TENNESSEE COMPTROLLER OF THE TREASURY

ANNUAL FINANCIAL REPORT

Fayette County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury

DIVISION OF
LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

FAYETTE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA CGFM
Audit Manager

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

FAYETTE COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Fayette County, Tennessee
For the Year Ended June 30, 2022

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF PUBLIC WORKS SUPERINTENDENT

- The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.

OFFICE OF DIRECTOR OF SCHOOLS

- The School Federal Projects Fund had a cash overdraft of $1,111,448 at June 30, 2022.
- Accounting records for capital assets were not closed and available for audit by August 31, 2022.

OFFICE OF TRUSTEE

- Bank statements were not accurately reconciled with the general ledger.

Introductory Section

Fayette County Officials
June 30, 2022

Officials

Rhea Taylor, County Mayor
Wayne Dowdy, Public Works Superintendent
Dr. Versie Hamlett, Director of Schools
Barbra Parker, Trustee
Mark Ward, Assessor of Property
Shana Burch, County Clerk
Edward Pulliam, Circuit, General Sessions, and Juvenile Courts Clerk
Amy Anderson, Clerk and Master
Eddie Pattat, Register of Deeds
Bobby Riles, Sheriff

Board of County Commissioners

Rhea Taylor, County Mayor, Chairman
Charles Dacus, Jr.
Ben Farley
Willie German, Jr.
Tim Goodroe
Jim Jordan
Terry Leggett
David Lillard, Sr.
Sylvester Logan
Jim Norton
Claude Oglesby, Jr.
Tommy Perkins
Kevin Powers
Steve Reeves
Elizabeth Rice
Ray Seals
Robert Sills
Bill Walker
Larry Watkins
David Webb

Board of Education

Wendell Wainwright, Chairman
Heather Doyle
Jim Larkin
Alisa Logan
Melanie McGuire
Civil Miller-Watkins
Willie Odeneal
Warner Speakman
Myles Wilson

Board of Public Works

Hank Franck, Chairman
Bill McClure, Jr
Wesley Parks
James Rike
Ronnie Wilkins

Audit Committee

Claude Oglesby, Chairman
Willie German
David Lillard, Sr.
Steve Reeves
Myles Wilson

FINANCIAL SECTION

Jason E. Mumpower
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Tennessee, as of June 30, 2022, and the respective changes in financial position 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.

We did not audit the financial statements of the Internal School Fund of the Fayette County School Department (a discretely presented component unit), which represent 0.5 percent, 0.7 percent, and 0.5 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Fayette County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fayette County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fayette County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fayette County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Fayette County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Fayette County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023, on our consideration of Fayette 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 the Fayette 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 Fayette County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/gc

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fayette County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2022.

Accounting principles generally accepted in the Unites States of America for governmental entities are established by the Governmental Accounting Standards Board (GASB). The county follows all GASB standards as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and required supplementary information. The MD&A represents management's examination of the county's financial condition and performance.

FINANCIAL HIGHLIGHTS

Management believes that the county's financial condition is strong. The county as a whole is within its budget and continues to implement procedures and controls to improve the accuracy and effectiveness of its financial reporting. The following are some key financial highlights:

- Total assets and deferred outflows of resources at year-end exceeded liabilities and deferred inflows of resources by $47,602,033 (i.e., net position).

- Total revenues of the governmental activities were $40,891,597, an increase of $5,659,272 from fiscal year 2021.

- Total expenses of the governmental activities were $31,832,827, an increase of $2,607,100 from fiscal year 2021.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Report consists of three sections: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. These statements are organized so the reader can understand the county as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. Because these statements are designed to give a broad overview, they use highly summarized information.

The Statement of Net Position presents information on all of the county's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information illustrating the changes in the county's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; education; and interest on long-term debt. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.

The government-wide financial statements not only include the county, known as the primary government, but also the legally separate Fayette County School Department for which the county is financially accountable. The Fayette County School Department is listed as a component unit and is reported separately from the financial information presented for the primary government itself. The county's discretely presented Fayette County Emergency Communications District was omitted from this report due to materiality calculations. This discussion and analysis is devoted to the county rather than the component units.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the county can be divided into two categories: governmental and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-

wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fayette County maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Capital Projects, and Other Capital Projects ARPA funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's programs.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however, the term is misleading in that the notes can vary in length from one paragraph to several pages. Please refer to the table of contents to locate these notes.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Fayette County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $47,602,033 at the close of the most recent fiscal year for the governmental activities. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Fayette County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Fayette County Government. As of June 30, 2022, Fayette County had outstanding debt totaling $14,168,700 for capital purposes for the Fayette County Board of Education, but the capital assets are reported in the financial statements of the Fayette County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net position.

Fayette County Net Position	Governmental Activities	
	2022	2021
Assets:		
Current and Other Assets	$ 59,344,018	$ 45,039,105
Capital Assets	34,094,356	35,515,024
Total Assets	$ 93,438,374	$ 80,554,129
Deferred Outflows of Resources:		
Deferred Charge on Refunding	$ 54,582	$ 63,897
Pension Changes in Experience	69,168	140,637
Pension Changes in Investment Earnings	0	233,821
Pension Changes in Assumptions	2,114,529	133,107
Pension Contributions After Measurement Date	411,471	424,210
OPEB Changes in Assumptions	9,623	63,553
OPEB Contributions After Measurement Date	324	2,405
Total Deferred Outflows of Resources	$ 2,659,697	$ 1,061,630
Liabilities:		
Other Liabilities	$ 4,977,905	$ 1,481,178
Long-term Liabilities Outstanding	24,739,360	27,840,024
Total Liabilities	$ 29,717,265	$ 29,321,202
Deferred Inflows of Resources:		
Deferred Current Property Taxes	$ 13,757,236	$ 13,316,085
Pension Changes in Experience	234,756	222,351
Pension Changes in Investment Earnings	4,724,722	0
OPEB Changes in Experience	39,023	200,763
OPEB Changes in Assumptions	23,036	12,095
Total Deferred Inflows of Resources	$ 18,778,773	$ 13,751,294
Net Position:		
Net Investment in Capital Assets	$ 25,337,456	$ 25,817,210
Restricted	19,340,536	12,015,406
Unrestricted	2,924,041	710,647
Total Net Position	$ 47,602,033	$ 38,543,263

By far the largest portion of the county's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Fayette County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Fayette County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be

provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the county's net position ($19,340,536) represents resources that are subject to external restrictions on how they may be used.

Fayette County Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	$ 7,773,175	$ 6,982,992
Operating Grants and Contributions	3,764,409	3,591,488
Capital Grants and Contributions	7,000,620	3,809,706
General Revenues:		
Property Taxes	13,958,179	12,152,377
Other Taxes	6,088,825	5,709,889
Grants and Contributions Not Restricted to Specific Programs	2,065,430	2,746,450
Unrestricted Investment Income	169,099	211,726
Miscellaneous	71,860	27,697
Total Revenues	$ 40,891,597	$ 35,232,325
Expenses:		
General Government	$ 6,465,975	$ 3,976,174
Finance	1,130,467	1,207,588
Administration of Justice	1,274,399	1,226,643
Public Safety	10,768,607	10,100,497
Public Health and Welfare	4,818,748	5,046,284
Social, Cultural, and Recreational Services	274,740	262,428
Agriculture and Natural Resources	182,573	174,693
Highway/Public Works	6,379,253	6,567,379
Interest on Long-term Debt	538,065	664,041
Total Expenses	$ 31,832,827	$ 29,225,727
Change in Net Position	$ 9,058,770	$ 6,006,598
Net Position, July 1	38,543,263	32,536,665
Net Position, June 30	$ 47,602,033	$ 38,543,263

Capital Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental activities as of June 30, 2022, totaled $34,094,356 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total decrease in Fayette

County Government's investment in capital assets for the current fiscal year was $1,420,668 (net of accumulated depreciation).

Long-term debt. At the end of the current fiscal year, Fayette County had bonds payable of $22,310,000, of which $14,168,700 was for capital purposes for the Fayette County Board of Education, as previously mentioned. All debt is backed by full faith and credit of the county.

Fayette County's Outstanding Debt
As of June 30, 2022

	Governmental Activities
Bonds Payable through General Debt Service Fund	$ 22,310,000
Total Bonds Payable	$ 22,310,000
Total Long-term Debt	$ 22,310,000

ECONOMIC FACTORS

Unemployment: Fayette County vs. Tennessee vs. United States

The unemployment rates for June 2022 were 4.1, 3.3, and 3.6 percent, respectively, for Fayette County, Tennessee, and the United States. These numbers are all significantly decreased from last year due to the rebound from the COVID pandemic and the shutdown it caused. Fayette County, and Tennessee in general, have fared much better than the United States as a whole. The unemployment rate percentages decreased by 1.3, 1.6, and 2.3 percentage points, respectively, for Fayette County, Tennessee, and the United States. This is due to both Fayette County's rural environment, robust housing construction activity, and renewed interest in development in the county.

COVID-19 Pandemic

The impact of the COVID-19 pandemic is impossible to summarize in just a paragraph or two. However, we can take a look at a couple of the economic impacts that have affected Fayette County's financial position. During the pandemic, more people were unable to work due to temporary shutdowns, reduced-time scheduling, and business closures from this virus. Since the lifting of restrictions, the county has returned to a more normal business environment and seen increased growth.

During the pandemic, there was a reduced demand for brick-and-mortar store locations and increased use of online shopping. This shift from in-person to online shopping was beneficial to Fayette County tax revenues because Tennessee began distributing online sales tax to the jurisdiction of the purchaser's residence. Sales tax that would have previously gone to the jurisdiction of the brick-and-mortar store's location, if purchased in-person, has instead been distributed to the jurisdiction of the purchaser's residence for goods purchased online. Since the pandemic, many Fayette County residents have started patronizing local stores in addition to online sales, thus keeping more sales tax dollars at home than pre-pandemic. This trend will probably continue for some time.

Resident Growth

Fayette County's population has grown in the past few years. The 2020 census put the county's population at 41,990. The most recent U.S. Census estimate from 2021 is 42,832. This is an increase of 11.5 percent since the 2010 census and a two percent increase from the previous year.

An increasing population is beneficial to the financial status of the county as long as the increased revenues associated with increasing property values, increased sales tax revenue, and intergovernmental revenues, exceed the increased current demand for services. A steady increase in population is more conducive to allowing the service capacity of the county to grow as the demand for services increases without necessitating a large increase in capacity from one year to the next. The current rate of growth is not so great as to cause an immediate need for additional revenue.

Memphis Regional Megasite / Blue Oval City

Ford Motor Company and SK Innovations announced on September 18, 2021, that they will construct an automotive plant (Blue Oval City) to build electric vehicles, starting in January 2025. The Megasite straddles the Fayette County/Haywood County line. The actual project will be in Haywood County's portion of the site. The site will employ 5,800 workers and cost $5.6 billion to build. Additional companies to support the plant will locate nearby, bringing additional jobs and investment. There will be another 15,000 to 20,000 jobs associated with the construction of the facility, with about 4,000 individuals on site at any one time.

Due to the lack of sewer/water infrastructure in the area, the existing towns and cities will see an increase in population and residential construction in the near term. Companies whose business model do not require proximity to the Megasite will be looking for towns and cities in the county where they can locate and expand, bringing both jobs and investment. Two items that the county will have to address are housing for the construction workers and providing utilities in the areas affected by the Megasite.

The arrival of Blue Oval City to the Megasite at Interstate 40's Exit 42 brings opportunities to the other exits in Fayette County along Interstate 40. Currently Exit 28 at Gallaway has utilities from Gallaway. The existing Exit 35 at Longtown (unincorporated) and the planned new exit at mile marker 39, which will open in 2025, will offer additional areas for growth. Both areas lack sewer and water, which will be needed to fully benefit from any growth.

Fayette County is in the process of evaluating options for providing services at the current and new interchanges. Coordination with Haywood and Tipton County, as well as the city of Stanton, is underway to find ways to extend utility services to these areas.

A new Tennessee College of Applied Technology (TCAT) will be built in Fayette County just south of Blue Oval City. This will open in Fall 2024. This facility will specialize in automotive technical education, particularly electric automotive.

Gallaway' s Industrial Expansion

Helen of Troy, a consumer products distributor, announced in June 2021 that they would locate a two million square foot warehouse facility in Gallaway. The site will employ 350 workers when it opens in Spring 2023. This project has brought utilities to Exit 29 at Interstate 40, which has opened several hundred acres for additional development.

Memphis Regional Intermodal Facility

The Memphis Regional Intermodal Facility in southern Rossville near the Mississippi state line is a railyard operated by Norfolk Southern Railroad and is the largest one in its system. This railyard transfers containers between rail and truck for delivery in the region and throughout the eastern United States. The yard opened in 2012. The operation employs only 150-200 workers but offers a service that is expected to create many jobs related to the distribution and logistics industries. Interest is high in the area from businesses, and several have already located across the state line in Mississippi.

Interstate 269

Interstate 269 is open from Interstate 40 to the Mississippi state line. This connects all of western Fayette County to a transportation network that goes nationwide. This also opens up opportunities for further commercial and residential growth.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Fayette County's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Fayette County Mayor's Office
Attn: Accounting & Budgeting
P.O. Box 218
13095 North Main Street
Somerville, TN 38068

Basic Financial Statements

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Fayette County School Department
ASSETS		
Cash	$ 89,915	$ 261,024
Equity in Pooled Cash and Investments	33,639,905	7,450,768
Accounts Receivable	7,668,328	0
Allowance for Uncollectibles	(4,356,817)	0
Due from Other Governments	813,996	4,509,990
Property Taxes Receivable	14,141,696	4,493,137
Allowance for Uncollectible Property Taxes	(169,257)	(53,777)
Prepaid Items	536,429	0
Restricted Assets		
Amounts Accumulated for Pension Benefits	0	422,942
Net Pension Asset - Agent Plan	6,979,823	4,099,262
Net Pension Asset - Teacher Retirement Plan	0	339,144
Net Pension Asset - Teacher Legacy Pension Plan	0	11,743,275
Capital Assets:		
Assets Not Depreciated:		
Land	2,158,750	349,377
Construction in Progress	1,886,858	693,200
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	8,870,522	15,196,976
Infrastructure	15,139,770	0
Other Capital Assets	6,038,456	2,651,383
Total Assets	$ 93,438,374	$ 52,156,701
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 54,582	$ 0
Pension Changes in Experience	69,168	85,987
Pension Changes in Assumptions	2,114,529	4,501,799
Pension Changes in Proportion	0	71,431
Pension Contributions After Measurement Date	411,471	1,256,689
OPEB Changes in Experience	0	174,872
OPEB Changes in Assumptions	9,623	535,176
OPEB Changes in Proportion	0	55,409
OPEB Contributions After Measurement Date	324	55,772
Total Deferred Outflows of Resources	$ 2,659,697	$ 6,737,135

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Fayette County School Department
LIABILITIES		
Accounts Payable	$ 5,130	$ 131,334
Accrued Payroll	813,740	39,961
Payroll Deductions Payable	1	563,923
Due to Other Governments	3,994,802	0
Cash Overdraft	0	1,111,448
Other Current Liabilities	0	554
Accrued Interest Payable	164,232	0
Noncurrent Liabilities:		
Due Within One Year - Debt	2,230,000	0
Due Within One Year - Other	358,734	0
Due in More Than One Year - Debt	21,606,906	0
Due in More Than One Year - Other	543,720	2,107,548
Total Liabilities	$ 29,717,265	$ 3,954,768
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 13,757,236	$ 4,370,986
Pension Changes in Experience	234,756	1,179,355
Pension Changes in Investment Earnings	4,724,722	12,335,056
Pension Changes in Proportion	0	358
OPEB Changes in Experience	39,023	464,122
OPEB Changes in Assumptions	23,036	115,497
OPEB Changes in Proportion	0	94,811
Total Deferred Inflows of Resources	$ 18,778,773	$ 18,560,185
NET POSITION		
Net Investment in Capital Assets	$ 25,337,456	$ 18,890,936
Restricted for:		
General Government	1,106,147	0
Finance	97,431	0
Administration of Justice	352,598	0
Public Safety	508,468	0
Public Health and Welfare	412,543	0
Social, Cultural, and Recreational Services	90,967	0
Highway/Public Works	1,510,572	0
Education	402,808	475,587
Operation of Non-instructional Services	0	908,604
Capital Outlay	4,117,065	0
Debt Service	3,762,114	0
Pensions	6,979,823	16,181,681
Hybrid Retirement Stabilization Funds	0	422,942
Unrestricted	2,924,041	(500,867)
Total Net Position	$ 47,602,033	$ 36,378,883

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

Exhibit B

Fayette County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Fayette County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 6,465,975	$ 1,205,133	$ 95,961	$ 6,400,000	$ 1,235,119	$ 0
Finance	1,130,467	1,335,097	0	0	204,630	0
Administration of Justice	1,274,399	780,453	0	0	(493,946)	0
Public Safety	10,768,607	664,074	242,351	133,662	(9,728,520)	0
Public Health and Welfare	4,818,748	3,759,710	85,951	306,990	(666,097)	0
Social, Cultural, and Recreational Services	274,740	28,708	41,708	0	(204,324)	0
Agriculture and Natural Resources	182,573	0	0	0	(182,573)	0
Highways/Public Works	6,379,253	0	2,836,310	159,968	(3,382,975)	0
Education	0	0	317,261	0	317,261	0
Interest on Long-term Debt	538,065	0	144,867	0	(393,198)	0
Total Primary Government	$ 31,832,827	$ 7,773,175	$ 3,764,409	$ 7,000,620	$ (13,294,623)	$ 0
Component Unit:						
Fayette County School Department	$ 36,217,157	$ 17,135	$ 12,217,042	$ 1,076,128	$ 0	$ (22,906,852)
Total Component Unit	$ 36,217,157	$ 17,135	$ 12,217,042	$ 1,076,128	$ 0	$ (22,906,852)

(Continued)

Exhibit B

Fayette County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Fayette County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 13,958,179	$ 4,454,851
Local Option Sales Tax					1,161,520	6,989,929
Wheel Tax					3,239,993	0
Litigation Tax					196,889	0
Business Tax					494,611	0
Adequate Facilities/Development Tax					928,587	0
Wholesale Beer Tax					59,238	0
Other Local Taxes					7,987	18,651
Grants and Contributions Not Restricted to Specific Programs					2,065,430	17,385,911
Unrestricted Investment Income					104,099	0
Miscellaneous					136,860	390,437
Total General Revenues					$ 22,353,393	$ 29,239,779
Change in Net Position					$ 9,058,770	$ 6,332,927
Net Position, July 1, 2021					38,543,263	30,045,956
Net Position, June 30, 2022					$ 47,602,033	$ 36,378,883

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

Exhibit C-1

Fayette County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Capital Projects	Other Capital Projects ARPA	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 89,915	$ 89,915
Equity in Pooled Cash and Investments	9,481,756	5,017,482	3,990,016	0	7,161,047	25,650,301
Accounts Receivable	7,598,178	0	0	0	70,150	7,668,328
Allowance for Uncollectibles	(4,356,817)	0	0	0	0	(4,356,817)
Due from Other Governments	252,517	547,064	0	0	14,415	813,996
Due from Other Funds	4,085,722	0	3,994,802	0	10,458	8,090,982
Property Taxes Receivable	12,905,146	1,236,550	0	0	0	14,141,696
Allowance for Uncollectible Property Taxes	(154,457)	(14,800)	0	0	0	(169,257)
Prepaid Items	469,678	0	0	0	66,751	536,429
Total Assets	$ 30,281,723	$ 6,786,296	$ 7,984,818	$ 0	$ 7,412,736	$ 52,465,573
LIABILITIES						
Accounts Payable	$ 0	$ 5,130	$ 0	$ 0	$ 0	$ 5,130
Accrued Payroll	787,178	0	0	0	26,562	813,740
Payroll Deductions Payable	0	1	0	0	0	1
Due to Other Funds	10,458	506	0	0	90,414	101,378
Due to Other Governments	0	0	0	3,994,802	0	3,994,802
Total Liabilities	$ 797,636	$ 5,637	$ 0	$ 3,994,802	$ 116,976	$ 4,915,051
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 12,554,303	$ 1,202,933	$ 0	$ 0	$ 0	$ 13,757,236
Deferred Delinquent Property Taxes	173,352	16,610	0	0	0	189,962
Other Deferred/Unavailable Revenue	3,105,765	266,289	0	0	5,309	3,377,363
Total Deferred Inflows of Resources	$ 15,833,420	$ 1,485,832	$ 0	$ 0	$ 5,309	$ 17,324,561

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
FUND BALANCES	General	Highway / Public Works	General Capital Projects	Other Capital Projects ARPA	Other Govern-mental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	$ 469,678	$ 0	$ 0	$ 0	$ 66,751	$ 536,429
Restricted:						
Restricted for General Government	169,223	0	0	0	400,495	569,718
Restricted for Finance	97,431	0	0	0	0	97,431
Restricted for Administration of Justice	352,598	0	0	0	0	352,598
Restricted for Public Safety	89,853	0	0	0	418,615	508,468
Restricted for Public Health and Welfare	407,234	0	0	0	0	407,234
Restricted for Social, Cultural, and Recreational Services	90,967	0	0	0	0	90,967
Restricted for Highways/Public Works	0	1,331,186	0	0	402,808	1,733,994
Restricted for Education	0	0	0	0	402,808	402,808
Restricted for Capital Outlay	246,220	0	3,375,016	0	93,021	3,714,257
Restricted for Debt Service	0	0	0	0	3,871,764	3,871,764
Committed:						
Committed for General Government	1,505,089	0	0	0	0	1,505,089
Committed for Public Safety	56,074	0	0	0	0	56,074
Committed for Public Health and Welfare	0	0	0	0	1,487,492	1,487,492
Committed for Social, Cultural, and Recreational Services	69,343	0	0	0	0	69,343
Committed for Other Operations	4,800	0	0	0	0	4,800
Committed for Highways/Public Works	0	3,963,641	0	0	0	3,963,641
Committed for Capital Outlay	0	0	4,609,802	0	0	4,609,802
Committed for Debt Service	0	0	0	0	146,697	146,697
Assigned:						
Assigned for General Government	68,241	0	0	0	0	68,241
Assigned for Finance	9,272	0	0	0	0	9,272
Assigned for Administration of Justice	5,328	0	0	0	0	5,328

