5,149
Dues and Memberships		930
Operating Lease Payments		3,906
Legal Notices, Recording, and Court Costs		426
Maintenance Agreements		312

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	23,763	
Postal Charges		10,861	
Travel		1,222	
Office Supplies		9,015	
Office Equipment		11,073	
Total County Clerk's Office			\$ 569,080

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	80,751	
Assistant(s)		37,691	
Deputy(ies)		536,930	
Part-time Personnel		10,400	
Longevity Pay		14,350	
Other Salaries and Wages		22,200	
Jury and Witness Expense		10,835	
Social Security		41,054	
Pensions		29,716	
Employee and Dependent Insurance		179,630	
Life Insurance		1,043	
Employer Medicare		9,678	
Operating Lease Payments		4,596	
Legal Notices, Recording, and Court Costs		195	
Maintenance Agreements		17,005	
Postal Charges		2,477	
Printing, Stationery, and Forms		4,983	
Travel		1,198	
Office Supplies		16,560	
Other Charges		9,396	
Data Processing Equipment		9,356	
Office Equipment		1,037	
Total Circuit Court			1,041,081

General Sessions Judge

Judge(s)	\$	162,154
Secretary(ies)		34,698
Longevity Pay		2,200
Social Security		10,579
Pensions		8,659
Employee and Dependent Insurance		22,352
Life Insurance		86
Employer Medicare		2,787
Data Processing Services		3,700
Dues and Memberships		527
Operating Lease Payments		1,045
Maintenance Agreements		942
Postal Charges		55

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Travel	\$	399	
Other Contracted Services		600	
Library Books/Media		84	
Office Supplies		1,738	
Other Charges		40	
Furniture and Fixtures		1,492	
Office Equipment		1,101	
Other Equipment		1,218	
Total General Sessions Judge			\$ 256,456

Chancery Court

County Official/Administrative Officer	\$	80,751	
Deputy(ies)		99,741	
Part-time Personnel		3,596	
Longevity Pay		4,000	
Social Security		10,985	
Pensions		8,025	
Employee and Dependent Insurance		31,667	
Life Insurance		228	
Employer Medicare		2,569	
Dues and Memberships		1,012	
Maintenance Agreements		1,760	
Office Supplies		8,258	
Other Supplies and Materials		20,414	
Other Charges		13,318	
Office Equipment		17,304	
Total Chancery Court			303,628

Probate Court

Deputy(ies)	\$	33,030	
Longevity Pay		2,700	
Social Security		1,901	
Pensions		1,554	
Employee and Dependent Insurance		12,302	
Life Insurance		57	
Employer Medicare		445	
Postal Charges		400	
Office Supplies		1,299	
Office Equipment		1,593	
Total Probate Court			55,281

Other Administration of Justice

Legal Notices, Recording, and Court Costs	\$	15,000	
Total Other Administration of Justice			15,000

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	93,827	
Assistant(s)		65,086	
Supervisor/Director		83,776	
Deputy(ies)		431,235	
Investigator(s)		268,207	
Captain(s)		266,191	
Sergeant(s)		153,956	
Accountants/Bookkeepers		66,182	
Mechanic(s)		32,932	
Secretary(ies)		31,403	
Clerical Personnel		85,299	
Part-time Personnel		29,684	
School Resource Officer		457,479	
Longevity Pay		21,175	
Overtime Pay		119,604	
Other Salaries and Wages		10,425	
In-service Training		39,200	
Social Security		132,639	
Pensions		93,382	
Employee and Dependent Insurance		499,701	
Life Insurance		2,831	
Employer Medicare		31,020	
Dues and Memberships		2,300	
Operating Lease Payments		16,306	
Maintenance Agreements		26,729	
Maintenance and Repair Services - Vehicles		76,857	
Postal Charges		2,995	
Travel		6,919	
Tuition		7,214	
Garage Supplies		6,956	
Gasoline		106,666	
Office Supplies		8,103	
Tires and Tubes		24,711	
Uniforms		23,919	
Vehicle Parts		18,024	
Other Charges		23,515	
Principal on Capital Leases		230,348	
Interest on Capital Leases		16,791	
Communication Equipment		3,315	
Law Enforcement Equipment		90,755	
Motor Vehicles		30,433	
Office Equipment		17,582	
Total Sheriff's Department			\$ 3,755,672
<u>Administration of the Sexual Offender Registry</u>			
Other Charges	\$	3,068	
Total Administration of the Sexual Offender Registry			3,068

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Assistant(s)	\$	60,508	
Captain(s)		40,599	
Lieutenant(s)		72,500	
Sergeant(s)		162,359	
Accountants/Bookkeepers		64,806	
Guards		710,284	
Part-time Personnel		181,799	
Longevity Pay		5,017	
Overtime Pay		180,898	
Other Salaries and Wages		111,753	
Social Security		95,234	
Pensions		56,485	
Employee and Dependent Insurance		322,170	
Life Insurance		2,028	
Employer Medicare		22,273	
Contracts with Private Agencies		308,452	
Data Processing Services		2,968	
Maintenance Agreements		586	
Maintenance and Repair Services - Equipment		500	
Travel		8,671	
Custodial Supplies		26,458	
Drugs and Medical Supplies		534,379	
Electricity		56,642	
Food Supplies		23,101	
Natural Gas		15,667	
Office Supplies		8,559	
Prisoners Clothing		4,185	
Uniforms		15,300	
Water and Sewer		73,434	
Other Charges		75,225	
Law Enforcement Equipment		3,625	
Office Equipment		1,314	
Total Jail			\$ 3,247,779