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Capital Projects	Other Capital Projects ARPA	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES (Cont.)						
Assigned (Cont.):						
Assigned for Public Safety	$ 188,516	$ 0	$ 0	$ 0	$ 0	$ 188,516
Assigned for Public Health and Welfare	17,822	0	0	0	0	17,822
Assigned for Social, Cultural, and Recreational Services	7,639	0	0	0	0	7,639
Assigned for Agriculture and Natural Resources	35,387	0	0	0	0	35,387
Unassigned	9,759,952	0	0	(3,994,802)	0	5,765,150
Total Fund Balances	$ 13,650,667	$ 5,294,827	$ 7,984,818	$ (3,994,802)	$ 7,290,451	$ 30,225,961
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 30,281,723	$ 6,786,296	$ 7,984,818	$ 0	$ 7,412,736	$ 52,465,573

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

Fayette County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 30,225,961
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 2,158,750	
Add: construction in progress	1,886,858	
Add: buildings and improvements net of accumulated depreciation	8,870,522	
Add: infrastructure net of accumulated depreciation	15,139,770	
Add: other capital assets net of accumulated depreciation	6,038,456	34,094,356
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (22,310,000)	
Add: deferred amount on refunding	54,582	
Less: unamortized premium on debt	(1,526,906)	
Less: compensated absences payable	(567,839)	
Less: landfill postclosure care costs	(270,565)	
Less: net OPEB liability	(64,050)	
Less: accrued interest payable	(164,232)	(24,849,010)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	$ 2,595,168	
Less: deferred inflows of resources related to pensions	(4,959,478)	
Add: deferred outflows of resources related to OPEB	9,947	
Less: deferred inflows of resources related to OPEB	(62,059)	(2,416,422)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		6,979,823
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		3,567,325
Net position of governmental activities (Exhibit A)		$ 47,602,033

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

Exhibit C-3

Fayette County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Capital Projects	Other Capital Projects ARPA	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 15,069,223	$ 2,086,833	$ 0	$ 0	$ 3,281,889	$ 20,437,945
Licenses and Permits	221,524	0	0	0	185,843	407,367
Fines, Forfeitures, and Penalties	274,548	0	0	0	109,647	384,195
Charges for Current Services	2,522,845	0	0	0	759,911	3,282,756
Other Local Revenues	490,053	176,476	0	0	363,659	1,030,188
Fees Received From County Officials	2,132,544	0	0	0	0	2,132,544
State of Tennessee	1,578,600	3,109,364	3,449,728	0	3,411,065	11,548,757
Federal Government	194,831	0	306,990	0	87,578	589,399
Other Governments and Citizens Groups	114,004	0	0	0	387,261	501,265
Total Revenues	$ 22,598,172	$ 5,372,673	$ 3,756,718	$ 0	$ 8,586,853	$ 40,314,416
Expenditures						
Current:						
General Government	$ 1,692,685	$ 0	$ 256,646	$ 0	$ 0	$ 1,949,331
Finance	1,063,830	0	0	0	0	1,063,830
Administration of Justice	1,042,854	0	0	0	7,570	1,050,424
Public Safety	9,792,834	0	1,013,584	0	53,760	10,860,178
Public Health and Welfare	3,489,048	0	723,098	0	1,405,501	5,617,647
Social, Cultural, and Recreational Services	256,674	0	0	0	0	256,674
Agriculture and Natural Resources	173,194	0	0	0	0	173,194
Other Operations	2,617,127	0	41,700	0	3,411,023	6,069,850
Highways	0	5,022,763	0	0	0	5,022,763
Debt Service:						
Principal on Debt	0	0	0	0	2,270,000	2,270,000
Interest on Debt	0	0	0	0	455,028	455,028
Other Debt Service	0	0	0	0	33,209	33,209
Total Expenditures	$ 20,128,246	$ 5,022,763	$ 2,035,028	$ 0	$ 7,636,091	$ 34,822,128

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Capital Projects	Other Capital Projects ARPA	Other Govern-mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 2,469,926	$ 349,910	$ 1,721,690	$ 0	$ 950,762	$ 5,492,288
Other Financing Sources (Uses)						
Insurance Recovery	$ 46,655	$ 39,932	$ 0	$ 0	$ 8,363	$ 94,950
Transfers In	4,074,802	240,000	4,609,802	0	527,053	9,451,657
Transfers Out	(4,656,855)	0	0	(3,994,802)	(800,000)	(9,451,657)
Total Other Financing Sources (Uses)	$ (535,398)	$ 279,932	$ 4,609,802	$ (3,994,802)	$ (264,584)	$ 94,950
Net Change in Fund Balances	$ 1,934,528	$ 629,842	$ 6,331,492	$ (3,994,802)	$ 686,178	$ 5,587,238
Fund Balance, July 1, 2021	11,716,139	4,664,985	1,653,326	0	6,604,273	24,638,723
Fund Balance, June 30, 2022	$ 13,650,667	$ 5,294,827	$ 7,984,818	$ (3,994,802)	$ 7,290,451	$ 30,225,961

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

Exhibit C-4

Fayette County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds (Exhibit C-3)			$ 5,587,238
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	$ 2,660,432		
Less: current-year depreciation expense	(3,821,642)		(1,161,210)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: proceeds received on the disposal of capital assets			(259,458)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2022	$ 3,567,325		
Less: deferred delinquent property taxes and other deferred June 30, 2021	(2,805,553)		761,772
(4) The issuance of long-term debt (e.g., bonds, notes) 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 effect of these differences in the treatment of long-term debt and related items.			
Add: change in premium on debt proceeds	$ 144,867		
Add: principal payments on bonds	2,200,000		
Add: principal payments on note	70,000		
Less: contributions from the school department for the note	(70,000)		
Less: change in deferred amount on refunding debt	(9,315)		2,335,552
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	$ (73,722)		
Change in compensated absences payable	(67,890)		
Change in landfill postclosure care costs	426,337		
Change in net OPEB liability	327,350		
Change in deferred outflows related to OPEB	(56,011)		
Change in deferred inflows related to OPEB	150,799		
Change in net pension asset	4,161,747		
Change in deferred outflows related to pensions	1,663,393		
Change in deferred inflows related to pensions	(4,737,127)		1,794,876
Change in net position of governmental activities (Exhibit B)			$ 9,058,770

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

Fayette County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 15,069,223	$ 0	$ 0	$ 15,069,223	$ 13,993,050	$ 13,913,050	$ 1,156,173
Licenses and Permits	221,524	0	0	221,524	106,000	106,000	115,524
Fines, Forfeitures, and Penalties	274,548	0	0	274,548	273,700	281,100	(6,552)
Charges for Current Services	2,522,845	0	0	2,522,845	2,113,300	2,113,300	409,545
Other Local Revenues	490,053	0	0	490,053	140,000	254,344	235,709
Fees Received From County Officials	2,132,544	0	0	2,132,544	1,815,000	1,865,000	267,544
State of Tennessee	1,578,600	0	0	1,578,600	1,991,175	2,124,435	(545,835)
Federal Government	194,831	0	0	194,831	76,156	165,992	28,839
Other Governments and Citizens Groups	114,004	0	0	114,004	375,000	398,545	(284,541)
Total Revenues	$ 22,598,172	$ 0	$ 0	$ 22,598,172	$ 20,883,381	$ 21,221,766	$ 1,376,406
Expenditures							
General Government							
County Commission	$ 153,377	$ 0	$ 0	$ 153,377	$ 99,444	$ 171,012	$ 17,635
Beer Board	0	0	0	0	957	957	957
County Mayor/Executive	108,293	0	0	108,293	118,049	118,878	10,585
Personnel Office	122,646	0	4,078	126,724	135,600	144,750	18,026
County Attorney	97,852	0	0	97,852	80,041	105,297	7,445
Election Commission	310,185	0	1,825	312,010	367,571	399,141	87,131
Register of Deeds	215,965	0	0	215,965	221,592	236,340	20,375
Development	239,432	(811)	842	239,463	289,268	310,006	70,543
Building	131,593	(240)	0	131,353	161,634	164,461	33,108
County Buildings	228,514	0	30,300	258,814	239,645	277,949	19,135
Other Facilities	2,753	0	0	2,753	6,800	3,800	1,047
Other General Administration	71,618	0	0	71,618	79,546	79,546	7,928
Preservation of Records	10,457	0	0	10,457	10,000	18,500	8,043
Finance							
Accounting and Budgeting	112,440	(50)	4,000	116,390	168,023	173,176	56,786
Property Assessor's Office	320,830	(177)	4,138	324,791	375,816	382,324	57,533
Reappraisal Program	32,785	0	0	32,785	43,600	43,600	10,815

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
County Trustee's Office	$ 260,906	$ 0	$ 264	$ 261,170	$ 267,294	$ 286,238	$ 25,068
County Clerk's Office	336,869	(1,105)	870	336,634	376,273	411,050	74,416
Administration of Justice							
Circuit Court	203,006	0	4,900	207,906	207,659	226,719	18,813
General Sessions Court	206,898	0	428	207,326	189,088	224,978	17,652
General Sessions Judge	223,780	0	0	223,780	244,335	242,147	18,367
General Sessions Court Clerk	70,807	0	0	70,807	114,168	98,102	27,295
Drug Court	26,703	0	0	26,703	70,000	57,677	30,974
Chancery Court	242,825	(75)	0	242,750	254,714	276,970	34,220
Juvenile Court	51,097	0	0	51,097	58,104	61,901	10,804
Other Administration of Justice	663	0	0	663	41,002	6,433	5,770
Victim Assistance Programs	17,075	(4,547)	0	12,528	0	12,528	0
Public Safety							
Sheriff's Department	3,950,281	(4,243)	9,745	3,955,783	4,019,402	4,350,404	394,621
Drug Enforcement	246,697	0	1,000	247,697	212,659	263,313	15,616
Jail	4,078,303	(8,554)	101,262	4,171,011	4,578,512	5,014,757	843,746
Fire Prevention and Control	1,096,978	(80,882)	72,637	1,088,733	1,035,209	1,229,244	140,511
Civil Defense	228,709	(9,124)	0	219,585	225,080	246,394	26,809
Rescue Squad	4,471	(1,995)	494	2,970	6,000	6,414	3,444
Other Emergency Management	7,033	0	0	7,033	7,000	7,000	(33)
Inspection and Regulation	0	0	0	0	25,000	0	0
County Coroner/Medical Examiner	59,434	0	0	59,434	43,630	61,390	1,956
Other Public Safety	120,928	(4,463)	3,377	119,842	193,716	183,738	63,896
Public Health and Welfare							
Local Health Center	53,156	(1,543)	2,900	54,513	61,274	61,274	6,761
Rabies and Animal Control	101,084	0	404	101,488	101,983	155,676	54,188
Ambulance/Emergency Medical Services	3,191,716	(999)	14,518	3,205,235	3,156,965	3,529,358	324,123
Dental Health Program	44,779	0	0	44,779	51,500	53,934	9,155
Alcohol and Drug Programs	7,200	0	0	7,200	7,200	7,200	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Health and Welfare (Cont.)							
Crippled Children Services	$ 2,216	$ 0	$ 0	$ 2,216	$ 2,216	$ 2,216	$ 0
Appropriation to State	24,970	0	0	24,970	24,971	24,971	1
Aid to Dependent Children	0	0	0	0	2,750	2,750	2,750
Sanitation Education/Information	63,927	0	0	63,927	70,423	73,782	9,855
Social, Cultural, and Recreational Services							
Libraries	256,674	0	7,640	264,314	265,067	295,959	31,645
Agriculture and Natural Resources							
Agricultural Extension Service	88,577	0	35,212	123,789	150,022	150,022	26,233
Soil Conservation	84,617	(2,115)	175	82,677	89,104	94,795	12,118
Other Operations							
Industrial Development	23,420	0	3,600	27,020	1,730	31,730	4,710
Airport	493,090	(16,198)	9,979	486,871	349,735	542,387	55,516
Veterans' Services	25,523	(4,246)	0	21,277	35,822	36,995	15,718
Other Charges	508,388	0	0	508,388	446,666	559,555	51,167
Contributions to Other Agencies	50,999	(2,575)	14,924	63,348	65,925	65,925	2,577
Employee Benefits	1,486,100	0	2,693	1,488,793	1,881,371	1,891,990	403,197
COVID-19 Grant #2	4,530	0	0	4,530	0	4,530	0
COVID-19 Grant #4	7,990	0	0	7,990	0	13,000	5,010
Miscellaneous	17,087	(6,475)	0	10,612	43,000	53,000	42,388
Total Expenditures	$ 20,128,246	$ (150,417)	$ 332,205	$ 20,310,034	$ 21,374,155	$ 23,548,183	$ 3,238,149
Excess (Deficiency) of Revenues Over Expenditures	$ 2,469,926	$ 150,417	$ (332,205)	$ 2,288,138	$ (490,774)	$ (2,326,417)	$ 4,614,555
Other Financing Sources (Uses)							
Insurance Recovery	$ 46,655	$ 0	$ 0	$ 46,655	$ 0	$ 45,400	$ 1,255
Transfers In	4,074,802	0	0	4,074,802	0	4,074,802	0
Transfers Out	(4,656,855)	0	0	(4,656,855)	0	(4,656,855)	0
Total Other Financing Sources	$ (535,398)	$ 0	$ 0	$ (535,398)	$ 0	$ (536,653)	$ 1,255

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 1,934,528	$ 150,417	$ (332,205)	$ 1,752,740	$ (490,774)	$ (2,863,070)	$ 4,615,810
Fund Balance, July 1, 2021	11,716,139	(150,417)	0	11,565,722	9,291,803	9,291,803	2,273,919
Fund Balance, June 30, 2022	$ 13,650,667	$ 0	$ (332,205)	$ 13,318,462	$ 8,801,029	$ 6,428,733	$ 6,889,729

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

Exhibit C-6

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,086,833	$ 2,233,007	$ 1,993,007	$ 93,826
Other Local Revenues	176,476	106,500	106,500	69,976
State of Tennessee	3,109,364	3,978,000	3,978,000	(868,636)
Total Revenues	$ 5,372,673	$ 6,317,507	$ 6,077,507	$ (704,834)
Expenditures				
Highways				
Administration	$ 233,141	$ 245,340	$ 245,340	$ 12,199
Highway and Bridge Maintenance	1,870,128	2,246,100	2,174,100	303,972
Operation and Maintenance of Equipment	579,487	562,000	634,000	54,513
Other Charges	192,660	209,500	209,500	16,840
Employee Benefits	690,735	808,500	818,500	127,765
Capital Outlay	1,456,612	2,460,000	2,940,000	1,483,388
Total Expenditures	$ 5,022,763	$ 6,531,440	$ 7,021,440	$ 1,998,677
Excess (Deficiency) of Revenues Over Expenditures	$ 349,910	$ (213,933)	$ (943,933)	$ 1,293,843
Other Financing Sources (Uses)				
Insurance Recovery	$ 39,932	$ 0	$ 0	$ 39,932
Transfers In	240,000	0	240,000	0
Total Other Financing Sources	$ 279,932	$ 0	$ 240,000	$ 39,932
Net Change in Fund Balance	$ 629,842	$ (213,933)	$ (703,933)	$ 1,333,775
Fund Balance, July 1, 2021	4,664,985	3,098,602	3,098,602	1,566,383
Fund Balance, June 30, 2022	$ 5,294,827	$ 2,884,669	$ 2,394,669	$ 2,900,158

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

Exhibit D-1

Fayette County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
ASSETS	
Cash	$ 2,805,260
Equity in Pooled Cash and Investments	42,792
Accounts Receivable	37,138
Due from Other Governments	1,079,756
Total Assets	$ 3,964,946
LIABILITIES	
Due to Other Taxing Units	$ 1,079,756
Total Liabilities	$ 1,079,756
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	$ 2,885,190
Total Net Position	$ 2,885,190

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

Exhibit D-2

Fayette County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	$ 5,817,148
Fines/Fees and Other Collections	14,691,652
Total Additions	$ 20,508,800
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	$ 5,817,148
Payments to State	5,697,986
Payments to Cities, Individuals, and Others	9,209,167
Total Deductions	$ 20,724,301
Net Increase (Decrease) in Fiduciary in Net Position	$ (215,501)
Net Position, July 1, 2021	3,100,691
Net Position, June 30, 2022	$ 2,885,190

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

FAYETTE COUNTY, TENNESSEE
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fayette 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 Fayette County:

A. Reporting Entity

Fayette County is a public municipal corporation governed by an elected 19-member board. As required by GAAP, these financial statements present Fayette County (the primary government) and its component units. The financial statements of the Fayette 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 Fayette County School Department operates the public school system in the county, and the voters of Fayette 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 Fayette County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Fayette County, and the Fayette 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 Fayette County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Fayette 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 Fayette County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Fayette County Emergency Communications District
P.O. Box 159
Somerville, TN 38068

Related Organization – The Fayette County Industrial Development Board is a related organization of Fayette County. The county mayor nominates, and the Fayette County Commission confirms the board members, but the county's accountability for the organization does not extend beyond making the appointments.

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 Fayette 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 Fayette 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.

Fayette County issues all debt for the discretely presented Fayette County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022.

Separate financial statements are provided for governmental funds and fiduciary funds. 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 fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Fayette 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Fayette County has no proprietary funds to report.

Separate financial statements are provided for governmental funds 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 fiduciary funds in total are reported in a single column.

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

including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Fayette 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 Capital Projects Fund – This fund is used to account for general capital expenditures of the county.

Other Capital Projects ARPA Fund – This fund is used to account for proceeds received from the American Rescue Plan Act.

Additionally, Fayette County reports the following fund types:

Debt Service Fund – The General Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Fayette County, and assets held in a custodial capacity for a watershed district.

The discretely presented Fayette 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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Fayette 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 primary government's Solid Waste/Sanitation Fund. Fayette 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 polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Fayette County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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 0.61 percent of 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.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. 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 Fayette 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 Fayette County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Fayette 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.

5. 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 one year. 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:

Assets	Years
Land Improvements	10
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

7. Compensated Absences

Fayette County permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid

accumulated sick leave since Fayette County does not have 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 county. 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.

There is no liability for unpaid accumulated vacation or sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government.

8. 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, landfill postclosure care costs, and other postemployment benefits are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

In the government-wide 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 $19,340,536 of restricted net position for the primary government, of which $1,206,111 is restricted by enabling legislation.

As of June 30, 2022, Fayette County had $14,168,700 in outstanding debt for capital purposes for the discretely presented Fayette County School Department. This debt is a liability of Fayette County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Fayette 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 has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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 that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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

Discretely Presented Fayette 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 Fayette County. For this purpose, Fayette County recognizes benefit payments when due and payable in accordance with benefit terms. Fayette County's OPEB plan is not administered through a trust.

Discretely Presented Fayette 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 Fayette 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 Fayette County School Department

Exhibit H-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 Fayette County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and 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, Beer Board, County Mayor/Executive, Personnel Office, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2022, Fayette County and the Fayette County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Fund:	
General	$ 332,205
Nonmajor Funds:	
Solid Waste/Sanitation Fund	41,846
Drug Control Fund	60,503
School Department:	
Major Funds:	
General Purpose School	76,973
School Federal Projects	676,235

B. Fund Deficit

The Other Capital Project ARPA Fund had a fund deficit of $3,994,802 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (CFDA 21.027). The grant expenditures can only be reported in April of each year. Fayette County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

C. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of $1,111,448 at June 30, 2022. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2022.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. The Fayette 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 Fayette County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Fayette County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 131,112
Developed Market International Equity	N/A	N/A	59,212
Emerging Market International Equity	N/A	N/A	16,918
U.S. Fixed Income	N/A	N/A	84,588
Real Estate	N/A	N/A	42,294
Short-term Securities	N/A	N/A	4,230
NAV - Private Equity and Strategic Lending	N/A	N/A	84,588
Total			$ 422,942

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

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	$ 2,158,750	$ 0	$ 0	$ 2,158,750
Construction in Progress	1,886,858	0	0	1,886,858
Total Capital Assets Not Depreciated	$ 4,045,608	$ 0	$ 0	$ 4,045,608
Capital Assets Depreciated:				
Buildings and Improvements	$ 23,024,588	$ 129,211	$ 0	$ 23,153,799
Infrastructure	125,441,786	0	0	125,441,786
Other Capital Assets	16,361,293	2,531,221	(706,756)	18,185,758
Total Capital Assets Depreciated	$ 164,827,667	$ 2,660,432	$ (706,756)	$ 166,781,343
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 13,496,197	$ 787,080	$ 0	$ 14,283,277
Infrastructure	108,440,293	1,861,723	0	110,302,016
Other Capital Assets	11,421,761	1,172,839	(447,298)	12,147,302
Total Accumulated Depreciation	$ 133,358,251	$ 3,821,642	$ (447,298)	$ 136,732,595
Total Capital Assets Depreciated, Net	$ 31,469,416	$ (1,161,210)	$ (259,458)	$ 30,048,748
Governmental Activities Capital Assets, Net	$ 35,515,024	$ (1,161,210)	$ (259,458)	$ 34,094,356

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

Governmental Activities:

General Government	$ 301,555
Finance	4,797
Administration of Justice	153,274
Public Safety	969,795
Public Health and Welfare	247,312
Highway/Public Works	2,144,909
Total Depreciation Expense - Governmental Activities	$ 3,821,642

Net Investment in Capital Assets

Capital Assets	$ 34,094,356
Less:	
Outstanding principal of capital debt and other capital borrowings	(8,141,300)
Unamortized balance of original issue premiums on outstanding capital-related debt	(615,600)
Net Investment in Capital Assets	$ 25,337,456

Discretely Presented Fayette County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	$ 349,377	$ 0	$ 0	$ 349,377
Construction In Progress	0	693,200	0	693,200
Total Capital Assets Not Depreciated	$ 349,377	$ 693,200	$ 0	$ 1,042,577
Capital Assets Depreciated:				
Buildings and Improvements	$ 51,222,644	$ 0	$ 0	$ 51,222,644
Infrastructure	394,280	0	0	394,280
Other Capital Assets	7,083,457	1,032,638	(375,045)	7,741,050
Total Capital Assets Depreciated	$ 58,700,381	$ 1,032,638	$ (375,045)	$ 59,357,974
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 34,673,315	$ 1,352,353	$ 0	$ 36,025,668
Infrastructure	394,280	0	0	394,280
Other Capital Assets	4,934,130	493,156	(337,619)	5,089,667
Total Accumulated Depreciation	$ 40,001,725	$ 1,845,509	$ (337,619)	$ 41,509,615
Total Capital Assets Depreciated, Net	$ 18,698,656	$ (812,871)	$ (37,426)	$ 17,848,359
Governmental Activities Capital Assets, Net	$ 19,048,033	$ (119,671)	$ (37,426)	$ 18,890,936

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

Governmental Activities:

Instruction	$ 1,004,556
Support Services	668,879
Operation of Non-instructional Services	172,074
Total Depreciation Expense - Governmental Activities	$ 1,845,509

C. Construction Commitments

At June 30, 2022, the school department had uncompleted construction contracts of approximately $327,063 for roof replacement. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Highway/Public Works	$ 506
"	Other Capital Projects ARPA	3,994,802
"	Nonmajor governmental	90,414
General Capital Projects	General	3,994,802
Nonmajor governmental	"	10,458
Discretely Presented School Department:		
General Purpose School	School Federal Projects	21,395
"	Nonmajor governmental	215
School Federal Projects	General Purpose School	38,071

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.

The receivable in the General Fund totaling $3,994,802 was in transit from the Other Capital Projects ARPA Fund and the receivable in the General Capital Projects Fund totaling $3,994,802 was in transit from the General Fund at June 30, 2022. Also, the receivable in the General Purpose School Fund totaling $21,610 was in transit from the School Federal Projects and Central Cafeteria funds totaling $21,395, and $215, respectively at June 30, 2022.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In: General Fund	Highway/ Public Works Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Purpose
General Fund	$ 0	$ 0	$ 0	$ 47,053	Debt retirement
"	0	0	4,609,802	0	Capital outlay
Other Capital Projects ARPA Fund	3,994,802	0	0	0	American Rescue Plan funds
Nonmajor governmental fund	80,000	0	0	0	Equipment
"	0	240,000	0	0	Road paving
"	0	0	0	480,000	Debt retirement
Total	$ 4,074,802	$ 240,000	$ 4,609,802	$ 527,053	

Discretely Presented Fayette County School Department

Transfers Out	Transfers In: General Purpose School Fund	School Federal Projects Fund	Purpose
General Purpose School Fund	$ 0	$ 500,000	Cash flow funds
"	0	68,071	CCEIS carryover
School Federal Projects Fund	399,064	0	Indirect costs
Nonmajor Governmental Fund	165,500	0	"
Total	$ 564,564	$ 568,071	

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. Long-term Debt

Primary Government

General Obligation Bonds - Fayette 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 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included

in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds - Refunding	1 to 3%	3-1-36	$24,510,000	$22,310,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	$ 2,230,000	$ 492,695	$ 2,722,695
2024	2,220,000	436,145	2,656,145
2025	2,205,000	379,895	2,584,895
2026	2,205,000	324,095	2,529,095
2027	2,195,000	268,295	2,463,295
2028-2032	7,995,000	625,985	8,620,985
2033-2036	3,260,000	129,730	3,389,730
Total	$ 22,310,000	$ 2,656,840	$ 24,966,840

There is $4,018,461 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $531, based on the 2020 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled $568, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below.

Description of Debt	Outstanding 6-30-22
Bonds Payable	
Contributions from the General Purpose School Fund	
General Obligation Refunding, Series 2021A	$ 8,280,000
General Obligation Refunding, Series 2021B	6,775,000
General Obligation Refunding, Series 2021C	7,255,000
Total	$ 22,310,000

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Note-Direct Placement
Balance, July 1, 2021	$ 24,510,000	$ 70,000
Reductions	(2,200,000)	(70,000)
Balance, June 30, 2022	$ 22,310,000	$ 0
Balance Due Within One Year	$ 2,230,000	$ 0

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities for Debt, June 30, 2022	$ 22,310,000
Less: Balance Due Within One Year - Debt	(2,230,000)
Add: Unamortized Premium on Debt	1,526,906
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$ 21,606,906

F. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Landfill Postclosure Care Costs	Net OPEB Liability
Balance, July 1, 2021	$ 499,949	$ 696,902	$ 391,400
Additions	546,350	0	67,524
Reductions	(478,460)	(426,337)	(394,874)
Balance, June 30, 2022	$ 567,839	$ 270,565	$ 64,050
Balance Due Within One Year	$ 315,416	$ 43,318	$ 0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	$	902,454
Less: Balance Due Within One Year - Other		(358,734)
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	543,720

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

Discretely Presented Fayette County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Fayette County School Department for the year ended June 30, 2022, was as follows:

Governmental Activities:

		Net OPEB Liability
Balance, July 1, 2021	$	1,657,066
Additions		562,986
Reductions		(112,504)
Balance, June 30, 2022	$	2,107,548
Balance Due Within One Year	$	0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	$	2,107,548
Less: Balance Due Within One Year - Other		0
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	2,107,548

Other postemployment benefits are paid from the employing funds, primarily the General Purpose School Fund.

G. On-Behalf Payments

Discretely Presented Fayette County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Fayette County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were $26,871. 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

Primary Government

Liability, Property, and Casualty

Fayette County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $250,000 for property and $450,000 for liability for each insured event.

Workers' Compensation Insurance

Fayette County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, Tennessee Code Annotated, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding $500,000.

Employee Health Insurance

Fayette County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In

accordance with Section 8-27-207, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Fayette County School Department

Liability, Property, Casualty, and Workers' Compensation Insurance

The school department participates in 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 school department pays an annual premium 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.

Employee Health Insurance

The 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, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk of losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that

transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

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

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for

purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

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

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. Management advised that any potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

D. Landfill Closure/Postclosure Care Costs

Fayette County has active permits on file with the State Department of Environment and Conservation for a sanitary landfill and a demolition 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. Fayette County closed its sanitary landfill in 1998. The $270,565 reported as postclosure care liability at June 30, 2022, represents amounts based on what

it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Venture

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Lauderdale, and Tipton 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. Fayette County made no contributions to the DTF during the year ended June 30, 2022. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main
Ripley, TN 38063

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Fayette County and non-certified employees of the discretely presented Fayette County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 63 percent and the non-certified employees of the discretely presented school department comprised 37 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly

available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	327
Inactive Employees Entitled to But Not Yet Receiving Benefits	482
Active Employees	443
Total	1,252

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. Fayette County makes employer contributions at the rate set by

the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contribution for Fayette County was $634,515 based on a rate of 3.55 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Fayette 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)

Fayette County's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the

June 30, 2020, actuarial experience study. A blend of future capital market projections and historical 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market International Equity	5.37		14	
Emerging Market International Equity	6.09		4	
Private Equity and Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		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 6.75 percent based on a blending of the factors described above.

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

periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	$ 50,575,883	$ 55,101,458	$ (4,525,575)
Changes for the Year:			
Service Cost	$ 1,349,924	$ 0	$ 1,349,924
Interest	3,667,833	0	3,667,833
Differences Between Expected and Actual Experience	(496,838)	0	(496,838)
Changes in Assumptions	4,475,193		4,475,193
Contributions-Employer	0	660,939	(660,939)
Contributions-Employees	0	867,553	(867,553)
Net Investment Income	0	14,061,956	(14,061,956)
Benefit Payments, Including Refunds of Employee Contributions	(2,670,021)	(2,670,021)	0
Administrative Expense	0	(40,826)	40,826
Net Changes	$ 6,326,091	$ 12,879,601	$ (6,553,510)
Balance, June 30, 2021	$ 56,901,974	$ 67,981,059	$ (11,079,085)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.00%	$ 35,848,244	$ 42,828,067	$ (6,979,823)
School Department	37.00%	21,053,730	25,152,992	(4,099,262)
Total		$ 56,901,974	$ 67,981,059	$ (11,079,085)

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

	1% Decrease	Current Discount Rate	1% Increase
Fayette County	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	$ (3,661,298)	$ (11,079,085)	$ (17,219,278)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Fayette County recognized pension expense (negative pension expense) of ($1,028,543).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Fayette 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	$ 109,791	$ 372,628
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,499,558
Changes in Assumptions	3,356,395	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	634,515	N/A
Total	$ 4,100,701	$ 7,872,186

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 2,595,168	$ 4,959,478
School Department	1,505,533	2,912,708
Total	$ 4,100,701	$ 7,872,186

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

Year Ending June 30	Amount
2023	$ (854,571)
2024	(754,524)
2025	(774,921)
2026	(2,021,984)
2027	0
Thereafter	0

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

Discretely Presented Fayette County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Fayette County and non-certified employees of the discretely presented Fayette 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 comprised 63 percent and the non-certified employees of the discretely presented school department comprised 37 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent.

Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were $132,825, which is 2.01 percent of covered payroll. In addition, employer contributions of $121,428, which is 1.99 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of ($339,144) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .313091 percent. The proportion as of June 30, 2020, was .349644 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of $47,055.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 5,900	$ 62,056
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	195,220
Changes in Assumptions	122,326	0
Changes in Proportion of Net Pension Liability (Asset)	57,102	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	132,825	N/A
Total	$ 318,153	$ 257,276

The school department's employer contributions of $132,825, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	$ (37,009)
2024	(35,941)
2025	(35,636)
2026	(40,549)
2027	11,521
Thereafter	65,666

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

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

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125% (use only if COLA is provided)

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market International Equity	5.37		14	
Emerging Market International Equity	6.09		4	
Private Equity and Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		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 6.75 percent based on a blending of the factors described above.

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 116,589	$ (339,144)	$ (675,264)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Fayette County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were $900,820, which is 10.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of ($11,743,275) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .272261 percent. The proportion measured at June 30, 2020, was .272348 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized (negative pension expense) of ($1,855,125).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 39,464	$ 979,427
Changes in Assumptions	3,137,607	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,365,000
Changes in Proportion of Net Pension Liability (Asset)	14,329	358
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	900,820	N/A
Total	$ 4,092,220	$ 10,344,785

The school department's employer contributions of $900,820 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	$ (1,695,925)
2024	(1,606,992)
2025	(1,323,125)
2026	(2,527,343)
2027	0
Thereafter	0

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

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

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125% (use only if COLA is provided)

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market International Equity	5.37		14	
Emerging Market International Equity	6.09		4	
Private Equity and Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		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 6.75 percent based on a blending of the factors described above.

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ (2,089,908)	$ (11,743,275)	$ (19,776,803)

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 $207,967 and teachers contributed $171,614 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

The Fayette County Highway Department and the discretely presented Fayette County School Department provide OPEB benefits to retirees under the state administered public entity risk pools. For reporting purposes, the plans are 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.

OPEB Provided through State Administered Public Entity Risk Pools

During the year, Fayette County ceased providing healthcare to retirees. Retirees of the Fayette County Highway Department are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Fayette County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not

provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.16 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and

adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

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

Local Government OPEB Plans (Primary Government)

Plan Description. Employees of Fayette County Highway Department are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs.

Benefits Provided. The Fayette County Highway Department offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, *TCA,* establishes and amends the benefit terms of the LGP. 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 LGP, receives 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 the retiree premiums. The highway department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

	Hwy Dept
Inactive Employees or Beneficiaries Currently receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	34
Total	34

An insurance committee, created in accordance with Section 8-27-701, *TCA*, establishes the required payments to the LGP 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. For the fiscal year ended June 30, 2022, the highway department paid $324 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Fayette County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2020	$ 308,348	$ 83,052	$ 391,400
Changes for the Year:			
Service Cost	$ 46,332	$ 11,295	$ 57,627
Interest	7,819	2,078	9,897
Difference between Expected and Actuarial Experience	(360,705)	(6,154)	(366,859)
Changes in Assumption and Other Inputs	0	(25,610)	(25,610)
Benefit Payments	(1,794)	(611)	(2,405)
Net Changes	$ (308,348)	$ (19,002)	$ (327,350)
Balance June 30, 2021	$ 0	$ 64,050	$ 64,050

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized (negative OPEB expense) of ($423,587) and the highway department recognized OPEB expense of $1,773. At June 30, 2022, the highway department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 39,023
Changes of Assumptions/Inputs	9,623	23,036
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2021	324	0
Total	$ 9,947	$ 62,059

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

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

Year Ending June 30	Hwy
2023	$ (11,600)
2024	(11,600)
2025	(11,322)
2026	(8,430)
2027	(5,139)
Thereafter	(4,345)

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 highway department 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:

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Highway Department	1.16%	2.16%	3.16%
Total OPEB Liability	$ 68,848	$ 64,050	$ 59,460

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the highway department calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Cost Trend Rate	1% Decrease	Current Trend Rates	1% Increase
Highway Department	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%
Total OPEB Liability	$ 56,672	$ 64,050	$ 72,594

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

Plan Description. Employees of the Fayette 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 Fayette 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. The Fayette County School

Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' 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, 2021, the following employees were covered by the benefit terms:

	School Department
Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees or Beneficiaries Not Currently Receiving Benefits	1
Active Employees Eligible for Benefits	292
Total	301

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 $55,772 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Fayette County School Department 66.328%	State of TN 33.672%	Total OPEB Liability
Balance July 1, 2020	$ 1,657,066	$ 783,836	$ 2,440,902
Changes for the Year:			
Service Cost	$ 110,497	$ 56,094	$ 166,591
Interest	37,610	19,093	56,703
Difference between Expected and Actuarial Experience	(18,740)	(9,513)	(28,253)
Changes in Proportion	(38,062)	38,062	0
Changes in Assumption and Other Inputs	414,878	210,616	625,494
Benefit Payments	(55,702)	(28,277)	(83,979)
Net Changes	$ 450,482	$ 286,074	$ 736,556
Balance June 30, 2021	$ 2,107,548	$ 1,069,910	$ 3,177,458

The Fayette 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 Fayette County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' 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 $85,622 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Fayette County School Department's proportionate share of the collective OPEB liability was 66.328 percent and the State of Tennessee's share was 33.672 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of $238,369, including the state's share of the expense. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 174,872	$ 464,122
Changes of Assumptions/Inputs	535,176	115,497
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	55,409	94,811
Benefits Paid After the Measurement Date of June 30, 2021	55,772	0
Total	$ 821,229	$ 674,430

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

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

Year Ending June 30	School Department
2023	$ 4,640
2024	4,640
2025	4,640
2026	4,640
2027	4,640
Thereafter	67,827

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.

Discount Rate	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Proportionate Share of the Collective Total OPEB Liability	$ 2,257,795	$ 2,107,548	$ 1,962,226

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.

Healthcare Cost Trend Rate	1% Decrease 6.36 to 3.5%	Current Rates 7.36 to 4.5%	1% Increase 8.36 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$ 1,862,218	$ 2,107,548	$ 2,394,484

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated* (*TCA*), which provide for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Public Works Superintendent

Chapter 234, Private Acts of 1974 and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the highway department. These statutes require all purchases exceeding $25,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Fayette County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education,

through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding $25,000 for counties with a population of 40,000 or more.

I. Subsequent Event

On August 31, 2022, Barbra Parker left the Office of Trustee and was succeeded by Charles McNab effective September 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	$ 1,031,073	$ 1,033,190	$ 1,105,049	$ 1,069,442	$ 1,111,210	$ 1,161,656	$ 1,267,102	$ 1,349,924
Interest	2,815,322	2,957,446	3,100,143	3,183,342	3,168,553	3,328,287	3,497,967	3,667,833
Differences Between Actual and Expected Experience	(51,596)	6,245	(752,411)	(1,785,379)	264,338	200,686	49,194	(496,838)
Changes in Assumptions	0	0	0	1,068,794	0	0	0	4,475,193
Benefit Payments, Including Refunds of Employee Contributions	(1,760,198)	(2,043,676)	(2,288,559)	(2,327,141)	(2,309,546)	(2,473,114)	(2,438,196)	(2,670,021)
Net Change in Total Pension Liability	$ 2,034,601	$ 1,953,205	$ 1,164,222	$ 1,209,058	$ 2,234,555	$ 2,217,515	$ 2,376,067	$ 6,326,091
Total Pension Liability, Beginning	37,386,660	39,421,261	41,374,466	42,538,688	43,747,746	45,982,301	48,199,816	50,575,883
Total Pension Liability, Ending (a)	$ 39,421,261	$ 41,374,466	$ 42,538,688	$ 43,747,746	$ 45,982,301	$ 48,199,816	$ 50,575,883	$ 56,901,974
Plan Fiduciary Net Position								
Contributions - Employer	$ 1,022,512	$ 962,826	$ 977,058	$ 524,176	$ 531,043	$ 557,473	$ 632,614	$ 660,939
Contributions - Employee	633,135	653,631	664,544	653,589	665,911	699,911	830,241	867,553
Net Investment Income	6,126,528	1,318,917	1,155,887	4,964,499	3,952,288	3,750,171	2,627,914	14,061,956
Benefit Payments, Including Refunds of Employee Contributions	(1,760,198)	(2,043,676)	(2,288,559)	(2,327,141)	(2,309,546)	(2,473,114)	(2,438,196)	(2,670,021)
Administrative Expense	(17,761)	(23,182)	(34,134)	(35,044)	(37,844)	(37,238)	(39,941)	(40,826)
Other Changes	0	0	0	17,951	0	0	0	0
Net Change in Plan Fiduciary Net Position	$ 6,004,216	$ 868,516	$ 474,796	$ 3,798,030	$ 2,801,852	$ 2,497,203	$ 1,612,632	$ 12,879,601
Plan Fiduciary Net Position, Beginning	37,044,213	43,048,429	43,916,945	44,391,741	48,189,771	50,991,623	53,488,826	55,101,458
Plan Fiduciary Net Position, Ending (b)	$ 43,048,429	$ 43,916,945	$ 44,391,741	$ 48,189,771	$ 50,991,623	$ 53,488,826	$ 55,101,458	$ 67,981,059
Net Pension Liability (Asset), Ending (a - b)	$ (3,627,168)	$ (2,542,479)	$ (1,853,053)	$ (4,442,025)	$ (5,009,322)	$ (5,289,010)	$ (4,525,575)	$ (11,079,085)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.20%	106.15%	104.36%	110.15%	110.89%	110.97%	108.95%	119.47%
Covered Payroll	$ 12,607,687	$ 13,081,874	$ 13,430,190	$ 13,075,856	$ 13,448,679	$ 14,290,283	$ 16,284,741	$ 17,302,036
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(28.77)%	(19.44)%	(13.8)%	(33.97)%	(37.25)%	(37.01)%	(27.79)%	(64.03)%

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 1,022,512	$ 962,826	$ 977,058	$ 524,176	$ 485,497	$ 216,872	$ 296,434	$ 212,815	$ 134,051
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,022,512)	(962,826)	(977,058)	(524,176)	(531,043)	(557,473)	(632,614)	(660,939)	(634,515)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ (45,546)	$ (340,601)	$ (336,180)	$ (448,124)	$ (500,464)
Covered Payroll	$ 12,607,687	$ 13,081,874	$ 13,430,190	$ 13,075,856	$ 13,448,679	$ 14,290,283	$ 16,284,741	$ 17,302,036	$ 17,873,528
Contributions as a Percentage of Covered Payroll	8.11%	7.36%	7.28%	4.01%	3.95%	3.90%	3.88%	3.82%	3.55%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 53,945	$ 89,243	$ 118,255	$ 59,983	$ 83,885	$ 89,568	$ 91,276	$ 132,825
Less: Contributions in Relation to the Contractually Required Contribution	(53,945)	(89,243)	(118,255)	(147,131)	(83,885)	(89,568)	(91,276)	(132,825)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ (87,148)	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 1,348,622	$ 2,231,087	$ 2,892,726	$ 3,654,360	$ 4,303,056	$ 4,467,842	$ 4,533,233	$ 6,608,223
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.09%	4.03%	1.95%	2.00%	2.01%	2.01%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
2019: Pension - 1.95%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 1,103,265	$ 979,435	$ 865,117	$ 905,439	$ 899,213	$ 987,264	$ 963,551	$ 917,735	$ 900,820
Less: Contributions in Relation to the Contractually Required Contribution	(1,103,265)	(979,435)	(865,117)	(905,439)	(899,213)	(987,264)	(963,551)	(917,735)	(900,820)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 12,424,156	$ 10,834,481	$ 9,569,886	$ 10,079,579	$ 9,927,080	$ 9,466,291	$ 9,007,989	$ 8,921,684	$ 8,745,822
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	8.98%	9.06%	10.43%	10.70%	10.29%	10.30%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.649085%	0.507060%	0.450434%	0.420913%	0.408613%	0.349644%	0.313091%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (26,112)	$ (52,787)	$ (118,841)	$ (190,896)	$ (230,657)	$ (198,822)	$ (339,144)
Covered Payroll	$ 1,348,622	$ 2,231,087	$ 2,892,726	$ 3,654,360	$ 4,303,056	$ 4,467,842	$ 4,533,233
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.11)%	(5.22)%	(5.36)%	(4.45)%	(7.48)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.31654%	0.28942%	0.265108%	0.283340%	0.282814%	0.281481%	0.272348%	0.272261%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (51,435)	$ 118,557	$ 1,656,779	$ (92,703)	$ (995,199)	$ (2,894,134)	$ (2,076,855)	$ (11,743,275)
Covered Payroll	$ 12,424,156	$ 10,834,481	$ 9,569,886	$ 10,079,579	$ 9,927,080	$ 9,466,291	$ 9,007,989	$ 8,921,684
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094252%	17.31%	(.92)%	(10.03)%	(30.57)%	(23.06)%	(131.63)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Exhibit E-7

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

Fayette County Plan

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 30,130	$ 29,617	$ 33,512	$ 36,586	$ 46,332
Interest	10,693	13,205	14,037	11,102	7,819
Differences Between Actual and Expected Experience	0	(33,007)	(125,356)	(46,346)	(360,705)
Changes in Assumptions or Other Inputs	(18,033)	19,701	14,286	31,092	0
Benefit Payments	(16,276)	(18,871)	(14,402)	(7,540)	(1,794)
Net Change in Total OPEB Liability	$ 6,514	$ 10,645	$ (77,923)	$ 24,894	$ (308,348)
Total OPEB Liability, Beginning	344,218	350,732	361,377	283,454	308,348
Total OPEB Liability, Ending	$ 350,732	$ 361,377	$ 283,454	$ 308,348	$ 0
Covered Employee Payroll	$ 7,437,946	$ 8,104,012	$ 8,433,941	$ 9,306,413	
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.72%	4.46%	3.36%	3.31%	

Highway Department Plan

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 8,993	$ 8,769	$ 10,072	$ 10,332	$ 11,295
Interest	2,690	3,540	3,716	2,907	2,078
Differences Between Actual and Expected Experience	0	(15,837)	(35,490)	(9,248)	(6,154)
Changes in Assumptions or Other Inputs	(3,426)	6,716	2,420	6,839	(25,610)
Benefit Payments	0	(1,441)	(1,108)	(516)	(611)
Net Change in Total OPEB Liability	$ 8,257	$ 1,747	$ (20,390)	$ 10,314	$ (19,002)
Total OPEB Liability, Beginning	83,124	91,381	93,128	72,738	83,052
Total OPEB Liability, Ending	$ 91,381	$ 93,128	$ 72,738	$ 83,052	$ 64,050
Covered Employee Payroll	$ 1,387,490	$ 1,561,417	$ 1,802,845	$ 1,798,563	$ 1,846,295
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.59%	5.96%	4.03%	4.62%	3.47%

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

Note 2: Changes in assumptions.