Juvenile Services

Supervisor/Director	\$	41,886
Youth Service Officer(s)		34,674
Longevity Pay		2,800
Social Security		4,358
Pensions		3,452
Employee and Dependent Insurance		24,963
Life Insurance		114
Employer Medicare		1,019
Dues and Memberships		155
Travel		1,723
Other Contracted Services		7,080
Office Supplies		1,282

(Continued)

Exhibit K-7

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

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

Other Charges	\$	5,303	
Office Equipment		1,809	
Total Juvenile Services			\$ 130,618

Fire Prevention and Control

Contributions	\$	5,000	
Liability Insurance		9,400	
Vehicle and Equipment Insurance		71,100	
Workers' Compensation Insurance		23,500	
Other Charges		138,000	
Total Fire Prevention and Control			247,000

Rescue Squad

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

Other Emergency Management

Other Salaries and Wages	\$	47,500	
Social Security		2,936	
Pensions		2,066	
Employee and Dependent Insurance		7,857	
Life Insurance		57	
Employer Medicare		687	
Maintenance and Repair Services - Vehicles		2,768	
Office Supplies		229	
Other Supplies and Materials		36	
Other Charges		13,803	
Principal on Capital Leases		6,270	
Interest on Capital Leases		468	
Total Other Emergency Management			84,677

County Coroner/Medical Examiner

Pauper Burials	\$	880	
Other Charges		92,022	
Total County Coroner/Medical Examiner			92,902

Other Public Safety

Assistant(s)	\$	17,220	
Other Salaries and Wages		14,250	
Social Security		1,912	
Pensions		469	
Employee and Dependent Insurance		3,588	
Life Insurance		19	
Employer Medicare		447	
Maintenance and Repair Services - Buildings		49,124	
Custodial Supplies		4,831	
Electricity		115,781	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Natural Gas	\$	17,032	
Water and Sewer		10,853	
Maintenance Equipment		1,342	
Total Other Public Safety			\$ 236,868

Public Health and Welfare

Local Health Center

Dues and Memberships	\$	320	
Operating Lease Payments		1,992	
Maintenance Agreements		4,922	
Postal Charges		2,346	
Other Contracted Services		10,502	
Custodial Supplies		714	
Drugs and Medical Supplies		973	
Office Supplies		6,273	
Periodicals		59	
Other Charges		19,495	
Total Local Health Center			47,596

Rabies and Animal Control

Assistant(s)	\$	29,397	
Supervisor/Director		33,336	
Part-time Personnel		50,596	
Social Security		6,456	
Pensions		3,232	
Employee and Dependent Insurance		25,655	
Life Insurance		132	
Employer Medicare		1,510	
Licenses		135	
Postal Charges		55	
Rentals		9,000	
Veterinary Services		40,973	
Other Contracted Services		650	
Custodial Supplies		4,292	
Electricity		8,629	
Gasoline		577	
Natural Gas		717	
Office Supplies		1,325	
Water and Sewer		398	
Other Charges		10,045	
Total Rabies and Animal Control			227,110

Ambulance/Emergency Medical Services

Supervisor/Director	\$	59,684	
Paraprofessionals		1,673,516	
Secretary(ies)		64,793	
Longevity Pay		26,142	

(Continued)

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.)

Social Security	\$	108,383	
Pensions		74,654	
Employee and Dependent Insurance		327,718	
Life Insurance		1,834	
Employer Medicare		25,348	
Contracts with Private Agencies		7,130	
Evaluation and Testing		395	
Operating Lease Payments		1,525	
Licenses		2,250	
Maintenance Agreements		827	
Maintenance and Repair Services - Equipment		5,938	
Maintenance and Repair Services - Vehicles		65,894	
Travel		2,916	
Tuition		2,455	
Other Contracted Services		86,400	
Custodial Supplies		2,634	
Diesel Fuel		100,212	
Drugs and Medical Supplies		121,291	
Electricity		7,663	
Natural Gas		1,427	
Office Supplies		1,116	
Tires and Tubes		8,431	
Uniforms		10,724	
Water and Sewer		1,384	
Other Charges		82,917	
Principal on Capital Leases		127,757	
Interest on Capital Leases		8,548	
Communication Equipment		705	
Motor Vehicles		147,782	
Health Equipment		100	
Total Ambulance/Emergency Medical Services			\$ 3,160,493

Dental Health Program

Assistant(s)	\$	10,767
Supervisor/Director		46,324
Deputy(ies)		26,345
Medical Personnel		86,737
Longevity Pay		1,200
Other Salaries and Wages		68,288
In-service Training		150
Social Security		14,360
Pensions		4,068
Employee and Dependent Insurance		24,462
Life Insurance		133
Employer Medicare		3,358
Dues and Memberships		835
Janitorial Services		5

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Maintenance and Repair Services - Equipment	\$	1,272	
Postal Charges		1,116	
Other Contracted Services		595	
Drugs and Medical Supplies		33,801	
Gasoline		38	
Office Supplies		2,970	
Uniforms		550	
Other Supplies and Materials		1,593	
Liability Insurance		6,813	
Other Charges		49	
Office Equipment		795	
Health Equipment		1,860	
Total Dental Health Program			\$ 338,484

Alcohol and Drug Programs

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

Crippled Children Services

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

Other Local Health Services

Assistant(s)	\$	26,582	
Deputy(ies)		28,191	
Teachers		34,609	
Guidance Personnel		31,862	
Secretary(ies)		24,872	
Attendants		65,803	
Longevity Pay		3,600	
Social Security		12,726	
Pensions		8,696	
Employee and Dependent Insurance		55,870	
Life Insurance		318	
Employer Medicare		2,976	
Travel		11,835	
Liability Insurance		6,569	
Total Other Local Health Services			314,509