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

2016 2.92%
2017 3.56%
2018 3.62%
2019 3.51%
2020 2.21%
2021 2.16%

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

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

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

Note 4: Fayette County discontinued its OPEB plan during the 2022 plan year.

Exhibit E-8

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 181,426	$ 168,829	$ 133,378	$ 135,074	$ 166,591
Interest	75,810	94,344	67,072	76,734	56,703
Differences Between Actual and Expected Experience	0	(1,006,386)	382,941	(48,233)	(28,253)
Changes in Assumptions or Other Inputs	(114,713)	61,099	(169,607)	272,455	625,494
Benefit Payments	(64,808)	(87,287)	(72,837)	(91,609)	(83,979)
Net Change in Total OPEB Liability	$ 77,715	$ (769,401)	$ 340,947	$ 344,421	$ 736,556
Total OPEB Liability, Beginning	2,447,220	2,524,935	1,755,534	2,096,481	2,440,902
Total OPEB Liability, Ending	$ 2,524,935	$ 1,755,534	$ 2,096,481	$ 2,440,902	$ 3,177,458
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 802,889	$ 546,004	$ 717,541	$ 783,836	$ 1,069,910
Employer Proportionate Share of the Total OPEB Liability	1,722,046	1,209,530	1,378,940	1,657,066	2,107,548
Covered Employee Payroll	$ 14,753,246	$ 14,702,852	$ 15,202,299	$ 15,783,314	$ 15,028,704
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.67%	8.23%	9.07%	10.50%	14.02%

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

Note 2: Changes in assumptions.

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

2016 2.92%
2017 3.56%
2018 3.62%
2019 3.51%
2020 2.21%
2021 2.16%

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

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

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

FAYETTE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Fayette County's garbage collection and convenience center operations.

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

Adequate Facilities/Development Tax Fund – The Adequate Facilities/Development Tax Fund is used to account for operations funded from the local development tax.

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.

Debt Service Fund

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

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.

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for grant proceeds and capital expenditures for jail renovation.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for grant proceeds and capital expenditures for community development projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for grant proceeds and capital expenditures of the Fayette County Airport.

Exhibit F-1

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

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Total	General Debt Service
ASSETS						
Cash	$ 400	$ 0	$ 0	$ 89,515	$ 89,915	$ 0
Equity in Pooled Cash and Investments	1,439,146	404,308	1,206,111	0	3,049,565	4,018,461
Accounts Receivable	69,925	0	0	225	70,150	0
Due from Other Governments	10,566	3,849	0	0	14,415	0
Due from Other Funds	0	10,458	0	0	10,458	0
Prepaid Items	66,751	0	0	0	66,751	0
Total Assets	$ 1,586,788	$ 418,615	$ 1,206,111	$ 89,740	$ 3,301,254	$ 4,018,461
LIABILITIES						
Accrued Payroll	$ 26,562	$ 0	$ 0	$ 0	$ 26,562	$ 0
Due to Other Funds	674	0	0	89,740	90,414	0
Total Liabilities	$ 27,236	$ 0	$ 0	$ 89,740	$ 116,976	$ 0
DEFERRED INFLOWS OF RESOURCES						
Other Deferred/Unavailable Revenue	$ 5,309	$ 0	$ 0	$ 0	$ 5,309	$ 0
Total Deferred Inflows of Resources	$ 5,309	$ 0	$ 0	$ 0	$ 5,309	$ 0
FUND BALANCES						
Nonspendable:						
Prepaid Items	$ 66,751	$ 0	$ 0	$ 0	$ 66,751	$ 0

(Continued)

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

FUND BALANCES (Cont.)	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Total	General Debt Service
Restricted:						
Restricted for General Government	$ 0	$ 0	$ 400,495	$ 0	$ 400,495	$ 0
Restricted for Public Safety	0	418,615	0	0	418,615	0
Restricted for Highways/Public Works	0	0	402,808	0	402,808	0
Restricted for Education	0	0	402,808	0	402,808	0
Restricted for Capital Outlay	0	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0	3,871,764
Committed:						
Committed for Public Health and Welfare	1,487,492	0	0	0	1,487,492	0
Committed for Debt Service	0	0	0	0	0	146,697
Total Fund Balances	$ 1,554,243	$ 418,615	$ 1,206,111	$ 0	$ 3,178,969	$ 4,018,461
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,586,788	$ 418,615	$ 1,206,111	$ 89,740	$ 3,301,254	$ 4,018,461

(Continued)

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

	Capital Projects Funds			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 0	$ 89,915
Equity in Pooled Cash and Investments	20	93,001	93,021	7,161,047
Accounts Receivable	0	0	0	70,150
Due from Other Governments	0	0	0	14,415
Due from Other Funds	0	0	0	10,458
Prepaid Items	0	0	0	66,751
Total Assets	$ 20	$ 93,001	$ 93,021	$ 7,412,736
LIABILITIES				
Accrued Payroll	$ 0	$ 0	$ 0	$ 26,562
Due to Other Funds	0	0	0	90,414
Total Liabilities	$ 0	$ 0	$ 0	$ 116,976
DEFERRED INFLOWS OF RESOURCES				
Other Deferred/Unavailable Revenue	$ 0	$ 0	$ 0	$ 5,309
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 5,309
FUND BALANCES				
Nonspendable:				
Prepaid Items	$ 0	$ 0	$ 0	$ 66,751

(Continued)

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

	Capital Projects Funds			
	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
FUND BALANCES (Cont.)				
Restricted:				
Restricted for General Government	$ 0	$ 0	$ 0	$ 400,495
Restricted for Public Safety	0	0	0	418,615
Restricted for Highways/Public Works	0	0	0	402,808
Restricted for Education	0	0	0	402,808
Restricted for Capital Outlay	20	93,001	93,021	93,021
Restricted for Debt Service	0	0	0	3,871,764
Committed:				
Committed for Public Health and Welfare	0	0	0	1,487,492
Committed for Debt Service	0	0	0	146,697
Total Fund Balances	$ 20	$ 93,001	$ 93,021	$ 7,290,451
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 20	$ 93,001	$ 93,021	$ 7,412,736

Exhibit F-2

Fayette County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Total	General Debt Service
Revenues						
Local Taxes	$ 55,702	$ 0	$ 928,587	$ 0	$ 984,289	$ 2,297,600
Licenses and Permits	185,843	0	0	0	185,843	0
Fines, Forfeitures, and Penalties	0	109,647	0	0	109,647	0
Charges for Current Services	752,341	0	0	7,570	759,911	0
Other Local Revenues	363,659	0	0	0	363,659	0
State of Tennessee	11,065	0	0	0	11,065	0
Federal Government	0	87,578	0	0	87,578	0
Other Governments and Citizens Groups	0	0	0	0	0	387,261
Total Revenues	$ 1,368,610	$ 197,225	$ 928,587	$ 7,570	$ 2,501,992	$ 2,684,861
Expenditures						
Current:						
Administration of Justice	$ 0	$ 0	$ 0	$ 7,570	$ 7,570	$ 0
Public Safety	0	53,760	0	0	53,760	0
Public Health and Welfare	1,405,501	0	0	0	1,405,501	0
Other Operations	0	0	11,023	0	11,023	0
Debt Service:						
Principal on Debt	0	0	0	0	0	2,270,000
Interest on Debt	0	0	0	0	0	455,028
Other Debt Service	0	0	0	0	0	33,209
Total Expenditures	$ 1,405,501	$ 53,760	$ 11,023	$ 7,570	$ 1,477,854	$ 2,758,237

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Total	General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	$ (36,891)	$ 143,465	$ 917,564	$ 0	$ 1,024,138	$ (73,376)
Other Financing Sources (Uses)						
Insurance Recovery	$ 8,363	$ 0	$ 0	$ 0	$ 8,363	$ 0
Transfers In	0	0	0	0	0	527,053
Transfers Out	0	0	(800,000)	0	(800,000)	0
Total Other Financing Sources (Uses)	$ 8,363	$ 0	$ (800,000)	$ 0	$ (791,637)	$ 527,053
Net Change in Fund Balances	$ (28,528)	$ 143,465	$ 117,564	$ 0	$ 232,501	$ 453,677
Fund Balance, July 1, 2021	1,582,771	275,150	1,088,547	0	2,946,468	3,564,784
Fund Balance, June 30, 2022	$ 1,554,243	$ 418,615	$ 1,206,111	$ 0	$ 3,178,969	$ 4,018,461

(Continued)

Exhibit F-2

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

	Capital Projects Funds				
	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 0	$ 0	$ 3,281,889
Licenses and Permits	0	0	0	0	185,843
Fines, Forfeitures, and Penalties	0	0	0	0	109,647
Charges for Current Services	0	0	0	0	759,911
Other Local Revenues	0	0	0	0	363,659
State of Tennessee	0	3,400,000	0	3,400,000	3,411,065
Federal Government	0	0	0	0	87,578
Other Governments and Citizens Groups	0	0	0	0	387,261
Total Revenues	$ 0	$ 3,400,000	$ 0	$ 3,400,000	$ 8,586,853
Expenditures					
Current:					
Administration of Justice	$ 0	$ 0	$ 0	$ 0	$ 7,570
Public Safety	0	0	0	0	53,760
Public Health and Welfare	0	0	0	0	1,405,501
Other Operations	0	3,400,000	0	3,400,000	3,411,023
Debt Service:					
Principal on Debt	0	0	0	0	2,270,000
Interest on Debt	0	0	0	0	455,028
Other Debt Service	0	0	0	0	33,209
Total Expenditures	$ 0	$ 3,400,000	$ 0	$ 3,400,000	$ 7,636,091

(Continued)

Exhibit F-2

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

	Capital Projects Funds				
	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0	$ 950,762
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 8,363
Transfers In	0	0	0	0	527,053
Transfers Out	0	0	0	0	(800,000)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ (264,584)
Net Change in Fund Balances	$ 0	$ 0	$ 0	$ 0	$ 686,178
Fund Balance, July 1, 2021	20	0	93,001	93,021	6,604,273
Fund Balance, June 30, 2022	$ 20	$ 0	$ 93,001	$ 93,021	$ 7,290,451

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 55,702	$ 0	$ 0	$ 55,702	$ 75,000	$ 75,000	$ (19,298)
Licenses and Permits	185,843	0	0	185,843	160,000	160,000	25,843
Charges for Current Services	752,341	0	0	752,341	736,000	736,000	16,341
Other Local Revenues	363,659	0	0	363,659	272,635	272,635	91,024
State of Tennessee	11,065	0	0	11,065	5,000	5,000	6,065
Total Revenues	$ 1,368,610	$ 0	$ 0	$ 1,368,610	$ 1,248,635	$ 1,248,635	$ 119,975
Expenditures							
Public Health and Welfare							
Convenience Centers	$ 549,845	$ (2,664)	$ 0	$ 547,181	$ 520,000	$ 580,000	$ 32,819
Landfill Operation and Maintenance	855,656	(52,500)	41,846	845,002	941,961	1,013,647	168,645
Total Expenditures	$ 1,405,501	$ (55,164)	$ 41,846	$ 1,392,183	$ 1,461,961	$ 1,593,647	$ 201,464
Excess (Deficiency) of Revenues Over Expenditures	$ (36,891)	$ 55,164	$ (41,846)	$ (23,573)	$ (213,326)	$ (345,012)	$ 321,439
Other Financing Sources (Uses)							
Insurance Recovery	$ 8,363	$ 0	$ 0	$ 8,363	$ 0	$ 0	$ 8,363
Total Other Financing Sources	$ 8,363	$ 0	$ 0	$ 8,363	$ 0	$ 0	$ 8,363
Net Change in Fund Balance	$ (28,528)	$ 55,164	$ (41,846)	$ (15,210)	$ (213,326)	$ (345,012)	$ 329,802
Fund Balance, July 1, 2021	1,582,771	(55,164)	0	1,527,607	1,390,971	1,390,971	136,636
Fund Balance, June 30, 2022	$ 1,554,243	$ 0	$ (41,846)	$ 1,512,397	$ 1,177,645	$ 1,045,959	$ 466,438

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Fines, Forfeitures, and Penalties	$ 109,647	$ 0	$ 0	$ 109,647	$ 33,000	$ 33,000	$ 76,647
Federal Government	87,578	0	0	87,578	20,000	20,000	67,578
Total Revenues	$ 197,225	$ 0	$ 0	$ 197,225	$ 53,000	$ 53,000	$ 144,225
Expenditures							
Public Safety							
Drug Enforcement	$ 36,514	$ (8,732)	$ 44,128	$ 71,910	$ 127,735	$ 127,735	$ 55,825
Other Public Safety	17,246	0	16,375	33,621	42,000	42,000	8,379
Total Expenditures	$ 53,760	$ (8,732)	$ 60,503	$ 105,531	$ 169,735	$ 169,735	$ 64,204
Excess (Deficiency) of Revenues Over Expenditures	$ 143,465	$ 8,732	$ (60,503)	$ 91,694	$ (116,735)	$ (116,735)	$ 208,429
Net Change in Fund Balance	$ 143,465	$ 8,732	$ (60,503)	$ 91,694	$ (116,735)	$ (116,735)	$ 209,429
Fund Balance, July 1, 2021	275,150	(8,732)	0	266,418	200,000	200,000	66,418
Fund Balance, June 30, 2022	$ 418,615	$ 0	$ (60,503)	$ 358,112	$ 83,265	$ 83,265	$ 274,847

Exhibit F-5

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Adequate Facilities/ Development Tax Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 928,587	$ 800,000	$ 800,000	$ 128,587
Total Revenues	$ 928,587	$ 800,000	$ 800,000	$ 128,587
Expenditures				
Other Operations				
Other Charges	$ 11,023	$ 15,000	$ 15,000	$ 3,977
Total Expenditures	$ 11,023	$ 15,000	$ 15,000	$ 3,977
Excess (Deficiency) of Revenues Over Expenditures	$ 917,564	$ 785,000	$ 785,000	$ 132,564
Other Financing Sources (Uses)				
Transfers Out	$ (800,000)	$ (800,000)	$ (800,000)	$ 0
Total Other Financing Sources	$ (800,000)	$ (800,000)	$ (800,000)	$ 0
Net Change in Fund Balance	$ 117,564	$ (15,000)	$ (15,000)	$ 132,564
Fund Balance, July 1, 2021	1,088,547	900,125	900,125	188,422
Fund Balance, June 30, 2022	$ 1,206,111	$ 885,125	$ 885,125	$ 320,986

Exhibit F-6

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,297,600	$ 2,517,497	$ 2,037,497	$ 260,103
Other Governments and Citizens Groups	387,261	362,571	387,261	0
Total Revenues	$ 2,684,861	$ 2,880,068	$ 2,424,758	$ 260,103
Expenditures				
Principal on Debt				
General Government	$ 877,500	$ 1,355,000	$ 877,500	$ 0
Education	1,392,500	1,260,000	1,392,500	0
Interest on Debt				
General Government	171,116	200,723	171,116	0
Education	283,912	277,562	283,912	0
Other Debt Service				
General Government	32,239	32,500	57,030	24,791
Education	970	2,500	2,970	2,000
Total Expenditures	$ 2,758,237	$ 3,128,285	$ 2,785,028	$ 26,791
Excess (Deficiency) of Revenues Over Expenditures	$ (73,376)	$ (248,217)	$ (360,270)	$ 286,894
Other Financing Sources (Uses)				
Transfers In	$ 527,053	$ 0	$ 527,053	$ 0
Total Other Financing Sources	$ 527,053	$ 0	$ 527,053	$ 0
Net Change in Fund Balance	$ 453,677	$ (248,217)	$ 166,783	$ 286,894
Fund Balance, July 1, 2021	3,564,784	3,290,703	3,290,703	274,081
Fund Balance, June 30, 2022	$ 4,018,461	$ 3,042,486	$ 3,457,486	$ 560,975

Custodial Funds

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

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

Watershed District Fund – The Watershed District Fund is used to account for prior years' acreage assessments collected on drainage district properties and held in trust for the watershed district.

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

Exhibit G-1

Fayette County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2022

	Custodial Funds			
	Cities - Sales Tax	Watershed District	Constitu - tional Officers - Custodial	Total
ASSETS				
Cash	$ 0	$ 0	$ 2,805,260	$ 2,805,260
Equity in Pooled Cash and Investments	0	42,792	0	42,792
Accounts Receivable	0	0	37,138	37,138
Due from Other Governments	1,079,756	0	0	1,079,756
Total Assets	$ 1,079,756	$ 42,792	$ 2,842,398	$ 3,964,946
LIABILITIES				
Due to Other Taxing Units	$ 1,079,756	$ 0	$ 0	$ 1,079,756
Total Liabilities	$ 1,079,756	$ 0	$ 0	$ 1,079,756
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	$ 0	$ 42,792	$ 2,842,398	$ 2,885,190
Total Net Position	$ 0	$ 42,792	$ 2,842,398	$ 2,885,190

Exhibit G-2

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

	Custodial Funds			
	Cities - Sales Tax	Watershed District	Constitu - tional Officers - Custodial	Total
Additions				
Sales Tax Collections for Other Governments	$ 5,817,148	$ 0	$ 0	$ 5,817,148
Fines/Fees and Other Collections	0	0	14,691,652	14,691,652
Total Additions	$ 5,817,148	$ 0	$ 14,691,652	$ 20,508,800
Deductions				
Payment of Sales Tax Collections for Other Governments	$ 5,817,148	$ 0	$ 0	$ 5,817,148
Payments to State	0	0	5,697,986	5,697,986
Payments to Cities, Individuals, and Others	0	0	9,209,167	9,209,167
Total Deductions	$ 5,817,148	$ 0	$ 14,907,153	$ 20,724,301
Change in Net Position	$ 0	$ 0	$ (215,501)	$ (215,501)
Net Position July 1, 2021	0	42,792	3,057,899	3,100,691
Net Position June 30, 2022	$ 0	$ 42,792	$ 2,842,398	$ 2,885,190

Fayette County School Department

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

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

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

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

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

Exhibit H-1

Fayette County, Tennessee
Statement of Activities
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 17,896,813	$ 890	$ 5,455,425	$ 658,540	$ (11,781,958)
Support Services	14,476,905	0	2,956,657	417,588	(11,102,660)
Operation of Non-instructional Services	3,843,439	16,245	3,804,960	0	(22,234)
Total Governmental Activities	$ 36,217,157	$ 17,135	$ 12,217,042	$ 1,076,128	$ (22,906,852)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 4,454,851
Local Option Sales Taxes					6,989,929
Other Local Taxes					18,651
Grants and Contributions Not Restricted to Specific Programs					17,385,911
Miscellaneous					390,437
Total General Revenues					$ 29,239,779
Change in Net Position					$ 6,332,927
Net Position, July 1, 2021					30,045,956
Net Position, June 30, 2022					$ 36,378,883

Exhibit H-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 261,024	$ 261,024
Equity in Pooled Cash and Investments	6,582,245	0	846,913	7,429,158
Due from Other Governments	2,351,794	2,055,709	102,487	4,509,990
Due from Other Funds	21,610	38,071	0	59,681
Property Taxes Receivable	4,493,137	0	0	4,493,137
Allowance for Uncollectible Property Taxes	(53,777)	0	0	(53,777)
Restricted Assets	422,942	0	0	422,942
Total Assets	$ 13,817,951	$ 2,093,780	$ 1,210,424	$ 17,122,155
LIABILITIES				
Accounts Payable	$ 49,674	$ 81,260	$ 400	$ 131,334
Accrued Payroll	5,444	0	34,517	39,961
Payroll Deductions Payable	471,792	85,852	6,279	563,923
Cash Overdraft	0	1,111,448	0	1,111,448
Due to Other Funds	38,071	0	0	38,071
Other Current Liabilities	554	0	0	554
Total Liabilities	$ 565,535	$ 1,278,560	$ 41,196	$ 1,885,291
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 4,370,986	$ 0	$ 0	$ 4,370,986
Deferred Delinquent Property Taxes	60,310	0	0	60,310
Other Deferred/Unavailable Revenue	618,832	0	0	618,832
Total Deferred Inflows of Resources	$ 5,050,128	$ 0	$ 0	$ 5,050,128

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for Education	$ 82,680	$ 115,220	$ 260,624	$ 458,524
Restricted for Instruction	17,063	0	0	17,063
Restricted for Operation of Non-instructional Services	0	0	908,604	908,604
Restricted for Hybrid Retirement Stabilization Funds	422,942	0	0	422,942
Committed:				
Committed for Education	2,267,280	0	0	2,267,280
Assigned:				
Assigned for Education	0	700,000	0	700,000
Assigned for Instruction	52,202	0	0	52,202
Assigned for Support Services	6,274	0	0	6,274
Assigned for Operation of Non-instructional Services	18,497	0	0	18,497
Unassigned	5,335,350	0	0	5,335,350
Total Fund Balances	$ 8,202,288	$ 815,220	$ 1,169,228	$ 10,186,736
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 13,817,951	$ 2,093,780	$ 1,210,424	$ 17,122,155

Exhibit H-3

Fayette County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Fayette County School Department
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit H-2)			$ 10,186,736
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$ 349,377		
Add: construction in progress	693,200		
Add: buildings and improvements net of accumulated depreciation	15,196,976		
Add: other capital assets net of accumulated depreciation	2,651,383		18,890,936
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(2,107,548)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	$ 5,915,906		
Less: deferred inflows of resources related to pensions	(13,514,769)		
Add: deferred outflows of resources related to OPEB	821,229		
Less: deferred inflows of resources related to OPEB	(674,430)		(7,452,064)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	$ 4,099,262		
Add: net pension asset - teacher retirement plan	339,144		
Add: net pension asset - teacher legacy pension plan	11,743,275		16,181,681
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			679,142
Net position of governmental activities (Exhibit A)			$ 36,378,883

Exhibit H-4

Fayette County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 11,474,211	$ 0	$ 0	$ 11,474,211
Licenses and Permits	3,546	0	0	3,546
Charges for Current Services	4,050	0	13,085	17,135
Other Local Revenues	147,944	0	224,667	372,611
State of Tennessee	18,953,651	0	11,783	18,965,434
Federal Government	803,982	8,890,174	2,582,447	12,276,603
Total Revenues	$ 31,387,384	$ 8,890,174	$ 2,831,982	$ 43,109,540
Expenditures				
Current:				
Instruction	$ 14,512,430	$ 3,663,712	$ 0	$ 18,176,142
Support Services	12,263,247	3,772,171	0	16,035,418
Operation of Non-Instructional Services	1,517,918	57,499	2,363,144	3,938,561
Capital Outlay	36,389	822,893	0	859,282
Debt Service:				
Other Debt Service	387,261	0	0	387,261
Total Expenditures	$ 28,717,245	$ 8,316,275	$ 2,363,144	$ 39,396,664
Excess (Deficiency) of Revenues Over Expenditures	$ 2,670,139	$ 573,899	$ 468,838	$ 3,712,876
Other Financing Sources (Uses)				
Insurance Recovery	$ 49,069	$ 0	$ 0	$ 49,069
Transfers In	564,564	568,071	0	1,132,635
Transfers Out	(568,071)	(399,064)	(165,500)	(1,132,635)
Total Other Financing Sources (Uses)	$ 45,562	$ 169,007	$ (165,500)	$ 49,069

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Net Change in Fund Balances	$ 2,715,701	$ 742,906	$ 303,338	$ 3,761,945
Fund Balance, July 1, 2021	5,486,587	72,314	865,890	6,424,791
Fund Balance, June 30, 2022	$ 8,202,288	$ 815,220	$ 1,169,228	$ 10,186,736

Exhibit H-5

Fayette County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds (Exhibit H-4)		$ 3,761,945
(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	$ 1,725,838	
Less: current-year depreciation expense	(1,845,509)	(119,671)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(37,426)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	$ 679,142	
Less: deferred delinquent property taxes and other deferred June 30, 2021	(1,297,349)	(618,207)
(4) The contributions of long-term debt (e.g., notes) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on note to primary government		70,000
(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	$ (450,482)	
Change in deferred outflows related to OPEB	301,826	
Change in deferred inflows related to OPEB	51,681	
Change in net pension asset - agent plan	2,391,763	
Change in net pension asset - teacher retirement plan	140,322	
Change in net pension asset - teacher legacy pension plan	9,666,420	
Change in deferred outflows related to pensions	3,468,865	
Change in deferred inflows related to pensions	(12,294,109)	3,276,286
Change in net position of governmental activities (Exhibit B)		$ 6,332,927

Exhibit H-6

Fayette County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Fayette County School Department
June 30, 2022

	Special Revenue Funds		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 261,024	$ 261,024
Equity in Pooled Cash and Investments	846,913	0	846,913
Due from Other Governments	102,487	0	102,487
Total Assets	$ 949,400	$ 261,024	$ 1,210,424
LIABILITIES			
Accounts Payable	$ 0	$ 400	$ 400
Accrued Payroll	34,517	0	34,517
Payroll Deductions Payable	6,279	0	6,279
Total Liabilities	$ 40,796	$ 400	$ 41,196
FUND BALANCES			
Restricted:			
Restricted for Education	$ 0	$ 260,624	$ 260,624
Restricted for Operation of Non-instructional Services	908,604	0	908,604
Total Fund Balances	$ 908,604	$ 260,624	$ 1,169,228
Total Liabilities and Fund Balances	$ 949,400	$ 261,024	$ 1,210,424

Exhibit H-7

Fayette County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 13,085	$ 0	$ 13,085
Other Local Revenues	1,698	222,969	224,667
State of Tennessee	11,783	0	11,783
Federal Government	2,582,447	0	2,582,447
Total Revenues	$ 2,609,013	$ 222,969	$ 2,831,982
Expenditures			
Current:			
Operation of Non-Instructional Services	$ 2,103,090	$ 260,054	$ 2,363,144
Total Expenditures	$ 2,103,090	$ 260,054	$ 2,363,144
Excess (Deficiency) of Revenues Over Expenditures	$ 505,923	$ (37,085)	$ 468,838
Other Financing Sources (Uses)			
Transfers Out	$ (165,500)	$ 0	$ (165,500)
Total Other Financing Sources (Uses)	$ (165,500)	$ 0	$ (165,500)
Net Change in Fund Balances	$ 340,423	$ (37,085)	$ 303,338
Fund Balance, July 1, 2021	568,181	297,709	865,890
Fund Balance, June 30, 2022	$ 908,604	$ 260,624	$ 1,169,228

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Fayette County School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 11,474,211	$ 0	$ 0	$ 11,474,211	$ 10,043,206	$ 10,043,206	$ 1,431,005
Licenses and Permits	3,546	0	0	3,546	2,750	2,750	796
Charges for Current Services	4,050	0	0	4,050	0	4,050	0
Other Local Revenues	147,944	0	0	147,944	27,052	104,020	43,924
State of Tennessee	18,953,651	0	0	18,953,651	18,335,262	19,225,217	(271,566)
Federal Government	803,982	0	0	803,982	0	180,689	623,293
Total Revenues	$ 31,387,384	$ 0	$ 0	$ 31,387,384	$ 28,408,270	$ 29,559,932	$ 1,827,452
Expenditures							
Instruction							
Regular Instruction Program	$ 11,783,083	$ (49)	$ 39,454	$ 11,822,488	$ 12,131,168	$ 12,346,584	$ 524,096
Special Education Program	2,094,520	0	2,097	2,096,617	2,301,224	2,321,103	224,486
Career and Technical Education Program	634,827	0	10,651	645,478	725,563	740,202	94,724
Support Services							
Attendance	110,784	0	0	110,784	125,679	127,115	16,331
Health Services	394,787	(405)	769	395,151	400,846	413,986	18,835
Other Student Support	1,593,309	(3,156)	0	1,590,153	1,323,395	1,742,513	152,360
Regular Instruction Program	753,021	0	0	753,021	797,065	803,612	50,591
Special Education Program	487,375	0	0	487,375	266,559	518,670	31,295
Career and Technical Education Program	192,303	0	0	192,303	202,442	232,842	40,539
Technology	473,444	0	0	473,444	458,119	513,192	39,748
Other Programs	26,871	0	0	26,871	0	26,871	0
Board of Education	671,843	(10,131)	4,509	666,221	719,352	745,534	79,313
Director of Schools	426,552	(1,376)	996	426,172	548,203	458,304	32,132
Office of the Principal	1,679,362	0	0	1,679,362	1,680,769	1,762,583	83,221
Fiscal Services	286,755	(44)	0	286,711	322,360	320,360	33,649
Human Services/Personnel	182,080	0	0	182,080	200,896	190,528	8,448
Operation of Plant	1,968,672	(750)	0	1,967,922	1,764,302	2,023,779	55,857
Maintenance of Plant	550,688	(8,494)	0	542,194	688,943	703,149	160,955

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Transportation	$ 2,465,401	$ (186,452)	$ 0	$ 2,278,949	$ 2,406,523	$ 2,469,568	$ 190,619
Operation of Non-Instructional Services							
Food Service	6,796	0	0	6,796	0	17,000	10,204
Community Services	443,423	(816)	0	442,607	414,019	579,870	137,263
Early Childhood Education	1,067,699	(14,209)	18,497	1,071,987	1,008,873	1,087,240	15,253
Capital Outlay							
Regular Capital Outlay	36,389	(9,829)	0	26,560	0	27,000	440
Principal on Debt							
Education	0	0	0	0	320,000	0	0
Interest on Debt							
Education	0	0	0	0	67,261	0	0
Other Debt Service							
Education	387,261	0	0	387,261	0	387,261	0
Total Expenditures	$ 28,717,245	$ (235,711)	$ 76,973	$ 28,558,507	$ 28,873,561	$ 30,558,866	$ 2,000,359
Excess (Deficiency) of Revenues Over Expenditures	$ 2,670,139	$ 235,711	$ (76,973)	$ 2,828,877	$ (465,291)	$ (998,934)	$ 3,827,811
Other Financing Sources (Uses)							
Insurance Recovery	$ 49,069	$ 0	$ 0	$ 49,069	$ 0	$ 49,070	$ (1)
Transfers In	564,564	0	0	564,564	236,466	603,466	(38,902)
Transfers Out	(568,071)	0	0	(568,071)	0	(583,310)	15,239
Total Other Financing Sources	$ 45,562	$ 0	$ 0	$ 45,562	$ 236,466	$ 69,226	$ (23,664)
Net Change in Fund Balance	$ 2,715,701	$ 235,711	$ (76,973)	$ 2,874,439	$ (228,825)	$ (929,708)	$ 3,804,147
Fund Balance, July 1, 2021	5,486,587	(235,711)	0	5,250,876	4,290,750	4,290,750	960,126
Fund Balance, June 30, 2022	$ 8,202,288	$ 0	$ (76,973)	$ 8,125,315	$ 4,061,925	$ 3,361,042	$ 4,764,273

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Fayette County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 8,890,174	$ 0	$ 0	$ 8,890,174	$ 6,578,822	$ 16,939,528	$ (8,049,354)
Total Revenues	$ 8,890,174	$ 0	$ 0	$ 8,890,174	$ 6,578,822	$ 16,939,528	$ (8,049,354)
Expenditures							
Instruction							
Regular Instruction Program	$ 2,646,501	$ (249,992)	$ 12,475	$ 2,408,984	$ 1,554,022	$ 5,052,532	$ 2,643,548
Special Education Program	846,150	(419)	6,096	851,827	561,305	1,487,422	635,595
Career and Technical Education Program	171,061	(4,385)	3,699	170,375	47,293	433,108	262,733
Support Services							
Attendance	1,091	0	0	1,091	0	1,091	0
Health Services	143,037	0	6,040	149,077	62,650	603,873	454,796
Other Student Support	448,594	(15,143)	0	433,451	486,876	648,882	215,431
Regular Instruction Program	1,516,672	0	1,699	1,518,371	1,165,605	3,054,868	1,536,497
Special Education Program	386,499	(1,753)	0	384,746	245,100	517,546	132,800
Career and Technical Education Program	10,824	0	0	10,824	9,470	13,205	2,381
Technology	45,593	0	45,976	91,569	228,000	506,900	415,331
Director of Schools	1,748	0	0	1,748	0	3,668	1,920
Office of the Principal	53,994	0	0	53,994	0	140,978	86,984
Fiscal Services	2,097	0	0	2,097	0	3,668	1,571
Human Services/Personnel	1,441	0	0	1,441	0	1,485	44
Operation of Plant	93,246	(918)	3,122	95,450	80,059	262,936	167,486
Maintenance of Plant	29,224	0	213,754	242,978	0	245,868	2,890
Transportation	1,038,111	(283,000)	52,502	807,613	196,476	1,115,706	308,093
Operation of Non-Instructional Services							
Food Service	41,168	0	3,809	44,977	0	98,414	53,437
Community Services	0	0	0	0	0	699	699
Early Childhood Education	16,331	0	0	16,331	0	17,054	723
Capital Outlay							
Regular Capital Outlay	822,893	0	327,063	1,149,956	1,872,000	2,252,000	1,102,044
Total Expenditures	$ 8,316,275	$ (555,610)	$ 676,235	$ 8,436,900	$ 6,508,856	$ 16,461,903	$ 8,025,003

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ 573,899	$ 555,610	$ (676,235)	$ 453,274	$ 69,966	$ 477,625	$ (24,351)
Other Financing Sources (Uses)							
Transfers In	$ 568,071	$ 0	$ 0	$ 568,071	$ 0	$ 500,000	$ 68,071
Transfers Out	(399,064)	0	0	(399,064)	(70,966)	(978,625)	579,561
Total Other Financing Sources	$ 169,007	$ 0	$ 0	$ 169,007	$ (70,966)	$ (478,625)	$ 647,632
Net Change in Fund Balance	$ 742,906	$ 555,610	$ (676,235)	$ 622,281	$ (1,000)	$ (1,000)	$ 623,281
Fund Balance, July 1, 2021	72,314	(555,610)	0	(483,296)	156,055	156,055	(639,351)
Fund Balance, June 30, 2022	$ 815,220	$ 0	$ (676,235)	$ 138,985	$ 155,055	$ 155,055	$ (16,070)

Exhibit H-10

Fayette County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Fayette County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 13,085	$ 177,089	$ 177,089	$ (164,004)
Other Local Revenues	1,698	14,504	14,504	(12,806)
State of Tennessee	11,783	18,798	18,798	(7,015)
Federal Government	2,582,447	2,413,609	2,413,609	168,838
Total Revenues	$ 2,609,013	$ 2,624,000	$ 2,624,000	$ (14,987)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 2,103,090	$ 2,458,500	$ 2,458,500	$ 355,410
Total Expenditures	$ 2,103,090	$ 2,458,500	$ 2,458,500	$ 355,410
Excess (Deficiency) of Revenues Over Expenditures	$ 505,923	$ 165,500	$ 165,500	$ 340,423
Other Financing Sources (Uses)				
Transfers Out	$ (165,500)	$ (165,500)	$ (165,500)	$ 0
Total Other Financing Sources	$ (165,500)	$ (165,500)	$ (165,500)	$ 0
Net Change in Fund Balance	$ 340,423	$ 0	$ 0	$ 340,423
Fund Balance, July 1, 2021	568,181	1,069,339	1,069,339	(501,158)
Fund Balance, June 30, 2022	$ 908,604	$ 1,069,339	$ 1,069,339	$ (160,735)

Miscellaneous Schedules

Exhibit I-1

Fayette County, Tennessee
Schedule of Changes in Long-term Note and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
NOTE PAYABLE							
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund							
School Buses	$ 495,000	2.49	% 11-18-13	12-1-21	$ 70,000	$ 70,000	$ 0
Total Note Payable					$ 70,000	$ 70,000	$ 0
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding Bonds, Series 2021A	9,295,000	2	4-9-21	3-1-30	$ 9,295,000	$ 1,015,000	$ 8,280,000
General Obligation Refunding Bonds, Series 2021B	7,265,000	1 to 3	4-30-21	3-1-36	7,265,000	490,000	6,775,000
General Obligation Refunding Bonds, Series 2021C	7,950,000	1.5 to 3	5-28-21	3-1-36	7,950,000	695,000	7,255,000
Total Bonds Payable					$ 24,510,000	$ 2,200,000	$ 22,310,000

Exhibit I-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	$ 2,230,000	$ 492,695	$ 2,722,695
2024	2,220,000	436,145	2,656,145
2025	2,205,000	379,895	2,584,895
2026	2,205,000	324,095	2,529,095
2027	2,195,000	268,295	2,463,295
2028	2,185,000	212,795	2,397,795
2029	2,185,000	157,595	2,342,595
2030	1,900,000	112,095	2,012,095
2031	865,000	78,460	943,460
2032	860,000	65,040	925,040
2033	815,000	51,200	866,200
2034	815,000	38,618	853,618
2035	815,000	26,392	841,392
2036	815,000	13,520	828,520
Total	$ 22,310,000	$ 2,656,840	$ 24,966,840

Exhibit I-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Debt retirement	$ 47,053
"	General Capital Projects	Capital outlay	4,609,802
Adequate Facilities/Development Tax	General	Equipment	80,000
"	Highway/Public Works	Road paving	240,000
"	General Debt Service	Debt retirement	480,000
Other Capital Projects ARPA	General	American Rescue Plan Act funds	3,994,802
Total Transfers Primary Government			$ 9,451,657
DISCRETELY PRESENTED FAYETTE COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Cash flow funds	$ 500,000
"	"	CCEIS funds	68,071
School Federal Projects	General Purpose School	Indirect costs	399,064
Central Cafeteria	"	"	165,500
Total Transfers Discretely Presented Fayette County School Department			$ 1,132,635

Exhibit I-4

Fayette County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 102,566		$ 100,000	Western Surety Company
Public Works Superintendent	Chapter 234, Private Acts of 1974 and Section 8-24-102, *TCA*	94,656		100,000	"
Director of Schools	State Board of Education and County Board of Education	156,000	(1)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, *TCA*	85,781		1,212,380	Western Surety Company
Assessor of Property	Section 8-24-102, *TCA*	85,781		50,000	"
County Clerk	Section 8-24-102, *TCA*	85,781		100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	85,781		100,000	"
Clerk and Master	Section 8-24-102, *TCA,* and Chancery Court Judge	85,781	(2)	200,000	"
Register of Deeds	Section 8-24-102, *TCA*	85,781		100,000	RLI Insurance Company
Sheriff	Section 8-24-102, *TCA*	97,682	(3)	100,000	Western Surety Company
Employees Blanket Bond:					
Office:					
County Mayor:					
All Employees				400,000	Local Government Property and Casualty
Public Works Superintendent:					
All Employees				400,000	"
Director of Schools:					
All Employees				400,000	Tennessee Risk Management Trust

(1) Includes career ladder of $1,000.
(2) Does not include special commissioner fees of $7,570.
(3) Does not include a law enforcement training supplement of $800. Includes $3,323 for supervising an inmate repair shop.