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	30,000	
Other Contracted Services		8,000	
Total Senior Citizens Assistance			38,000

Libraries

Contributions	\$	125,000	
Total Libraries			125,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 138,850	
Total Other Social, Cultural, and Recreational		\$ 138,850

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$ 15,684	
Assistant(s)	15,036	
Supervisor/Director	14,757	
Clerical Personnel	5,675	
Other Salaries and Wages	3,028	
Social Security	2,453	
Pensions	9,355	
Employee and Dependent Insurance	5,070	
Employer Medicare	749	
Operating Lease Payments	894	
Maintenance Agreements	594	
Travel	1,199	
Office Supplies	899	
Total Agricultural Extension Service		75,393

Soil Conservation

Secretary(ies)	\$ 30,048	
Other Salaries and Wages	8,678	
Social Security	2,215	
Pensions	1,307	
Employee and Dependent Insurance	12,302	
Life Insurance	57	
Employer Medicare	518	
Contributions	2,042	
Dues and Memberships	270	
Travel	1,378	
Office Supplies	110	
Other Charges	1,673	
Total Soil Conservation		60,598

Flood Control

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

Other Operations

Tourism

Supervisor/Director	\$ 47,819	
Part-time Personnel	43,103	
Social Security	5,310	
Pensions	2,080	
Employee and Dependent Insurance	15,135	
Life Insurance	57	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Employer Medicare	\$	1,242	
Advertising		52,356	
Dues and Memberships		4,800	
Operating Lease Payments		1,546	
Maintenance Agreements		1,182	
Postal Charges		401	
Travel		9,014	
Other Contracted Services		10,000	
Custodial Supplies		3,204	
Electricity		4,945	
Office Supplies		3,875	
Water and Sewer		874	
Other Supplies and Materials		49,363	
Other Charges		250	
Office Equipment		1,738	
Total Tourism			\$ 258,294

Industrial Development

Supervisor/Director	\$	73,542	
Secretary(ies)		34,981	
Social Security		6,354	
Pensions		4,655	
Employee and Dependent Insurance		21,286	
Life Insurance		104	
Employer Medicare		1,486	
Advertising		1,373	
Dues and Memberships		2,769	
Operating Lease Payments		1,501	
Legal Services		3,257	
Maintenance Agreements		876	
Postal Charges		91	
Travel		5,021	
Gasoline		351	
Office Supplies		266	
Other Charges		568,248	
Total Industrial Development			726,161

Airport

Supervisor/Director	\$	33,113	
Attendants		7,219	
Longevity Pay		800	
Social Security		2,510	
Pensions		1,475	
Employee and Dependent Insurance		5,594	
Life Insurance		39	
Employer Medicare		587	
Travel		583	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Other Contracted Services	\$	107,964	
Electricity		15,085	
Gasoline		242,608	
Water and Sewer		724	
Other Supplies and Materials		10,151	
Liability Insurance		4,042	
Other Charges		1,836,187	
Total Airport			\$ 2,268,681

Veterans' Services

Supervisor/Director	\$	36,766	
Social Security		2,259	
Pensions		1,597	
Employee and Dependent Insurance		7,957	
Life Insurance		57	
Employer Medicare		528	
Advertising		67	
Contracts with Private Agencies		449	
Postal Charges		55	
Travel		535	
Office Supplies		523	
Other Charges		230	
Office Equipment		897	
Total Veterans' Services			51,920

Contributions to Other Agencies

Contributions	\$	217,528	
Total Contributions to Other Agencies			217,528

Employee Benefits

Employee and Dependent Insurance	\$	4,300	
Unemployment Compensation		20,614	
Total Employee Benefits			24,914

COVID-19 Grant D

Other Supplies and Materials	\$	27,244	
Total COVID-19 Grant D			27,244

Capital Projects

Public Safety Projects

Other Charges	\$	1,009	
Total Public Safety Projects			1,009

Total General Fund \$ 23,276,863

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$	48,223	
Laborers		53,509	
Clerical Personnel		31,623	
Part-time Personnel		10,678	
Longevity Pay		4,700	
Social Security		8,548	
Pensions		6,002	
Employee and Dependent Insurance		38,889	
Life Insurance		204	
Unemployment Compensation		896	
Employer Medicare		1,999	
Advertising		627	
Communication		9,404	
Contracts with Private Agencies		386,855	
Dues and Memberships		1,176	
Operating Lease Payments		1,525	
Maintenance and Repair Services - Equipment		3,349	
Maintenance and Repair Services - Vehicles		7,058	
Gasoline		10,859	
Office Supplies		1,447	
Tires and Tubes		1,165	
Utilities		7,707	
Other Supplies and Materials		1,347	
Trustee's Commission		22,105	
Other Charges		3,209	
Office Equipment		2,111	
Total Sanitation Education/Information			\$ 665,215

Convenience Centers

Attendants	\$	90,225	
Part-time Personnel		74,636	
Longevity Pay		2,100	
Social Security		10,310	
Pensions		4,012	
Employee and Dependent Insurance		23,196	
Life Insurance		228	
Employer Medicare		2,411	
Communication		2,322	
Maintenance and Repair Services - Equipment		5,203	
Other Contracted Services		234,723	
Crushed Stone		1,179	
Utilities		4,375	
Other Supplies and Materials		5,095	
Building and Contents Insurance		58,000	
Liability Insurance		10,500	
Workers' Compensation Insurance		7,500	
Other Charges		6,040	
Total Convenience Centers			542,055

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs

Testing	\$	12,500	
Other Charges		2,500	
Total Postclosure Care Costs			\$ 15,000