Exhibit I-5

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees
Local Taxes					
County Property Taxes					
Current Property Tax	$ 12,405,414	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	116,315	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	93,393	0	0	0	0
Interest and Penalty	33,009	0	0	0	0
Pickup Taxes	25,417	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	38,239	0	0	0	0
Payments in-Lieu-of Taxes - Other	119,296	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	1,020,783	0	0	0	0
Hotel/Motel Tax	7,861	0	0	0	0
Wheel Tax	215,978	0	0	0	0
Litigation Tax - General	102,907	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	93,982	0	0	0	0
Business Tax	493,478	0	0	0	0
Mixed Drink Tax	116	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	928,587	0
Statutory Local Taxes					
Bank Excise Tax	300,816	0	0	0	0
Wholesale Beer Tax	2,219	55,702	0	0	0
Total Local Taxes	$ 15,069,223	$ 55,702	$ 0	$ 928,587	$ 0
Licenses and Permits					
Licenses					
Animal Registration	$ 28,962	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	0	185,843	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees
Licenses and Permits (Cont.)					
Permits					
Beer Permits	$ 570	$ 0	$ 0	$ 0	$ 0
Building Permits	191,992	0	0	0	0
Total Licenses and Permits	$ 221,524	$ 185,843	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 7,783	$ 0	$ 0	$ 0	$ 0
Officers Costs	18,297	0	0	0	0
Drug Control Fines	13,026	0	13,005	0	0
Drug Court Fees	2,184	0	0	0	0
Jail Fees	168	0	0	0	0
DUI Treatment Fines	511	0	0	0	0
Data Entry Fee - Circuit Court	2,431	0	0	0	0
Courtroom Security Fee	55	0	0	0	0
Victims Assistance Assessments	4,169	0	0	0	0
General Sessions Court					
Fines	13,915	0	0	0	0
Officers Costs	38,614	0	0	0	0
Game and Fish Fines	304	0	0	0	0
Drug Control Fines	4,007	0	4,189	0	0
Drug Court Fees	3,708	0	0	0	0
Jail Fees	2,265	0	0	0	0
Judicial Commissioner Fees	80,131	0	0	0	0
DUI Treatment Fines	6,521	0	0	0	0
Data Entry Fee - General Sessions Court	13,952	0	0	0	0

(Continued)

Exhibit I-5

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court (Cont.)					
Courtroom Security Fee	$ 2,280	$ 0	$ 0	$ 0	$ 0
Victims Assistance Assessments	6,858	0	0	0	0
Juvenile Court					
Fines	190	0	0	0	0
Officers Costs	1,141	0	0	0	0
Chancery Court					
Officers Costs	2,892	0	0	0	0
Data Entry Fee - Chancery Court	4,258	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	92,453	0	0
Other Fines, Forfeitures, and Penalties	44,888	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 274,548	$ 0	$ 109,647	$ 0	$ 0
Charges for Current Services					
General Service Charges					
Other Employee Benefit Charges/Contributions	$ 157,700	$ 0	$ 0	$ 0	$ 0
Residential Waste Collection Charge	9,800	0	0	0	0
Solid Waste Disposal Fee	0	730,851	0	0	0
Surcharge - Waste Tire Disposal	0	21,490	0	0	0
Patient Charges	2,113,727	0	0	0	0
Fees					
Airport Fees	111,399	0	0	0	0
Copy Fees	58	0	0	0	0
Library Fees	9,868	0	0	0	0
Archives and Records Management Fee	18,840	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees
Charges for Current Services (Cont.)					
Fees (Cont.)					
Greenbelt Late Application Fee	$ 150	$ 0	$ 0	$ 0	$ 0
Telephone Commissions	59,440	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	7,570
Data Processing Fee - Register	22,304	0	0	0	0
Data Processing Fee - Sheriff	2,299	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,500	0	0	0	0
Data Processing Fee - County Clerk	6,255	0	0	0	0
Vehicle Registration Reinstatement Fees	3,485	0	0	0	0
Education Charges					
Other Charges for Services	20	0	0	0	0
Total Charges for Current Services	$ 2,522,845	$ 752,341	$ 0	$ 0	$ 7,570
Other Local Revenues					
Recurring Items					
Investment Income	$ 2,156	$ 101,943	$ 0	$ 0	$ 0
Lease/Rentals	31,152	5,388	0	0	0
Sale of Materials and Supplies	1,077	0	0	0	0
Commissary Sales	6,107	0	0	0	0
Sale of Gasoline	277,761	0	0	0	0
Sale of Recycled Materials	0	250,500	0	0	0
Cobra Insurance Payments	12,030	0	0	0	0
Miscellaneous Refunds	37,494	5,828	0	0	0
Nonrecurring Items					
Sale of Equipment	56,928	0	0	0	0
Damages Recovered from Individuals	65,000	0	0	0	0
Contributions and Gifts	0	0	0	0	0

(Continued)

Exhibit I-5

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees
Other Local Revenues (Cont.)					
Other Local Revenues					
Other Local Revenues	$ 348	$ 0	$ 0	$ 0	$ 0
Total Other Local Revenues	$ 490,053	$ 363,659	$ 0	$ 0	$ 0
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	$ 523,601	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	91,191	0	0	0	0
General Sessions Court Clerk	228,043	0	0	0	0
Clerk and Master	144,656	0	0	0	0
Juvenile Court Clerk	17,372	0	0	0	0
Register	392,720	0	0	0	0
Sheriff	21,797	0	0	0	0
Trustee	713,164	0	0	0	0
Total Fees Received From County Officials	$ 2,132,544	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Airport Maintenance Program	$ 15,000	$ 0	$ 0	$ 0	$ 0
Public Safety Grants					
Law Enforcement Training Programs	37,600	0	0	0	0
Other Public Safety Grants	45,800	0	0	0	0
Health and Welfare Grants					
Health Department Programs	43,861	0	0	0	0
Public Works Grants					
Litter Program	42,090	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees
State of Tennessee (Cont.)					
Other State Revenues					
Income Tax	$ 0	$ 11,065	$ 0	$ 0	$ 0
Beer Tax	19,194	0	0	0	0
Alcoholic Beverage Tax	129,755	0	0	0	0
State Revenue Sharing - T.V.A.	962,483	0	0	0	0
State Revenue Sharing - Telecommunications	1,199	0	0	0	0
State Shared Sports Gaming Privilege Tax	23,564	0	0	0	0
Prisoner Transportation	2,901	0	0	0	0
Contracted Prisoner Boarding	150,852	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	43,070	0	0	0	0
Other State Revenues	46,067	0	0	0	0
Total State of Tennessee	$ 1,578,600	$ 11,065	$ 0	$ 0	$ 0
Federal Government					
Federal Through State					
Community Development	$ 0	$ 0	$ 0	$ 0	$ 0
Civil Defense Reimbursement	52,325	0	0	0	0
Law Enforcement Grants	76,734	0	0	0	0
Other Federal through State	24,064	0	0	0	0
Direct Federal Revenue					
Asset Forfeiture Funds	0	0	87,578	0	0
Other Direct Federal Revenue	41,708	0	0	0	0
Total Federal Government	$ 194,831	$ 0	$ 87,578	$ 0	$ 0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Adequate Facilities/ Development Tax	Special Revenue Funds: Constitu - tional Officers - Fees
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 41,460	$ 0	$ 0	$ 0	$ 0
Contributions	27,349	0	0	0	0
Contracted Services	21,247	0	0	0	0
Citizens Groups					
Donations	23,948	0	0	0	0
Total Other Governments and Citizens Groups	$ 114,004	$ 0	$ 0	$ 0	$ 0
Total	$ 22,598,172	$ 1,368,610	$ 197,225	$ 928,587	$ 7,570

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 1,188,669	$ 0	$ 0	$ 0	$ 13,594,083
Trustee's Collections - Prior Year	6,106	0	0	0	122,421
Circuit Clerk/Clerk and Master Collections - Prior Years	5,425	0	0	0	98,818
Interest and Penalty	2,485	0	0	0	35,494
Pickup Taxes	1,901	0	0	0	27,318
Payments in-Lieu-of Taxes - Local Utilities	3,664	0	0	0	41,903
Payments in-Lieu-of Taxes - Other	11,431	0	0	0	130,727
County Local Option Taxes					
Local Option Sales Tax	3,240	137,497	0	0	1,161,520
Hotel/Motel Tax	0	0	0	0	7,861
Wheel Tax	863,912	2,160,103	0	0	3,239,993
Litigation Tax - General	0	0	0	0	102,907
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	93,982
Business Tax	0	0	0	0	493,478
Mixed Drink Tax	0	0	0	0	116
Adequate Facilities/Development Tax	0	0	0	0	928,587
Statutory Local Taxes					
Bank Excise Tax	0	0	0	0	300,816
Wholesale Beer Tax	0	0	0	0	57,921
Total Local Taxes	$ 2,086,833	$ 2,297,600	$ 0	$ 0	$ 20,437,945
Licenses and Permits					
Licenses					
Animal Registration	$ 0	$ 0	$ 0	$ 0	$ 28,962
Cable TV Franchise	0	0	0	0	185,843

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Licenses and Permits (Cont.)					
Permits					
Beer Permits	$ 0	$ 0	$ 0	$ 0	$ 570
Building Permits	0	0	0	0	191,992
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 407,367
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 7,783
Officers Costs	0	0	0	0	18,297
Drug Control Fines	0	0	0	0	26,031
Drug Court Fees	0	0	0	0	2,184
Jail Fees	0	0	0	0	168
DUI Treatment Fines	0	0	0	0	511
Data Entry Fee - Circuit Court	0	0	0	0	2,431
Courtroom Security Fee	0	0	0	0	55
Victims Assistance Assessments	0	0	0	0	4,169
General Sessions Court					
Fines	0	0	0	0	13,915
Officers Costs	0	0	0	0	38,614
Game and Fish Fines	0	0	0	0	304
Drug Control Fines	0	0	0	0	8,196
Drug Court Fees	0	0	0	0	3,708
Jail Fees	0	0	0	0	2,265
Judicial Commissioner Fees	0	0	0	0	80,131
DUI Treatment Fines	0	0	0	0	6,521
Data Entry Fee - General Sessions Court	0	0	0	0	13,952

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court (Cont.)					
Courtroom Security Fee	$ 0	$ 0	$ 0	$ 0	$ 2,280
Victims Assistance Assessments	0	0	0	0	6,858
Juvenile Court					
Fines	0	0	0	0	190
Officers Costs	0	0	0	0	1,141
Chancery Court					
Officers Costs	0	0	0	0	2,892
Data Entry Fee - Chancery Court	0	0	0	0	4,258
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	92,453
Other Fines, Forfeitures, and Penalties	0	0	0	0	44,888
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 384,195
Charges for Current Services					
General Service Charges					
Other Employee Benefit Charges/Contributions	$ 0	$ 0	$ 0	$ 0	$ 157,700
Residential Waste Collection Charge	0	0	0	0	9,800
Solid Waste Disposal Fee	0	0	0	0	730,851
Surcharge - Waste Tire Disposal	0	0	0	0	21,490
Patient Charges	0	0	0	0	2,113,727
Fees					
Airport Fees	0	0	0	0	111,399
Copy Fees	0	0	0	0	58
Library Fees	0	0	0	0	9,868
Archives and Records Management Fee	0	0	0	0	18,840

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Charges for Current Services (Cont.)					
Fees (Cont.)					
Greenbelt Late Application Fee	$ 0	$ 0	$ 0	$ 0	$ 150
Telephone Commissions	0	0	0	0	59,440
Constitutional Officers' Fees and Commissions	0	0	0	0	7,570
Data Processing Fee - Register	0	0	0	0	22,304
Data Processing Fee - Sheriff	0	0	0	0	2,299
Sexual Offender Registration Fee - Sheriff	0	0	0	0	7,500
Data Processing Fee - County Clerk	0	0	0	0	6,255
Vehicle Registration Reinstatement Fees	0	0	0	0	3,485
Education Charges					
Other Charges for Services	0	0	0	0	20
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 3,282,756
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 104,099
Lease/Rentals	0	0	0	0	36,540
Sale of Materials and Supplies	0	0	0	0	1,077
Commissary Sales	0	0	0	0	6,107
Sale of Gasoline	0	0	0	0	277,761
Sale of Recycled Materials	0	0	0	0	250,500
Cobra Insurance Payments	0	0	0	0	12,030
Miscellaneous Refunds	16,508	0	0	0	59,830
Nonrecurring Items					
Sale of Equipment	129,700	0	0	0	186,628
Damages Recovered from Individuals	0	0	0	0	65,000
Contributions and Gifts	30,268	0	0	0	30,268

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Other Local Revenues (Cont.)					
Other Local Revenues					
Other Local Revenues	$ 0	$ 0	$ 0	$ 0	$ 348
Total Other Local Revenues	$ 176,476	$ 0	$ 0	$ 0	$ 1,030,188
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 523,601
Circuit Court Clerk	0	0	0	0	91,191
General Sessions Court Clerk	0	0	0	0	228,043
Clerk and Master	0	0	0	0	144,656
Juvenile Court Clerk	0	0	0	0	17,372
Register	0	0	0	0	392,720
Sheriff	0	0	0	0	21,797
Trustee	0	0	0	0	713,164
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 0	$ 2,132,544
State of Tennessee					
General Government Grants					
Airport Maintenance Program	$ 0	$ 0	$ 11,500	$ 0	$ 26,500
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	37,600
Other Public Safety Grants	0	0	0	0	45,800
Health and Welfare Grants					
Health Department Programs	0	0	0	0	43,861
Public Works Grants					
Litter Program	0	0	0	0	42,090

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
State of Tennessee (Cont.)					
Other State Revenues					
Income Tax	$ 0	$ 0	$ 0	$ 0	$ 11,065
Beer Tax	0	0	0	0	19,194
Alcoholic Beverage Tax	0	0	0	0	129,755
State Revenue Sharing - T.V.A.	0	0	0	0	962,483
State Revenue Sharing - Telecommunications	0	0	0	0	1,199
State Shared Sports Gaming Privilege Tax	0	0	0	0	23,564
Prisoner Transportation	0	0	0	0	2,901
Contracted Prisoner Boarding	0	0	0	0	150,852
Gasoline and Motor Fuel Tax	3,083,869	0	0	0	3,083,869
Petroleum Special Tax	25,495	0	0	0	25,495
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	3,000,000	3,400,000	6,443,070
Other State Revenues	0	0	438,228	0	484,295
Total State of Tennessee	$ 3,109,364	$ 0	$ 3,449,728	$ 3,400,000	$ 11,548,757
Federal Government					
Federal Through State					
Community Development	$ 0	$ 0	$ 306,990	$ 0	$ 306,990
Civil Defense Reimbursement	0	0	0	0	52,325
Law Enforcement Grants	0	0	0	0	76,734
Other Federal through State	0	0	0	0	24,064
Direct Federal Revenue					
Asset Forfeiture Funds	0	0	0	0	87,578
Other Direct Federal Revenue	0	0	0	0	41,708
Total Federal Government	$ 0	$ 0	$ 306,990	$ 0	$ 589,399

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 0	$ 0	$ 0	$ 0	$ 41,460
Contributions	0	387,261	0	0	414,610
Contracted Services	0	0	0	0	21,247
Citizens Groups					
Donations	0	0	0	0	23,948
Total Other Governments and Citizens Groups	$ 0	$ 387,261	$ 0	$ 0	$ 501,265
Total	$ 5,372,673	$ 2,684,861	$ 3,756,718	$ 3,400,000	$ 40,314,416

Exhibit I-6

Fayette County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 4,319,191	$ 0	$ 0	$ 0	$ 4,319,191
Trustee's Collections - Prior Year	57,676	0	0	0	57,676
Circuit Clerk/Clerk and Master Collections - Prior Years	47,752	0	0	0	47,752
Interest and Penalty	13,805	0	0	0	13,805
Pickup Taxes	7,890	0	0	0	7,890
Payments in-Lieu-of Taxes - Local Utilities	13,313	0	0	0	13,313
Payments in-Lieu-of Taxes - Other	41,535	0	0	0	41,535
County Local Option Taxes					
Local Option Sales Tax	6,954,398	0	0	0	6,954,398
Mixed Drink Tax	18,651	0	0	0	18,651
Total Local Taxes	$ 11,474,211	$ 0	$ 0	$ 0	$ 11,474,211
Licenses and Permits					
Licenses					
Marriage Licenses	$ 3,546	$ 0	$ 0	$ 0	$ 3,546
Total Licenses and Permits	$ 3,546	$ 0	$ 0	$ 0	$ 3,546
Charges for Current Services					
Education Charges					
Tuition - Other	$ 890	$ 0	$ 0	$ 0	$ 890
Lunch Payments - Adults	0	0	1,248	0	1,248
Income from Breakfast	0	0	11	0	11
Other Charges for Services	3,160	0	11,826	0	14,986
Total Charges for Current Services	$ 4,050	$ 0	$ 13,085	$ 0	$ 17,135

(Continued)

Exhibit I-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Other Local Revenues					
Recurring Items					
Investment Income	$ (19,524)	$ 0	$ 1,698	$ 0	$ (17,826)
Lease/Rentals	13,845	0	0	0	13,845
Miscellaneous Refunds	109,416	0	0	0	109,416
Nonrecurring Items					
Sale of Equipment	20,058	0	0	0	20,058
Contributions and Gifts	23,481	0	0	0	23,481
Other Local Revenues					
Other Local Revenues	668	0	0	222,969	223,637
Total Other Local Revenues	$ 147,944	$ 0	$ 1,698	$ 222,969	$ 372,611
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 26,871	$ 0	$ 0	$ 0	$ 26,871
State Education Funds					
Basic Education Program	17,318,490	0	0	0	17,318,490
Early Childhood Education	654,448	0	0	0	654,448
School Food Service	0	0	11,783	0	11,783
Other State Education Funds	905,941	0	0	0	905,941
Career Ladder Program	47,901	0	0	0	47,901
Total State of Tennessee	$ 18,953,651	$ 0	$ 11,783	$ 0	$ 18,965,434
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,666,468	$ 0	$ 1,666,468

(Continued)

Exhibit I-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
USDA - Commodities	$ 0	$ 0	$ 161,862	$ 0	$ 161,862
Breakfast	0	0	656,985	0	656,985
USDA - Other	0	0	97,132	0	97,132
Vocational Education - Basic Grants to States	0	90,305	0	0	90,305
Title I Grants to Local Education Agencies	0	1,571,203	0	0	1,571,203
Special Education - Grants to States	0	1,150,438	0	0	1,150,438
Special Education Preschool Grants	0	45,848	0	0	45,848
English Language Acquisition Grants	0	11,909	0	0	11,909
Rural Education	0	15,239	0	0	15,239
Education for Homeless Children and Youth	0	4,577	0	0	4,577
Eisenhower Professional Development State Grants	0	174,518	0	0	174,518
COVID-19 Grant #1	0	167,132	0	0	167,132
COVID-19 Grant B	0	1,352,547	0	0	1,352,547
COVID-19 Grant D	0	61,000	0	0	61,000
COVID-19 Grant E	0	2,269	0	0	2,269
American Rescue Plan Act Grant #1	0	3,669,907	0	0	3,669,907
American Rescue Plan Act Grant #2	0	55,686	0	0	55,686
Other Federal through State	803,982	517,596	0	0	1,321,578
Total Federal Government	$ 803,982	$ 8,890,174	$ 2,582,447	$ 0	$ 12,276,603
Total	$ 31,387,384	$ 8,890,174	$ 2,609,013	$ 222,969	$ 43,109,540

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

General Fund			
General Government			
County Commission			
Board and Committee Members Fees	$ 64,605		
Pensions	1,243		
Contracts with Private Agencies	1,438		
Legal Services	80,283		
Rentals	1,061		
Duplicating Supplies	2,787		
Office Supplies	1,960		
Total County Commission		$	153,377
County Mayor/Executive			
County Official/Administrative Officer	$ 102,566		
Legal Notices, Recording, and Court Costs	4,497		
Rentals	530		
Office Supplies	700		
Total County Mayor/Executive			108,293
Personnel Office			
Supervisor/Director	$ 46,706		
Deputy(ies)	33,255		
Part-time Personnel	37,915		
Contracts with Private Agencies	4,356		
Travel	414		
Total Personnel Office			122,646
County Attorney			
Other Salaries and Wages	$ 88,787		
Other Per Diem and Fees	1,224		
Legal Services	7,841		
Total County Attorney			97,852
Election Commission			
Assistant(s)	$ 39,460		
Supervisor/Director	77,284		
Deputy(ies)	54,714		
Part-time Personnel	6,574		
Election Commission	6,903		
Election Workers	28,272		
Communication	2,417		
Data Processing Services	18,927		
Janitorial Services	3,600		
Legal Notices, Recording, and Court Costs	6,061		
Maintenance and Repair Services - Buildings	2,935		
Postal Charges	21,508		
Printing, Stationery, and Forms	1,983		
Rentals	2,121		
Travel	181		
Office Supplies	13,193		

(Continued)

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

General Fund (Cont.)			
General Government (Cont.)			
Election Commission (Cont.)			
Other Supplies and Materials	$ 2,122		
Data Processing Equipment	18,659		
Office Equipment	3,271		
Total Election Commission		$	310,185
Register of Deeds			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	39,460		
Deputy(ies)	64,643		
Communication	1,060		
Data Processing Services	21,684		
Dues and Memberships	818		
Postal Charges	296		
Printing, Stationery, and Forms	94		
Rentals	745		
Travel	533		
Office Supplies	851		
Total Register of Deeds			215,965
Development			
Assistant(s)	$ 39,138		
Supervisor/Director	35,380		
Deputy(ies)	32,837		
Secretary(ies)	37,988		
Board and Committee Members Fees	3,397		
Communication	3,390		
Contracts with Private Agencies	42,829		
Data Processing Services	21,408		
Janitorial Services	900		
Legal Notices, Recording, and Court Costs	3,977		
Maintenance and Repair Services - Buildings	3,716		
Postal Charges	167		
Rentals	2,787		
Travel	1,454		
Office Supplies	3,621		
In Service/Staff Development	6,443		
Total Development			239,432
Building			
Assistant(s)	$ 32,592		
Supervisor/Director	50,040		
Deputy(ies)	37,037		
Dues and Memberships	240		
Maintenance and Repair Services - Vehicles	4,595		
Gasoline	6,140		
Other Supplies and Materials	949		
Total Building			131,593

(Continued)

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

General Fund (Cont.)			
General Government (Cont.)			
County Buildings			
Custodial Personnel	$ 32,893		
Temporary Personnel	4,303		
Communication	8,397		
Contracts with Government Agencies	18,000		
Contracts with Other Public Agencies	1,764		
Contracts with Private Agencies	4,800		
Maintenance and Repair Services - Buildings	50,487		
Maintenance and Repair Services - Vehicles	586		
Postal Charges	43,270		
Rentals	13,113		
Custodial Supplies	3,279		
Gasoline	2,243		
Uniforms	577		
Utilities	44,797		
Other Supplies and Materials	5		
Total County Buildings		$	228,514
Other Facilities			
Propane Gas	$ 2,753		
Total Other Facilities			2,753
Other General Administration			
Dues and Memberships	$ 71,618		
Total Other General Administration			71,618
Preservation of Records			
Postal Charges	$ 64		
Maintenance and Repair Services - Records	800		
Office Supplies	9,593		
Total Preservation of Records			10,457
Finance			
Accounting and Budgeting			
Supervisor/Director	$ 67,504		
Audit Services	17,216		
Communication	2,611		
Data Processing Services	18,376		
Dues and Memberships	117		
Legal Notices, Recording, and Court Costs	887		
Printing, Stationery, and Forms	209		
Rentals	551		
Travel	438		
Duplicating Supplies	94		
Office Supplies	2,293		
In Service/Staff Development	1,130		
Data Processing Equipment	1,014		
Total Accounting and Budgeting			112,440

(Continued)

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

General Fund (Cont.)			
Finance (Cont.)			
Property Assessor's Office			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	39,460		
Deputy(ies)	94,935		
Investigator(s)	54,140		
Board and Committee Members Fees	466		
Communication	3,519		
Consultants	17,300		
Data Processing Services	16,699		
Dues and Memberships	15		
Legal Notices, Recording, and Court Costs	161		
Maintenance Agreements	3,030		
Maintenance and Repair Services - Vehicles	257		
Postal Charges	1,363		
Printing, Stationery, and Forms	498		
Rentals	813		
Travel	286		
Gasoline	654		
Office Supplies	933		
Other Supplies and Materials	353		
Office Equipment	167		
Total Property Assessor's Office		$	320,830
Reappraisal Program			
Consultants	$ 19,980		
Data Processing Services	12,805		
Total Reappraisal Program			32,785
County Trustee's Office			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	39,460		
Supervisor/Director	39,460		
Deputy(ies)	35,123		
Part-time Personnel	16,937		
Communication	3,737		
Data Processing Services	15,588		
Dues and Memberships	933		
Legal Notices, Recording, and Court Costs	55		
Maintenance and Repair Services - Office Equipment	209		
Postal Charges	7,800		
Printing, Stationery, and Forms	7,211		
Rentals	1,086		
Travel	3,205		
Office Supplies	1,718		
Other Supplies and Materials	489		
In Service/Staff Development	1,060		
Data Processing Equipment	404		
Office Equipment	650		
Total County Trustee's Office			260,906

(Continued)

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

General Fund (Cont.)			
Finance (Cont.)			
County Clerk's Office			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	74,185		
Deputy(ies)	119,805		
Part-time Personnel	99		
Other Salaries and Wages	1,778		
Communication	7,025		
Data Processing Services	23,493		
Dues and Memberships	970		
Legal Notices, Recording, and Court Costs	1,447		
Printing, Stationery, and Forms	960		
Rentals	2,152		
Travel	2,606		
Office Supplies	15,608		
In Service/Staff Development	960		
Total County Clerk's Office		$	336,869
Administration of Justice			
Circuit Court			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	39,460		
Deputy(ies)	37,160		
Jury and Witness Expense	19,328		
Communication	2,870		
Data Processing Services	11,115		
Dues and Memberships	898		
Maintenance and Repair Services - Office Equipment	488		
Postal Charges	150		
Printing, Stationery, and Forms	1,141		
Travel	851		
Office Supplies	2,497		
Data Processing Equipment	1,267		
Total Circuit Court			203,006
General Sessions Court			
Assistant(s)	$ 39,461		
Deputy(ies)	155,466		
Data Processing Services	5,324		
Postal Charges	160		
Printing, Stationery, and Forms	2,831		
Rentals	1,013		
Office Supplies	2,643		
Total General Sessions Court			206,898
General Sessions Judge			
Judge(s)	$ 187,487		
Deputy(ies)	32,766		
In-service Training	155		

(Continued)

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

General Fund (Cont.)			
Administration of Justice (Cont.)			
General Sessions Judge (Cont.)			
Communication	$ 591		
Dues and Memberships	175		
Rentals	1,182		
Travel	740		
Office Supplies	360		
Other Supplies and Materials	324		
Total General Sessions Judge		$	223,780
General Sessions Court Clerk			
Assistant(s)	$ 36,338		
Deputy(ies)	24,857		
Part-time Personnel	6,070		
Data Processing Services	1,160		
Printing, Stationery, and Forms	50		
Rentals	1,517		
Office Supplies	815		
Total General Sessions Court Clerk			70,807
Drug Court			
Temporary Personnel	$ 20,397		
Longevity Pay	1,400		
Social Security	1,435		
Pensions	823		
Employee and Dependent Insurance	2,126		
Employer Medicare	336		
Workers' Compensation Insurance	186		
Total Drug Court			26,703
Chancery Court			
County Official/Administrative Officer	$ 85,781		
Assistant(s)	92,315		
Deputy(ies)	34,855		
Jury and Witness Expense	89		
Communication	1,112		
Data Processing Services	10,647		
Dues and Memberships	898		
Legal Notices, Recording, and Court Costs	3,505		
Maintenance and Repair Services - Office Equipment	1,236		
Postal Charges	160		
Printing, Stationery, and Forms	3,294		
Rentals	1,478		
Travel	131		
Data Processing Supplies	40		
Office Supplies	1,578		
Office Equipment	5,706		
Total Chancery Court			242,825

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court		
Youth Service Officer(s)	$ 49,736	
Communication	197	
Dues and Memberships	320	
Other Contracted Services	257	
Other Supplies and Materials	437	
In Service/Staff Development	150	
Total Juvenile Court		$ 51,097
Other Administration of Justice		
Other Contracted Services	$ 663	
Total Other Administration of Justice		663
Victim Assistance Programs		
Contracts with Private Agencies	$ 17,075	
Total Victim Assistance Programs		17,075
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 97,682	
Supervisor/Director	63,663	
Deputy(ies)	1,080,149	
Investigator(s)	264,496	
Captain(s)	120,103	
Lieutenant(s)	343,859	
Sergeant(s)	314,306	
Salary Supplements	34,400	
Secretary(ies)	27,043	
Part-time Personnel	62,758	
Overtime Pay	155,096	
Employee and Dependent Insurance	318,514	
Advertising	240	
Communication	80,784	
Contracts with Private Agencies	24,220	
Maintenance and Repair Services - Buildings	2,072	
Maintenance and Repair Services - Vehicles	115,423	
Medical and Dental Services	7,996	
Postal Charges	168	
Printing, Stationery, and Forms	1,895	
Rentals	8,712	
Travel	8,135	
Gasoline	341,154	
Office Supplies	11,821	
Uniforms	28,007	
Other Supplies and Materials	19,671	
Liability Insurance	122,589	
Workers' Compensation Insurance	183,011	
Liability Claims	500	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
In Service/Staff Development	$ 7,377	
Building Improvements	49,270	
Communication Equipment	3,316	
Law Enforcement Equipment	16,613	
Motor Vehicles	35,238	
Total Sheriff's Department		$ 3,950,281
Drug Enforcement		
Investigator(s)	$ 101,263	
Lieutenant(s)	56,991	
Salary Supplements	2,400	
Overtime Pay	50,898	
Social Security	17,121	
Pensions	6,972	
Employee and Dependent Insurance	7,048	
Employer Medicare	4,004	
Total Drug Enforcement		246,697
Jail		
Assistant(s)	$ 57,640	
Supervisor/Director	64,159	
Captain(s)	49,529	
Lieutenant(s)	71,327	
Sergeant(s)	52,206	
Data Processing Personnel	82,671	
Salary Supplements	800	
Dispatchers/Radio Operators	356,579	
Guards	399,111	
Secretary(ies)	125,067	
Maintenance Personnel	77,997	
Part-time Personnel	29,946	
Overtime Pay	450,293	
Employee and Dependent Insurance	203,814	
Advertising	414	
Contracts with Private Agencies	65,503	
Data Processing Services	40,000	
Maintenance and Repair Services - Buildings	420,749	
Maintenance and Repair Services - Vehicles	477	
Medical and Dental Services	639,912	
Postal Charges	806	
Travel	13,117	
Custodial Supplies	30,832	
Food Supplies	202,145	
Gasoline	1,544	
Office Supplies	789	
Prisoners Clothing	4,301	
Uniforms	6,050	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Utilities	$ 287,400	
Other Supplies and Materials	88	
Liability Insurance	70,277	
In Service/Staff Development	600	
Communication Equipment	76,734	
Law Enforcement Equipment	193,393	
Other Equipment	2,033	
Total Jail		$ 4,078,303
Fire Prevention and Control		
Assistant(s)	$ 45,701	
Supervisor/Director	63,467	
Deputy(ies)	40,904	
Salary Supplements	45,800	
Mechanic(s)	56,906	
Secretary(ies)	122	
Part-time Personnel	148,520	
Communication	12,430	
Contracts with Government Agencies	123,000	
Dues and Memberships	1,011	
Evaluation and Testing	120	
Forest Resource Services	2,000	
Lease Payments	10,200	
Maintenance and Repair Services - Buildings	17,511	
Maintenance and Repair Services - Equipment	12,282	
Maintenance and Repair Services - Vehicles	43,311	
Postal Charges	160	
Printing, Stationery, and Forms	602	
Rentals	3,270	
Travel	19,519	
Data Processing Supplies	14,810	
Diesel Fuel	19,847	
Gasoline	23,193	
Natural Gas	2,008	
Office Supplies	2,133	
Propane Gas	6,161	
Uniforms	6,828	
Utilities	24,117	
Other Supplies and Materials	144,239	
Building and Contents Insurance	17,417	
Liability Insurance	9,966	
Vehicle and Equipment Insurance	62,487	
Workers' Compensation Insurance	30,430	
In Service/Staff Development	10,162	
Other Charges	8,184	
Communication Equipment	9,757	
Motor Vehicles	70	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control (Cont.)		
Office Equipment	$ 902	
Other Equipment	57,431	
Total Fire Prevention and Control		$ 1,096,978
Civil Defense		
Assistant(s)	$ 36,579	
Supervisor/Director	63,467	
Deputy(ies)	45,701	
Part-time Personnel	6,891	
Communication	5,297	
Dues and Memberships	505	
Maintenance and Repair Services - Buildings	4,027	
Maintenance and Repair Services - Equipment	606	
Maintenance and Repair Services - Vehicles	3,166	
Postal Charges	345	
Printing, Stationery, and Forms	99	
Rentals	203	
Travel	542	
Food Supplies	78	
Gasoline	10,780	
Instructional Supplies and Materials	1,078	
Office Supplies	859	
Uniforms	500	
Utilities	7,829	
Other Supplies and Materials	19,203	
Liability Insurance	16,911	
Workers' Compensation Insurance	4,043	
Total Civil Defense		228,709
Rescue Squad		
Maintenance and Repair Services - Vehicles	$ 298	
Other Supplies and Materials	4,173	
Total Rescue Squad		4,471
Other Emergency Management		
Other Contracted Services	$ 5,256	
Other Supplies and Materials	1,777	
Total Other Emergency Management		7,033
County Coroner/Medical Examiner		
Contracts with Government Agencies	$ 49,920	
Medical and Dental Services	3,289	
Transportation - Other than Students	6,225	
Total County Coroner/Medical Examiner		59,434
Other Public Safety		
Mechanic(s)	$ 78,076	

(Continued)

Exhibit I-7

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

General Fund (Cont.)			
Public Safety (Cont.)			
Other Public Safety (Cont.)			
Overtime Pay	$ 114		
Employee and Dependent Insurance	17,738		
Equipment Parts - Light	22,428		
Utilities	2,572		
Total Other Public Safety		$	120,928
Public Health and Welfare			
Local Health Center			
Communication	$ 11,076		
Dues and Memberships	80		
Janitorial Services	12,000		
Maintenance and Repair Services - Buildings	14,881		
Postal Charges	160		
Office Supplies	705		
Utilities	14,254		
Total Local Health Center			53,156
Rabies and Animal Control			
Deputy(ies)	$ 33,987		
Investigator(s)	38,042		
Communication	1,064		
Contracts with Private Agencies	13,406		
Maintenance and Repair Services - Vehicles	286		
Animal Food and Supplies	311		
Gasoline	10,111		
Uniforms	779		
Utilities	2,258		
Other Supplies and Materials	560		
In Service/Staff Development	280		
Total Rabies and Animal Control			101,084
Ambulance/Emergency Medical Services			
Supervisor/Director	$ 88,224		
Lieutenant(s)	103,726		
Secretary(ies)	43,680		
Attendants	942,797		
Part-time Personnel	71,140		
Overtime Pay	693,459		
Social Security	116,256		
Pensions	62,979		
Employee and Dependent Insurance	179,800		
Employer Medicare	27,189		
Communication	12,728		
Contracts with Private Agencies	53,635		
Debt Collection Services	116,728		
Dues and Memberships	250		
Licenses	3,200		

(Continued)

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

General Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Maintenance and Repair Services - Buildings	$ 3,036		
Maintenance and Repair Services - Office Equipment	1,010		
Maintenance and Repair Services - Vehicles	121,345		
Printing, Stationery, and Forms	47		
Rentals	2,149		
Travel	1,039		
Custodial Supplies	2,126		
Diesel Fuel	81,368		
Drugs and Medical Supplies	122,181		
Gasoline	17,355		
Office Supplies	1,638		
Uniforms	3,428		
Utilities	8,577		
Other Supplies and Materials	4,879		
Liability Insurance	22,116		
Vehicle and Equipment Insurance	45,739		
Workers' Compensation Insurance	236,095		
Data Processing Equipment	1,797		
Total Ambulance/Emergency Medical Services		$	3,191,716
Dental Health Program			
Paraprofessionals	$ 31,888		
Social Security	2,033		
Pensions	1,080		
Employee and Dependent Insurance	7,048		
Employer Medicare	476		
Travel	730		
Workers' Compensation Insurance	1,524		
Total Dental Health Program			44,779
Alcohol and Drug Programs			
Contracts with Private Agencies	$ 7,200		
Total Alcohol and Drug Programs			7,200
Crippled Children Services			
Contracts with Government Agencies	$ 2,216		
Total Crippled Children Services			2,216
Appropriation to State			
Contracts with Government Agencies	$ 24,970		
Total Appropriation to State			24,970
Sanitation Education/Information			
Foremen	$ 39,489		
Social Security	2,340		
Pensions	1,331		
Employee and Dependent Insurance	7,048		

(Continued)

Exhibit I-7

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

General Fund (Cont.)			
Public Health and Welfare (Cont.)			
Sanitation Education/Information (Cont.)			
Employer Medicare	$ 547		
Maintenance and Repair Services - Vehicles	150		
Uniforms	100		
Other Supplies and Materials	1,942		
Workers' Compensation Insurance	2,030		
Other Charges	8,950		
Total Sanitation Education/Information		$	63,927
Social, Cultural, and Recreational Services			
Libraries			
Assistant(s)	$ 61,040		
Supervisor/Director	43,750		
Librarians	9,003		
Part-time Personnel	26,905		
Social Security	8,226		
Pensions	3,493		
Employee and Dependent Insurance	20,617		
Employer Medicare	1,924		
Communication	3,901		
Janitorial Services	7,800		
Maintenance and Repair Services - Buildings	8,467		
Maintenance and Repair Services - Office Equipment	1,175		
Travel	16		
Library Books/Media	18,824		
Office Supplies	1,057		
Utilities	8,122		
Other Supplies and Materials	856		
Other Charges	2,894		
Data Processing Equipment	1,954		
Office Equipment	26,650		
Total Libraries			256,674
Agriculture and Natural Resources			
Agricultural Extension Service			
Board and Committee Members Fees	$ 1,177		
Communication	3,719		
Contracts with Government Agencies	52,231		
Contributions	2,229		
Dues and Memberships	740		
Maintenance and Repair Services - Buildings	4,151		
Rentals	14,036		
Travel	3,935		
Utilities	5,379		
Office Equipment	980		
Total Agricultural Extension Service			88,577

(Continued)

Exhibit I-7

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

General Fund (Cont.)			
Agriculture and Natural Resources (Cont.)			
Soil Conservation			
Secretary(ies)	$ 38,265		
Educational Assistants	33,880		
Dues and Memberships	630		
Travel	9,395		
Office Supplies	2,447		
Total Soil Conservation		$	84,617
Other Operations			
Industrial Development			
Engineering Services	$ 23,400		
Utilities	20		
Total Industrial Development			23,420
Airport			
Supervisor/Director	$ 44,186		
Maintenance Personnel	37,365		
Part-time Personnel	30,972		
Communication	9,220		
Contracts with Private Agencies	30,834		
Dues and Memberships	250		
Janitorial Services	2,200		
Maintenance and Repair Services - Buildings	64,252		
Travel	1,250		
Diesel Fuel	3,374		
Gasoline	231,710		
Office Supplies	1,383		
Utilities	19,058		
Liability Insurance	10,210		
Workers' Compensation Insurance	6,526		
In Service/Staff Development	300		
Total Airport			493,090
Veterans' Services			
Supervisor/Director	$ 13,896		
Part-time Personnel	925		
Advertising	115		
Communication	1,585		
Maintenance and Repair Services - Buildings	2,000		
Travel	786		
Office Supplies	1,269		
Other Supplies and Materials	4,947		
Total Veterans' Services			25,523
Other Charges			
Boiler Insurance	$ 60		
Liability Insurance	99,743		
Premiums on Corporate Surety Bonds	32,323		

(Continued)

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

General Fund (Cont.)			
Other Operations (Cont.)			
Other Charges (Cont.)			
Trustee's Commission	$ 313,600		
Tax Relief Program	62,662		
Total Other Charges		$ 508,388	
Contributions to Other Agencies			
Contracts with Other Public Agencies	$ 2,575		
Contributions	48,424		
Total Contributions to Other Agencies		50,999	
Employee Benefits			
Longevity Pay	$ 157,000		
Social Security	470,789		
Pensions	254,995		
Employee and Dependent Insurance	452,137		
Unemployment Compensation	685		
Employer Medicare	110,694		
Medical and Dental Services	4,819		
Workers' Compensation Insurance	34,981		
Total Employee Benefits		1,486,100	
COVID-19 Grant #2			
Maintenance and Repair Services - Buildings	$ 4,530		
Total COVID-19 Grant #2		4,530	
COVID-19 Grant #4			
Maintenance and Repair Services - Buildings	$ 7,990		
Total COVID-19 Grant #4		7,990	
Miscellaneous			
Contracts with Government Agencies	$ 6,475		
Refunds	10,612		
Total Miscellaneous		17,087	
Total General Fund			$ 20,128,246
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Convenience Centers			
Contracts with Public Carriers	$ 549,845		
Total Convenience Centers		$ 549,845	
Landfill Operation and Maintenance			
Supervisor/Director	$ 58,771		
Accountants/Bookkeepers	41,000		
Equipment Operators - Heavy	216,644		
Temporary Personnel	25,609		
Longevity Pay	8,400		

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Landfill Operation and Maintenance (Cont.)			
Overtime Pay	$ 17,233		
Board and Committee Members Fees	318		
Social Security	22,117		
Pensions	12,087		
Employee and Dependent Insurance	47,671		
Employer Medicare	5,173		
Communication	3,329		
Consultants	100		
Contracts with Government Agencies	18,629		
Data Processing Services	9,416		
Evaluation and Testing	4,358		
Legal Notices, Recording, and Court Costs	3,190		
Licenses	5,350		
Maintenance and Repair Services - Buildings	1,731		
Maintenance and Repair Services - Equipment	9,592		
Medical and Dental Services	48		
Diesel Fuel	22,192		
Equipment and Machinery Parts	58,341		
Gasoline	12,070		
Office Supplies	2,375		
Tires and Tubes	2,653		
Utilities	11,083		
Other Supplies and Materials	4,874		
Liability Insurance	53,327		
Trustee's Commission	11,891		
Workers' Compensation Insurance	20,293		
In Service/Staff Development	796		
Other Charges	4,479		
Site Development	30,975		
Solid Waste Equipment	109,541		
Total Landfill Operation and Maintenance		$ 855,656	
Total Solid Waste/Sanitation Fund			$ 1,405,501
Drug Control Fund			
Public Safety			
Drug Enforcement			
Instructional Supplies and Materials	$ 6,372		
Law Enforcement Supplies	2,830		
Trustee's Commission	608		
Law Enforcement Equipment	23,058		
Motor Vehicles	38		
Other Equipment	3,608		
Total Drug Enforcement		$ 36,514	
Other Public Safety			
Law Enforcement Supplies	$ 17,246		
Total Other Public Safety		17,246	
Total Drug Control Fund			53,760

(Continued)

Exhibit I-7

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

Adequate Facilities/ Development Tax Fund			
Other Operations			
Other Charges			
Refunds	$ 1,737		
Trustee's Commission	9,286		
Total Other Charges		$ 11,023	
Total Adequate Facilities/ Development Tax Fund			$ 11,023
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Constitutional Officers' Operating Expenses	$ 7,570		
Total Chancery Court		$ 7,570	
Total Constitutional Officers - Fees Fund			7,570
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 94,656		
Accountants/Bookkeepers	89,468		
Board and Committee Members Fees	6,840		
In-service Training	4,174		
Data Processing Services	16,959		
Dues and Memberships	4,482		
Rentals	1,124		
Office Supplies	2,607		
Other Charges	12,831		
Total Administration		$ 233,141	
Highway and Bridge Maintenance			
Supervisor/Director	$ 193,680		
Foremen	196,579		
Equipment Operators	191,326		
Equipment Operators - Light	159,927		
Truck Drivers	419,031		
Laborers	284,144		
Longevity Pay	55,200		
Overtime Pay	70,467		
Freight Expenses	100,647		
Other Contracted Services	104,400		
Asphalt - Liquid	70,330		
Road Signs	12,389		
Small Tools	1,762		
Other Supplies and Materials	10,246		
Total Highway and Bridge Maintenance		1,870,128	
Operation and Maintenance of Equipment			
Mechanic(s)	$ 179,096		

(Continued)