Highways

Litter and Trash Collection

Laborers	\$	47,087	
Longevity Pay		600	
Social Security		2,951	
Pensions		2,074	
Employee and Dependent Insurance		8,664	
Life Insurance		114	
Employer Medicare		690	
Contracts with Other Public Agencies		16,080	
Principal on Capital Leases		35,676	
Interest on Capital Leases		2,521	
Total Litter and Trash Collection			116,457

Total Solid Waste/Sanitation Fund \$ 1,338,727

Drug Control Fund

Public Safety

Drug Enforcement

Longevity Pay	\$	2,000	
Social Security		124	
Pensions		87	
Employer Medicare		29	
Communication		1,205	
Confidential Drug Enforcement Payments		16,000	
Dues and Memberships		55	
Tuition		4,000	
Veterinary Services		946	
Animal Food and Supplies		2,272	
Gasoline		2,968	
Other Charges		3,210	
Motor Vehicles		1,958	
Total Drug Enforcement			\$ 34,854

Total Drug Control Fund 34,854

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	3,045	
Total Chancery Court			\$ 3,045

Total Constitutional Officers - Fees Fund 3,045

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	88,827	
Accountants/Bookkeepers		33,918	
Secretary(ies)		33,918	
Longevity Pay		2,300	
Social Security		9,310	
Pensions		6,915	
Employee and Dependent Insurance		31,367	
Life Insurance		171	
Employer Medicare		2,177	
Communication		10,165	
Dues and Memberships		4,216	
Legal Services		1,322	
Legal Notices, Recording, and Court Costs		40	
Maintenance and Repair Services - Office Equipment		794	
Postal Charges		194	
Travel		538	
Other Contracted Services		4,490	
Electricity		14,829	
Office Supplies		1,428	
Water and Sewer		8,458	
Other Charges		2,442	
Total Administration			\$ 257,819

Highway and Bridge Maintenance

Foremen	\$	43,373	
Laborers		895,433	
Part-time Personnel		33,394	
Longevity Pay		20,500	
Overtime Pay		17,718	
Social Security		60,685	
Pensions		42,010	
Employee and Dependent Insurance		252,128	
Life Insurance		1,615	
Employer Medicare		14,192	
Engineering Services		47,861	
Other Contracted Services		6,260	
Asphalt - Hot Mix		848,809	
Asphalt - Liquid		245,699	
Crushed Stone		322,316	
Other Road Materials		67,000	
Pipe - Metal		66,643	
Road Signs		18,550	
Uniforms		16,682	
Total Highway and Bridge Maintenance			3,020,868

Operation and Maintenance of Equipment

Foremen	\$	43,373	
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(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Mechanic(s)	\$	37,422	
Longevity Pay		800	
Social Security		4,545	
Pensions		3,549	
Employee and Dependent Insurance		23,286	
Life Insurance		114	
Employer Medicare		1,063	
Diesel Fuel		99,829	
Equipment and Machinery Parts		125,660	
Garage Supplies		9,719	
Gasoline		154,790	
Lubricants		12,983	
Propane Gas		72	
Tires and Tubes		39,144	
Other Supplies and Materials		8,666	
Total Operation and Maintenance of Equipment	\$		565,015

Other Charges

Building and Contents Insurance	\$	187,000	
Liability Insurance		24,000	
Trustee's Commission		59,853	
Workers' Compensation Insurance		7,189	
Total Other Charges			278,042

Employee Benefits

Unemployment Compensation	\$	600	
Total Employee Benefits			600

Capital Outlay

Maintenance and Repair Services - Vehicles	\$	6,367	
Principal on Capital Leases		118,249	
Interest on Capital Leases		9,635	
Bridge Construction		393,949	
Highway Equipment		168,862	
Site Development		1,385	
State Aid Projects		297,851	
Total Capital Outlay			996,298

Total Highway/Public Works Fund \$ 5,118,642

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	418,861	
Total General Government	\$		418,861

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 615,000	
Principal on Capital Leases	54,501	
Principal on Other Loans	1,542,188	
Total Education		\$ 2,211,689

Interest on Debt

General Government

Interest on Bonds	\$ 883,379	
Total General Government		883,379

Education

Interest on Bonds	\$ 618,262	
Interest on Capital Leases	4,652	
Interest on Other Loans	866,774	
Total Education		1,489,688

Other Debt Service

General Government

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

Education

Trustee's Commission	\$ 97,019	
Other Debt Issuance Charges	2,050	
Total Education		99,069

Total General Debt Service Fund \$ 5,105,186

General Capital Projects Fund

Capital Projects

General Administration Projects

Communication Equipment	\$ 3,111,671	
Total General Administration Projects		\$ 3,111,671

Public Safety Projects

Contracts with Private Agencies	\$ 13,018	
Data Processing Services	191,202	
Water and Sewer	334,300	
Other Supplies and Materials	45,944	
Other Charges	5,684	
Food Service Equipment	351	
Furniture and Fixtures	21,275	
Right-of-Way	1,400	
Site Development	91	
Total Public Safety Projects		613,265

Total General Capital Projects Fund 3,724,936

(Continued)

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

Other Capital Projects #1 Fund

Capital Projects

Public Safety Projects

Contracts with Private Agencies	\$ 70,889	
Data Processing Services	131,702	
Engineering Services	44,843	
Other Charges	4,635	
Building Construction	1,866,258	
Food Service Equipment	286,086	
Furniture and Fixtures	515,108	
Site Development	12,818	
Other Equipment	51,194	
Total Public Safety Projects	\$ 2,983,533	

Total Other Capital Projects #1 Fund \$ 2,983,533

Total Governmental Funds - Primary Government \$ 41,585,786

Exhibit K-8

Monroe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Monroe County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,193,377	
Career Ladder Program	63,000	
Career Ladder Extended Contracts	47,045	
Homebound Teachers	79,542	
Educational Assistants	684,375	
Bonus Payments	49,312	
Other Salaries and Wages	230,283	
Social Security	836,898	
Pensions	1,348,923	
Life Insurance	15,733	
Medical Insurance	3,061,903	
Employer Medicare	199,302	
Retirement - Hybrid Stabilization	11,612	
Contracts for Substitute Teachers - Certified	224,407	
Other Contracted Services	16,888	
Instructional Supplies and Materials	137,243	
Textbooks - Bound	223,714	
Other Supplies and Materials	20,912	
Fee Waivers	50,944	
Other Charges	14,400	
Total Regular Instruction Program		\$ 20,509,813

Alternative Instruction Program

Teachers	\$ 87,735	
Educational Assistants	4,230	
Social Security	6,225	
Pensions	9,343	
Life Insurance	85	
Medical Insurance	13,998	
Employer Medicare	1,456	
Contracts for Substitute Teachers - Certified	1,584	
Total Alternative Instruction Program		124,656

Special Education Program

Teachers	\$ 1,525,342
Career Ladder Program	6,000
Homebound Teachers	10,940
Educational Assistants	622,905
Speech Pathologist	198,432
Other Salaries and Wages	39,195
Social Security	141,817
Pensions	178,217
Life Insurance	3,057
Medical Insurance	607,367
Employer Medicare	33,224
Contracts with Other Public Agencies	133,551

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Private Agencies	\$	22,131	
Operating Lease Payments		1,308	
Contracts for Substitute Teachers - Certified		59,915	
Other Contracted Services		3,432	
Instructional Supplies and Materials		78,806	
Other Supplies and Materials		14,347	
Special Education Equipment		158,438	
Total Special Education Program			\$ 3,838,424

Career and Technical Education Program

Teachers	\$	1,216,272	
Career Ladder Program		5,000	
Longevity Pay		500	
Other Salaries and Wages		39,456	
Social Security		75,669	
Pensions		124,376	
Life Insurance		1,365	
Medical Insurance		305,144	
Employer Medicare		17,697	
Contracts for Substitute Teachers - Certified		11,722	
Instructional Supplies and Materials		20,057	
Other Charges		41,755	
Total Career and Technical Education Program			1,859,013

Support Services

Attendance

Supervisor/Director	\$	28,210	
Social Security		1,676	
Pensions		3,007	
Life Insurance		23	
Medical Insurance		6,647	
Employer Medicare		392	
Total Attendance			39,955

Health Services

Supervisor/Director	\$	125,357	
Data Processing Personnel		12,064	
Social Workers		53,612	
Paraprofessionals		488,240	
Clerical Personnel		73,443	
Educational Assistants		17,177	
Longevity Pay		300	
Other Salaries and Wages		85,909	
Social Security		49,266	
Pensions		36,257	
Life Insurance		1,082	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	226,270	
Employer Medicare		11,517	
Operating Lease Payments		2,822	
Maintenance and Repair Services - Equipment		1,232	
Travel		1,613	
Other Contracted Services		8,509	
Drugs and Medical Supplies		418	
Other Supplies and Materials		16,217	
In Service/Staff Development		6,141	
Other Charges		6,119	
Health Equipment		24,890	
Total Health Services			\$ 1,248,455

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		470,740	
School Resource Officer		177,296	
Longevity Pay		3,450	
Social Security		40,019	
Pensions		50,256	
Life Insurance		797	
Medical Insurance		137,852	
Employer Medicare		9,359	
Contracts for Substitute Teachers - Certified		1,346	
Other Contracted Services		87,314	
Other Supplies and Materials		522	
Workers' Compensation Insurance		4,543	
Other Equipment		50,805	
Total Other Student Support			1,035,299

Regular Instruction Program

Supervisor/Director	\$	266,997	
Career Ladder Program		6,000	
Librarians		559,091	
Social Security		47,219	
Pensions		81,289	
Life Insurance		772	
Medical Insurance		167,440	
Employer Medicare		11,729	
Travel		5,542	
Contracts for Substitute Teachers - Certified		13,622	
Library Books/Media		13,456	
Total Regular Instruction Program			1,173,157

Special Education Program

Supervisor/Director	\$	82,133	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Psychological Personnel		146,711	
Assessment Personnel		59,344	
Secretary(ies)		30,232	
Longevity Pay		500	
Social Security		19,341	
Pensions		28,530	
Life Insurance		280	
Medical Insurance		45,994	
Employer Medicare		4,588	
Operating Lease Payments		1,958	
Maintenance and Repair Services - Equipment		1,730	
Travel		8,804	
Other Contracted Services		9,402	
Other Supplies and Materials		7,339	
In Service/Staff Development		22,311	
Total Special Education Program			\$ 470,197

Career and Technical Education Program

Career Ladder Program	\$	600	
Employer Medicare		9	
Total Career and Technical Education Program			609

Technology

Supervisor/Director	\$	25,200	
Other Salaries and Wages		163,704	
Social Security		11,190	
Pensions		7,822	
Life Insurance		114	
Medical Insurance		42,764	
Employer Medicare		2,617	
Communication		50,847	
Data Processing Services		126,000	
Maintenance and Repair Services - Equipment		143,388	
Internet Connectivity		137,218	
Travel		2,618	
Library Books/Media		28,585	
Uniforms		585	
In Service/Staff Development		2,157	
Other Charges		111,248	
Other Equipment		19,656	
Total Technology			875,713

Other Programs

Other Salaries and Wages	\$	163,480	
Social Security		10,090	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs (Cont.)

Pensions	\$	5,790	
Life Insurance		103	
Medical Insurance		7,524	
Employer Medicare		2,360	
On-behalf Payments to OPEB		160,685	
Travel		42,986	
Other Contracted Services		6,523	
Office Supplies		11,970	
Other Charges		825	
Total Other Programs			\$ 412,336

Board of Education

Secretary to Board	\$	4,500	
Board and Committee Members Fees		38,768	
Social Security		1,884	
Pensions		196	
Life Insurance		285	
Unemployment Compensation		14,520	
Employer Medicare		621	
Other Fringe Benefits		132,710	
Audit Services		20,750	
Dues and Memberships		7,653	
Legal Services		16,477	
Travel		14,355	
Trustee's Commission		226,446	
Workers' Compensation Insurance		82,249	
In Service/Staff Development		1,925	
Other Charges		9,129	
Total Board of Education			572,468

Director of Schools

County Official/Administrative Officer	\$	116,497
Career Ladder Program		2,000
Secretary(ies)		43,126
Clerical Personnel		68,478
Longevity Pay		1,030
Social Security		12,940
Pensions		15,488
Life Insurance		223
Medical Insurance		40,803
Employer Medicare		3,152
Communication		24,089
Dues and Memberships		4,400
Operating Lease Payments		7,264
Maintenance and Repair Services - Equipment		2,115
Postal Charges		1,155

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	4,088	
Other Contracted Services		483	
Office Supplies		2,107	
Other Charges		976	
Total Director of Schools			\$ 350,414

Office of the Principal

Principals	\$	895,166	
Career Ladder Program		6,000	
Assistant Principals		408,793	
Secretary(ies)		308,986	
Longevity Pay		4,220	
Social Security		95,789	
Pensions		152,989	
Life Insurance		1,702	
Medical Insurance		378,085	
Employer Medicare		22,402	
Communication		34,506	
Operating Lease Payments		12,672	
Maintenance and Repair Services - Equipment		3,382	
Total Office of the Principal			2,324,692

Operation of Plant

Custodial Personnel	\$	755,400	
Longevity Pay		6,910	
Other Salaries and Wages		79,330	
Social Security		50,302	
Pensions		32,654	
Life Insurance		1,272	
Medical Insurance		261,330	
Employer Medicare		11,764	
Other Contracted Services		101,028	
Custodial Supplies		151,363	
Electricity		1,155,797	
Natural Gas		83,647	
Propane Gas		43,619	
Water and Sewer		156,299	
Building and Contents Insurance		338,608	
Plant Operation Equipment		11,602	
Total Operation of Plant			3,240,925

Maintenance of Plant

Supervisor/Director	\$	54,346	
Secretary(ies)		28,888	
Maintenance Personnel		381,374	
Longevity Pay		2,870	

(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.)

Maintenance of Plant (Cont.)

Overtime Pay	\$	3,138	
Social Security		27,948	
Pensions		19,517	
Life Insurance		639	
Medical Insurance		88,625	
Employer Medicare		6,690	
Communication		3,815	
Maintenance and Repair Services - Buildings		562,314	
Maintenance and Repair Services - Equipment		222,798	
Maintenance and Repair Services - Vehicles		7,641	
Travel		8,463	
Other Contracted Services		10,855	
Gasoline		23,798	
Office Supplies		1,154	
Other Supplies and Materials		97,443	
Debt Service Contribution to Primary Government		59,153	
Other Debt Service		827	
Maintenance Equipment		14,157	
Total Maintenance of Plant			\$ 1,626,453

Transportation

Supervisor/Director	\$	79,423	
Mechanic(s)		41,461	
Clerical Personnel		23,780	
Longevity Pay		400	
Social Security		8,834	
Pensions		11,062	
Life Insurance		171	
Medical Insurance		13,291	
Employer Medicare		2,066	
Contracts with Vehicle Owners		2,222,872	
Maintenance and Repair Services - Vehicles		39,433	
Printing, Stationery, and Forms		1,933	
Other Contracted Services		9,165	
Diesel Fuel		17,127	
Other Supplies and Materials		1,435	
In Service/Staff Development		675	
Other Charges		1,536	
Transportation Equipment		195,278	
Total Transportation			2,669,942

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	28,907	
Longevity Pay		400	
Social Security		1,588	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Pensions	\$	1,275	
Life Insurance		57	
Medical Insurance		16,626	
Employer Medicare		371	
Travel		541	
Other Charges		6,666	
Total Community Services			\$ 56,431

Early Childhood Education

Supervisor/Director	\$	7,053	
Teachers		156,880	
Secretary(ies)		3,248	
Educational Assistants		50,863	
Social Security		13,234	
Pensions		17,714	
Life Insurance		353	
Medical Insurance		50,880	
Employer Medicare		3,092	
Contracts for Substitute Teachers - Non-certified		2,257	
Instructional Supplies and Materials		1,035	
In Service/Staff Development		2,778	
Total Early Childhood Education			\$ 309,387

Total General Purpose School Fund \$ 42,738,339

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	268,426	
Educational Assistants		425,861	
Social Security		39,837	
Pensions		41,728	
Life Insurance		1,164	
Medical Insurance		172,329	
Employer Medicare		9,638	
Contracts for Substitute Teachers - Certified		5,438	
Other Contracted Services		136,674	
Instructional Supplies and Materials		13,400	
Regular Instruction Equipment		5,386	
Total Regular Instruction Program			\$ 1,119,881

Special Education Program

Teachers	\$	292,431
Educational Assistants		366,866
Social Security		38,493
Pensions		40,012

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	1,290	
Medical Insurance		245,956	
Employer Medicare		9,009	
Contracts with Private Agencies		4,240	
Contracts for Substitute Teachers - Certified		15,946	
Instructional Supplies and Materials		90,889	
Other Supplies and Materials		4,508	
Special Education Equipment		49,963	
Total Special Education Program			\$ 1,159,603

Career and Technical Education Program

Contracts for Substitute Teachers - Certified	\$	2,574	
Instructional Supplies and Materials		11,784	
Other Supplies and Materials		14,880	
Vocational Instruction Equipment		146,365	
Total Career and Technical Education Program			175,603

Support Services

Other Student Support

Guidance Personnel	\$	28,571	
Social Security		1,723	
Pensions		2,019	
Life Insurance		15	
Medical Insurance		1,788	
Employer Medicare		403	
Travel		10,461	
In Service/Staff Development		4,271	
Other Charges		6,686	
Total Other Student Support			55,937

Regular Instruction Program

Supervisor/Director	\$	68,498	
Secretary(ies)		36,904	
Other Salaries and Wages		245,138	
Social Security		20,869	
Pensions		33,102	
Life Insurance		284	
Medical Insurance		64,054	
Employer Medicare		4,874	
Operating Lease Payments		5,533	
Travel		1,112	
Other Contracted Services		12,540	
Other Supplies and Materials		10,276	
In Service/Staff Development		73,665	
Other Equipment		8,278	
Total Regular Instruction Program			585,127

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	130,719	
Clerical Personnel		28,138	
Social Security		9,449	
Pensions		15,156	
Life Insurance		171	
Medical Insurance		29,060	
Employer Medicare		2,210	
Travel		1,023	
In Service/Staff Development		10,931	
Total Special Education Program	\$		226,857

Career and Technical Education Program

Supervisor/Director	\$	4,260	
Social Security		67	
Pensions		117	
Medical Insurance		132	
Employer Medicare		64	
Travel		842	
In Service/Staff Development		3,821	
Total Career and Technical Education Program			9,303

Transportation

Contracts with Vehicle Owners	\$	2,790	
Total Transportation			2,790

Total School Federal Projects Fund \$ 3,335,101

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	45,000	
Clerical Personnel		27,286	
Cafeteria Personnel		808,722	
Longevity Pay		11,170	
Other Salaries and Wages		69,997	
Social Security		55,913	
Pensions		32,964	
Life Insurance		1,721	
Medical Insurance		336,308	
Employer Medicare		13,208	
Communication		5,539	
Maintenance and Repair Services - Equipment		50,648	
Other Contracted Services		7,380	
Food Supplies		1,293,692	
USDA - Commodities		191,799	
Other Supplies and Materials		109,020	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$	90	
Other Charges		1,101	
Food Service Equipment		<u>38,563</u>	
Total Food Service			<u>\$ 3,100,121</u>

Total Central Cafeteria Fund \$ 3,100,121

Total Governmental Funds - Monroe County School Department \$ 49,173,561

Exhibit K-9

Monroe County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund	City School ADA - Sweetwater Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 1,228,318	\$ 1,228,318
Trustee's Collections - Prior Years	0	38,529	38,529
Circuit/Clerk and Master Collections - Prior Years	0	35,749	35,749
Interest and Penalty	0	6,430	6,430
Payments in-Lieu-of Taxes - T.V.A.	0	1,799	1,799
Payments in-Lieu-of Taxes - Local Utilities	0	129,718	129,718
Payments in-Lieu-of Taxes - Other	0	244	244
Local Option Sales Tax	4,842,708	1,178,560	6,021,268
Business Tax	0	31,855	31,855
Mixed Drink Tax	0	1,305	1,305
Bank Excise Tax	0	7,520	7,520
Marriage Licenses	0	617	617
Income Tax	0	7,350	7,350
State Revenue Sharing - T.V.A.	0	100,000	100,000
Total Cash Receipts	<u>\$ 4,842,708</u>	<u>\$ 2,767,994</u>	<u>\$ 7,610,702</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,794,281	\$ 2,727,219	\$ 7,521,500
Trustee's Commission	48,427	41,086	89,513
Total Cash Disbursements	<u>\$ 4,842,708</u>	<u>\$ 2,768,305</u>	<u>\$ 7,611,013</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (311)	\$ (311)
Cash Balance, July 1, 2019	0	3,396	3,396
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 3,085</u>	<u>\$ 3,085</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 19, 2021.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe County's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Monroe County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe County's major federal programs for the year ended June 30, 2020. Monroe County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Monroe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Monroe County's basic financial statements. We issued our report thereon dated February 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2021

JEM/tg

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (11)
For the Year-Ended June 30, 2020

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 191,799 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	7,953 (6)
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	207,478
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	634,535 (6)
COVID 19 - School Breakfast Program	10.553	N/A	338,765 (6)
National School Lunch Program	10.555	N/A	1,301,187 (6)
COVID 19 - National School Lunch Program	10.555	N/A	540,474 (6)
Summer Food Service Program for Children	10.559	N/A	62,859
Passed-through East Tennessee Human Resources Agency, Inc.:			
Child and Adult Care Food Program	10.558	N/A	1,315
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63738-00	59,163
Total U.S. Department of Agriculture			<u>\$ 3,345,528</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 57,893 (7)
Total U.S. Department of Defense			<u>\$ 57,893</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33004-20720	\$ 6,922
Total U.S. Department of Housing and Urban Development			<u>\$ 6,922</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 214,095
Total U.S. Department of Interior			<u>\$ 214,095</u>
U.S. Department of Justice:			
Direct Program:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 32,229
Total U.S. Department of Justice			<u>\$ 32,229</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 7,858
Total U.S. Department of Labor			<u>\$ 7,858</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(8)	\$ 198,545 (6)
COVID 19 - Airport Improvement Program	20.106	AERO-21-211-00	29,768 (6)
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(9)	2,076
Total U.S. Department of Transportation			<u>\$ 230,389</u>
U.S. Department of Education:			
Direct Program:			
Trio Cluster: (5)			
Trio Talent Search	84.044	N/A	\$ 251,651
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,367,760
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,427,841
Special Education - Preschool Grants	84.173	N/A	31,365
Career and Technical Education - Basic Grants to States	84.048	N/A	199,638
Improving Teacher Quality State Grants	84.367	N/A	307,276
Student Support and Academic Enrichment Program	84.424	N/A	71,179
Total U.S. Department of Education			<u>\$ 3,656,710</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grant	90.404	30501-02720-62	\$ 1,613
Total U.S. Election Assistance Commission			<u>\$ 1,613</u>

(Continued)

Monroe County, Tennessee, and the Monroe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (11) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	93.501	N/A	\$ 20,972
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-20-63738-00	4,697
Family Planning Services	93.217	GG-20-63738-00	12,247
National State Based Tobacco Control Programs	93.305	GG-20-63738-00	6,404
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-63738-00	19,713
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63738-00	<u>32,314</u>
Total U.S. Department of Health and Human Services			<u>\$ 96,347</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(4)	\$ 20,000
Homeland Security Grant Program	97.067	34101-11417	<u>13,253</u>
Total U.S. Department of Homeland Security			<u>\$ 33,253</u>
Total Expenditures of Federal Grants			<u>\$ 7,682,837</u>

State Grants		Contract Number	
Juvenile Services Program - State Children's Services Commission	N/A	(4)	\$ 9,000
Court Security Grant Program - State Administrative Office of the Courts	N/A	(4)	13,318
Help America Vote Act Requirements Payments - Tennessee Secretary of State	N/A	(4)	85
Litter Program - State Department of Transportation	N/A	(4)	51,636
Access to Health - State Department of Health	N/A	(4)	20,000
Local Health Services - State Department of Health	N/A	GG-20-63738-00	178,673
Airport Maintenance - State Department of Transportation	N/A	AERM-20-137-00	8,621
Airport Improvement Program (State Portion) - State Department of Transportation	N/A	AERO-20-235-00	4,550
Airport Improvement Program (State Portion) - State Department of Transportation	N/A	AERO-20-202-00	1,488,434
Airport Improvement Program - State Department of Transportation	N/A	(4)	701
Bridge Program - State Department of Transportation	N/A	(4)	442,535
State Aid Program - State Department of Transportation	N/A	(4)	301,400
Site Development Grant Program - State Department of Economic and Community Development	N/A	(4)	536,773
Economic Development Grant - State Department of Economic and Community Development	N/A	(4)	36,272
Early Childhood Education - Lottery - State Department of Education	N/A	(4)	286,667
Coordinated School Health - State Department of Education	N/A	(4)	160,000
Safe Schools Act - State Department of Education	N/A	(4)	114,217
School Safety - State Department of Education	N/A	(4)	8,116
SPARC Grant - State Department of Education	N/A	(4)	36,000
Middle School STEM Start-Up Grant - State Department of Education	N/A	(4)	32,967
Middle School CTE Start-Up Grant - State Department of Education	N/A	(4)	10,000
Healthy Students Stronger Learners - State Department of Education	N/A	(4)	8,509
Family Resource Center - State Department of Education	N/A	(4)	30,212
Breakfast After the Bell - State Department of Education	N/A	(4)	<u>2,150</u>
Total State Grants			<u>\$ 3,780,836</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) 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 \$207,478; Child Nutrition Cluster total \$3,077,572; Trio Cluster total \$251,651; Special Education Cluster total \$1,459,206; and Medicaid Cluster total \$19,713.
- (6) CFDA Totals: CFDA No. 10.553, \$973,300; CFDA No. 10.555, \$2,041,413; CFDA No. 20.106, \$228,313.
- (7) During the year ended June 30, 2020, Monroe County received excess military equipment from the U.S. Department of Military valued at \$57,893.
- (8) AERO-18-206-00: \$49,025; AERO-20-235-00: \$81,900; AERO-20-2002-00: \$67,620.
- (9) Z-19THS195: \$1,646; Z-20THS172: \$430.
- (10) For the year ended June 30, 2020, Monroe County received donated PPE valued at \$27,244 (\$20,433 federal and \$6,811 state) from Tennessee Department of Military. These donations were unaudited.

Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration
(11) CONSOLIDATED ADMINISTRATION		
The following amounts were consolidated for administration purposes:		
Title I Grants to Local Educational Agencies	84.010	\$ 183,112
Improving Teacher Quality State Grants	84.367	34,531
Student Support and Academic Enrichment Program	84.424	<u>1,932</u>
Total amounts consolidated for administration purposes		<u>\$ 219,575</u>

Monroe County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2019	207	2019-001	The office did not prepare adequate trial balances of the execution dockets.	N/A	Corrected
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Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

MONROE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|---|----------------------|
| 1. Our report on the financial statements of Monroe County is unmodified. | |
| 2. Internal Control Over Financial Reporting: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 3. Noncompliance material to the financial statements noted? | NO |

Federal Awards:

- | | |
|---|--|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Numbers: 10.553, 10.555 and 10.559 | Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children |
| * CFDA Number: 84.010 | Title I Grants to Local Education Agencies |
| 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

There were no findings relating to the financial statements of Monroe County, Tennessee, as a result of our examination for the year ended June 30, 2020.

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, 2020.

Monroe County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

The audit of Monroe County did not report any findings and recommendations. Therefore, no management responses are 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).