Exhibit I-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Overtime Pay	$ 410		
Maintenance and Repair Services - Equipment	12,322		
Diesel Fuel	149,625		
Equipment and Machinery Parts	106,156		
Garage Supplies	5,587		
Gasoline	68,819		
Lubricants	16,247		
Small Tools	483		
Tires and Tubes	25,452		
Other Supplies and Materials	5,143		
Other Capital Outlay	10,147		
Total Operation and Maintenance of Equipment		$ 579,487	
Other Charges			
Communication	$ 5,969		
Utilities	21,121		
Liability Insurance	99,251		
Trustee's Commission	66,319		
Total Other Charges		192,660	
Employee Benefits			
Social Security	$ 145,538		
Pensions	65,544		
Employee and Dependent Insurance	320,486		
Unemployment Compensation	500		
Evaluation and Testing	12,511		
Workers' Compensation Insurance	146,156		
Total Employee Benefits		690,735	
Capital Outlay			
Bridge Construction	$ 198,915		
Highway Equipment	616,192		
State Aid Projects	28,019		
Other Construction	613,486		
Total Capital Outlay		1,456,612	
Total Highway/Public Works Fund			$ 5,022,763
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 877,500		
Total General Government		$ 877,500	
Education			
Principal on Bonds	$ 1,322,500		
Principal on Notes	70,000		
Total Education		1,392,500	

(Continued)

Exhibit I-7

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

General Debt Service Fund (Cont.)			
Interest on Debt			
General Government			
Interest on Bonds	$ 171,116		
Total General Government		$ 171,116	
Education			
Interest on Bonds	$ 282,169		
Interest on Notes	1,743		
Total Education		283,912	
Other Debt Service			
General Government			
Trustee's Commission	$ 31,709		
Other Debt Service	530		
Total General Government		32,239	
Education			
Other Debt Service	$ 970		
Total Education		970	
Total General Debt Service Fund			$ 2,758,237
General Capital Projects Fund			
General Government			
Development			
Office Equipment	$ 7,250		
Total Development		$ 7,250	
Other Facilities			
Maintenance and Repair Services - Buildings	$ 240,314		
Trustee's Commission	4,382		
Building Construction	4,700		
Total Other Facilities		249,396	
Public Safety			
Sheriff's Department			
Maintenance and Repair Services - Buildings	$ 22,838		
Data Processing Equipment	3,012		
Law Enforcement Equipment	76,040		
Motor Vehicles	260,888		
Total Sheriff's Department		362,778	
Fire Prevention and Control			
Other Supplies and Materials	$ 27,832		
Motor Vehicles	622,974		
Total Fire Prevention and Control		650,806	

(Continued)

Exhibit I-7

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

General Capital Projects Fund (Cont.)			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Other Supplies and Materials	$ 153,751		
Motor Vehicles	569,347		
Total Ambulance/Emergency Medical Services		$ 723,098	
Other Operations			
Airport			
Architects	$ 39,200		
Other Supplies and Materials	2,500		
Total Airport		41,700	
Total General Capital Projects Fund			$ 2,035,028
HUD Grant Projects Fund			
Other Operations			
Other Economic and Community Development			
Other Capital Outlay	$ 3,400,000		
Total Other Economic and Community Development		$ 3,400,000	
Total HUD Grant Projects Fund			3,400,000
Total Governmental Funds - Primary Government			$ 34,822,128

Fayette County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Fayette County School Department
For the Year Ended June 30, 2022

General Purpose School Fund			
Instruction			
Regular Instruction Program			
Teachers	$	8,324,907	
Career Ladder Program		24,341	
Homebound Teachers		1,704	
Educational Assistants		362,523	
Other Salaries and Wages		109,206	
Certified Substitute Teachers		57,744	
Non-certified Substitute Teachers		200,728	
Social Security		535,563	
Pensions		588,883	
Medical Insurance		957,624	
Employer Medicare		125,411	
Other Contracted Services		137,605	
Instructional Supplies and Materials		98,138	
Textbooks - Bound		256,503	
Other Supplies and Materials		2,203	
Total Regular Instruction Program			$ 11,783,083
Special Education Program			
Teachers	$	1,122,358	
Career Ladder Program		4,600	
Homebound Teachers		30,337	
Educational Assistants		182,564	
Speech Pathologist		113,227	
Other Salaries and Wages		11,485	
Certified Substitute Teachers		6,949	
Non-certified Substitute Teachers		28,370	
Social Security		86,540	
Pensions		111,774	
Medical Insurance		188,588	
Employer Medicare		20,248	
Other Fringe Benefits		69,365	
Contracts with Private Agencies		90,450	
Instructional Supplies and Materials		24,253	
Other Supplies and Materials		919	
Special Education Equipment		2,493	
Total Special Education Program			2,094,520
Career and Technical Education Program			
Teachers	$	414,526	
Career Ladder Program		600	
Other Salaries and Wages		10,372	
Non-certified Substitute Teachers		822	
Social Security		25,578	
Pensions		33,789	
Medical Insurance		32,039	
Employer Medicare		6,010	

(Continued)

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

General Purpose School Fund (Cont.)			
Instruction (Cont.)			
Career and Technical Education Program (Cont.)			
Travel	$ 119		
Other Contracted Services	108,344		
Instructional Supplies and Materials	2,628		
Total Career and Technical Education Program		$	634,827
Support Services			
Attendance			
Supervisor/Director	$ 60,606		
Career Ladder Program	1,000		
Clerical Personnel	5,385		
Social Security	3,973		
Pensions	6,537		
Medical Insurance	6,216		
Employer Medicare	929		
Travel	195		
Other Contracted Services	25,322		
Other Supplies and Materials	135		
In Service/Staff Development	486		
Total Attendance			110,784
Health Services			
Supervisor/Director	$ 51,000		
Medical Personnel	238,599		
Social Security	17,198		
Pensions	15,663		
Medical Insurance	33,272		
Employer Medicare	3,810		
Travel	1,268		
Other Contracted Services	4,536		
Drugs and Medical Supplies	1,919		
Other Supplies and Materials	24,961		
In Service/Staff Development	612		
Other Charges	965		
Health Equipment	984		
Total Health Services			394,787
Other Student Support			
Guidance Personnel	$ 407,934		
Guards	204,260		
Clerical Personnel	25,588		
Other Salaries and Wages	352,840		
Social Security	57,538		
Pensions	61,352		
Life Insurance	2,505		
Medical Insurance	74,286		
Employer Medicare	13,610		

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Other Student Support (Cont.)			
Contracts with Other School Systems	$ 29,070		
Evaluation and Testing	12,460		
Travel	17,473		
Other Contracted Services	71,747		
Instructional Supplies and Materials	4,100		
Other Supplies and Materials	66,011		
In Service/Staff Development	30,798		
Other Charges	60,649		
Other Equipment	101,088		
Total Other Student Support		$	1,593,309
Regular Instruction Program			
Supervisor/Director	$ 242,154		
Career Ladder Program	4,500		
Librarians	341,039		
Other Salaries and Wages	2,610		
Non-certified Substitute Teachers	428		
Social Security	35,488		
Pensions	56,160		
Medical Insurance	40,211		
Employer Medicare	8,299		
Travel	9,995		
Library Books/Media	7,000		
Periodicals	196		
Other Supplies and Materials	4,776		
In Service/Staff Development	165		
Total Regular Instruction Program			753,021
Special Education Program			
Supervisor/Director	$ 69,941		
Psychological Personnel	81,439		
Assessment Personnel	50,337		
Clerical Personnel	6,440		
Social Security	11,969		
Pensions	16,094		
Medical Insurance	29,403		
Employer Medicare	2,799		
Other Fringe Benefits	1,794		
Communication	25		
Travel	13,672		
Other Contracted Services	184,512		
Other Supplies and Materials	2,500		
In Service/Staff Development	9,240		
Other Charges	402		
Special Education Equipment	6,808		
Total Special Education Program			487,375

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Career and Technical Education Program			
Supervisor/Director	$ 70,549		
Secretary(ies)	18,695		
Other Salaries and Wages	66,247		
Social Security	9,353		
Pensions	14,018		
Medical Insurance	8,057		
Employer Medicare	2,187		
Other Contracted Services	2,460		
In Service/Staff Development	737		
Total Career and Technical Education Program		$	192,303
Technology			
Supervisor/Director	$ 116,075		
Social Security	7,030		
Pensions	9,279		
Medical Insurance	6,971		
Employer Medicare	1,644		
Communication	200,808		
Postal Charges	321		
Internet Connectivity	88,259		
Travel	46		
Other Contracted Services	7,011		
Software	18,680		
Other Supplies and Materials	5,760		
Other Equipment	11,560		
Total Technology			473,444
Other Programs			
On-behalf Payments to OPEB	$ 26,871		
Total Other Programs			26,871
Board of Education			
Longevity Pay	$ 27,600		
Other Salaries and Wages	3,675		
Board and Committee Members Fees	36,200		
Social Security	4,152		
Pensions	1,405		
Life Insurance	10,087		
Unemployment Compensation	132		
Employer Medicare	971		
Audit Services	66,000		
Dues and Memberships	12,182		
Legal Services	28,937		
Travel	4,020		
Other Contracted Services	3,500		
Other Supplies and Materials	1,916		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Liability Insurance	$ 71,827	
Trustee's Commission	218,298	
Workers' Compensation Insurance	134,373	
In Service/Staff Development	17,896	
Criminal Investigation of Applicants - TBI	31	
Other Charges	28,641	
Total Board of Education		$ 671,843
Director of Schools		
County Official/Administrative Officer	$ 155,000	
Secretary(ies)	88,503	
Clerical Personnel	49,166	
Other Salaries and Wages	3,895	
Social Security	17,550	
Pensions	29,922	
Medical Insurance	38,994	
Employer Medicare	4,394	
Other Fringe Benefits	1,387	
Dues and Memberships	13,532	
Travel	1,605	
Other Supplies and Materials	5,040	
In Service/Staff Development	5,824	
Other Charges	11,137	
Administration Equipment	603	
Total Director of Schools		426,552
Office of the Principal		
Principals	$ 560,068	
Career Ladder Program	500	
Assistant Principals	455,134	
Secretary(ies)	174,055	
Clerical Personnel	146,913	
Social Security	78,943	
Pensions	111,634	
Medical Insurance	123,350	
Employer Medicare	18,462	
Travel	2,687	
Other Contracted Services	7,000	
Other Supplies and Materials	616	
Total Office of the Principal		1,679,362
Fiscal Services		
Supervisor/Director	$ 69,243	
Other Salaries and Wages	134,382	
Social Security	11,256	
Pensions	7,717	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services (Cont.)		
Medical Insurance	$ 19,470	
Employer Medicare	2,632	
Travel	111	
Other Contracted Services	29,808	
Data Processing Supplies	1,326	
Office Supplies	7,506	
Other Charges	366	
Administration Equipment	2,938	
Total Fiscal Services		$ 286,755
Human Services/Personnel		
Supervisor/Director	$ 83,129	
Other Salaries and Wages	52,000	
Social Security	8,081	
Pensions	10,408	
Medical Insurance	13,404	
Employer Medicare	1,890	
Travel	1,709	
Other Contracted Services	4,939	
Office Supplies	2,386	
Other Supplies and Materials	2,743	
In Service/Staff Development	361	
Administration Equipment	1,030	
Total Human Services/Personnel		182,080
Operation of Plant		
Supervisor/Director	$ 137,039	
Custodial Personnel	455,787	
Other Salaries and Wages	46,920	
Social Security	38,696	
Pensions	21,467	
Medical Insurance	48,901	
Employer Medicare	9,050	
Travel	487	
Disposal Fees	26,786	
Other Contracted Services	85,450	
Custodial Supplies	45,448	
Electricity	675,030	
Natural Gas	83,788	
Water and Sewer	50,817	
Boiler Insurance	4,728	
Building and Contents Insurance	234,419	
Other Charges	3,644	
Plant Operation Equipment	215	
Total Operation of Plant		1,968,672

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Maintenance of Plant			
Supervisor/Director	$ 51,515		
Maintenance Personnel	133,721		
Other Salaries and Wages	120,866		
Social Security	17,843		
Pensions	9,789		
Medical Insurance	33,466		
Employer Medicare	4,173		
Maintenance and Repair Services - Buildings	5,312		
Maintenance and Repair Services - Equipment	12,741		
Other Contracted Services	63,205		
General Construction Materials	92,484		
In Service/Staff Development	869		
Other Charges	544		
Administration Equipment	4,160		
Total Maintenance of Plant		$	550,688
Transportation			
Supervisor/Director	$ 70,274		
Mechanic(s)	119,306		
Bus Drivers	842,015		
Clerical Personnel	35,166		
Other Salaries and Wages	310,300		
Social Security	82,440		
Pensions	37,878		
Medical Insurance	53,995		
Employer Medicare	19,665		
Other Fringe Benefits	9,896		
Contracts with Parents	11,557		
Maintenance and Repair Services - Vehicles	117,788		
Travel	34		
Other Contracted Services	60,748		
Diesel Fuel	273,792		
Equipment and Machinery Parts	2,114		
Gasoline	64,605		
Tires and Tubes	22,736		
Vehicle Parts	73,104		
Other Supplies and Materials	4,000		
Vehicle and Equipment Insurance	58,605		
In Service/Staff Development	3,152		
Other Charges	6,231		
Transportation Equipment	186,000		
Total Transportation			2,465,401
Operation of Non-Instructional Services			
Food Service			
Food Supplies	$ 6,796		
Total Food Service			6,796

(Continued)

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services			
Supervisor/Director	$ 40,006		
Teachers	103,778		
Educational Assistants	47,393		
Other Salaries and Wages	113,867		
Social Security	18,557		
Pensions	14,793		
Employer Medicare	4,340		
Other Contracted Services	18,250		
Instructional Supplies and Materials	22,404		
Other Supplies and Materials	5,735		
Other Charges	49,920		
Other Equipment	4,380		
Total Community Services		$ 443,423	
Early Childhood Education			
Supervisor/Director	$ 60,714		
Teachers	569,068		
Career Ladder Program	1,000		
Educational Assistants	180,505		
Certified Substitute Teachers	480		
Non-certified Substitute Teachers	5,254		
Social Security	47,944		
Pensions	65,853		
Medical Insurance	86,019		
Employer Medicare	11,214		
Communication	600		
Travel	248		
Other Contracted Services	1,227		
Instructional Supplies and Materials	10,057		
Other Supplies and Materials	13,900		
Regular Instruction Equipment	13,616		
Total Early Childhood Education		1,067,699	
Capital Outlay			
Regular Capital Outlay			
Plant Operation Equipment	$ 26,560		
Other Capital Outlay	9,829		
Total Regular Capital Outlay		36,389	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 387,261		
Total Education		387,261	
Total General Purpose School Fund			$ 28,717,245

(Continued)

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

School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 24,930		
Educational Assistants	5,612		
Part-time Personnel	2,080		
Bonus Payments	138,404		
Other Salaries and Wages	296,519		
Social Security	27,135		
Pensions	20,425		
Medical Insurance	17,184		
Employer Medicare	6,344		
Other Contracted Services	725,487		
Instructional Supplies and Materials	301,503		
Textbooks - Electronic	6,877		
Textbooks - Bound	187,024		
Software	11,416		
Other Supplies and Materials	898		
Fee Waivers	1,080		
Other Charges	6,999		
Regular Instruction Equipment	866,584		
Total Regular Instruction Program		$	2,646,501
Special Education Program			
Teachers	$ 54,287		
Educational Assistants	373,257		
Bonus Payments	35,213		
Other Salaries and Wages	117,248		
Non-certified Substitute Teachers	308		
Social Security	34,096		
Pensions	24,261		
Medical Insurance	50,775		
Employer Medicare	7,974		
Other Contracted Services	19,394		
Instructional Supplies and Materials	84,737		
Software	9,144		
Other Supplies and Materials	8,004		
Special Education Equipment	27,452		
Total Special Education Program			846,150
Career and Technical Education Program			
Teachers	$ 48,349		
Bonus Payments	4,716		
Social Security	3,290		
Pensions	1,968		
Employer Medicare	769		
Other Contracted Services	33,483		
Instructional Supplies and Materials	22,839		
Other Supplies and Materials	24,541		
Vocational Instruction Equipment	31,106		
Total Career and Technical Education Program			171,061

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services			
Attendance			
Bonus Payments	$ 943		
Social Security	58		
Pensions	76		
Employer Medicare	14		
Total Attendance		$	1,091
Health Services			
Medical Personnel	$ 40,754		
Bonus Payments	11,659		
Other Salaries and Wages	16,542		
Social Security	4,267		
Pensions	3,417		
Employer Medicare	1,210		
Contracts with Private Agencies	12,080		
Travel	53		
Other Contracted Services	6,000		
Drugs and Medical Supplies	7,693		
Other Supplies and Materials	322		
Health Equipment	21,020		
Other Equipment	18,020		
Total Health Services			143,037
Other Student Support			
Supervisor/Director	$ 59,670		
Social Workers	119,803		
Bonus Payments	16,034		
Other Salaries and Wages	78,131		
Social Security	15,770		
Pensions	10,078		
Medical Insurance	49,469		
Employer Medicare	3,660		
Communication	10,433		
Contracts with Other School Systems	3,424		
Travel	1,453		
Other Contracted Services	17,446		
Other Supplies and Materials	50,139		
In Service/Staff Development	3,511		
Other Charges	2,904		
Other Equipment	6,669		
Total Other Student Support			448,594
Regular Instruction Program			
Supervisor/Director	$ 142,273		
Bonus Payments	22,408		
Other Salaries and Wages	858,843		
In-service Training	1,500		

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Social Security	$ 60,242		
Pensions	87,838		
Medical Insurance	113,214		
Employer Medicare	14,035		
Travel	3,039		
Other Contracted Services	42,185		
Other Supplies and Materials	21,197		
In Service/Staff Development	128,888		
Other Charges	14,392		
Other Equipment	6,618		
Total Regular Instruction Program		$	1,516,672
Special Education Program			
Medical Personnel	$ 64,015		
Bonus Payments	1,886		
Other Salaries and Wages	18,031		
Social Security	4,892		
Pensions	7,678		
Medical Insurance	13,028		
Employer Medicare	1,144		
Travel	7,000		
Other Contracted Services	212,725		
Instructional Supplies and Materials	1,753		
Other Supplies and Materials	23,618		
In Service/Staff Development	29,825		
Other Charges	904		
Total Special Education Program			386,499
Career and Technical Education Program			
Clerical Personnel	$ 3,364		
Bonus Payments	1,572		
Social Security	97		
Pensions	141		
Employer Medicare	23		
In Service/Staff Development	5,627		
Total Career and Technical Education Program			10,824
Technology			
Bonus Payments	$ 1,258		
Social Security	78		
Pensions	87		
Employer Medicare	18		
Internet Connectivity	14,630		
Software	24,832		
Other Equipment	4,690		
Total Technology			45,593

(Continued)

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Director of Schools		
Bonus Payments	$ 1,572	
Social Security	97	
Pensions	56	
Employer Medicare	23	
Total Director of Schools		$ 1,748
Office of the Principal		
Principals	$ 735	
Secretary(ies)	2,488	
Bonus Payments	17,606	
Other Salaries and Wages	26,788	
Social Security	2,952	
Pensions	2,735	
Employer Medicare	690	
Total Office of the Principal		53,994
Fiscal Services		
Bonus Payments	$ 1,886	
Social Security	117	
Pensions	67	
Employer Medicare	27	
Total Fiscal Services		2,097
Human Services/Personnel		
Bonus Payments	$ 1,258	
Social Security	78	
Pensions	87	
Employer Medicare	18	
Total Human Services/Personnel		1,441
Operation of Plant		
Custodial Personnel	$ 2,136	
Bonus Payments	15,091	
Other Salaries and Wages	18,600	
Social Security	2,221	
Pensions	1,216	
Employer Medicare	520	
Custodial Supplies	3,320	
Other Supplies and Materials	22,871	
Plant Operation Equipment	27,271	
Total Operation of Plant		93,246
Maintenance of Plant		
Bonus Payments	$ 3,773	
Social Security	234	
Pensions	134	

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Maintenance of Plant (Cont.)			
Employer Medicare	$ 55		
Maintenance Equipment	25,028		
Total Maintenance of Plant		$ 29,224	
Transportation			
Bonus Payments	$ 44,016		
Other Salaries and Wages	135,858		
Social Security	11,075		
Pensions	5,465		
Employer Medicare	2,599		
Contracts with Parents	4,000		
Maintenance and Repair Services - Vehicles	27,060		
Transportation Equipment	808,038		
Total Transportation		1,038,111	
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 2,442		
Bonus Payments	25,781		
Other Salaries and Wages	9,670		
Social Security	2,349		
Pensions	377		
Employer Medicare	549		
Total Food Service		41,168	
Early Childhood Education			
Bonus Payments	$ 14,462		
Social Security	897		
Pensions	762		
Employer Medicare	210		
Total Early Childhood Education		16,331	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 54,622		
Building Construction	30,213		
Building Improvements	738,058		
Total Regular Capital Outlay		822,893	
Total School Federal Projects Fund			$ 8,316,275
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 58,766		
Accountants/Bookkeepers	37,424		

(Continued)

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Cafeteria Personnel	$ 745,148		
Maintenance Personnel	43,115		
Longevity Pay	3,000		
Social Security	56,638		
Pensions	12,392		
Medical Insurance	29,549		
Unemployment Compensation	1,297		
Employer Medicare	13,250		
Maintenance and Repair Services - Equipment	4,874		
Travel	5,623		
Other Contracted Services	69,684		
Food Supplies	650,366		
Gasoline	310		
USDA - Commodities	161,862		
Other Supplies and Materials	111,115		
Workers' Compensation Insurance	24,884		
Other Charges	8,898		
Food Service Equipment	64,895		
Total Food Service		$ 2,103,090	
Total Central Cafeteria Fund			$ 2,103,090
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 260,054		
Total Community Services		$ 260,054	
Total Internal School Fund			260,054
Total Governmental Funds - Fayette County School Department			$ 39,396,664

Exhibit I-9

Fayette County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Fund
For the Year Ended June 30, 2022

	Cities - Sales Tax Fund
Additions	
Local Option Sales Tax	$ 5,817,148
Total Additions	$ 5,817,148
Deductions	
Remittance of Revenues Collected	$ 5,760,142
Trustee's Commission	57,006
Total Deductions	$ 5,817,148
Excess of Additions Over (Under) Deductions	$ 0
Net Position, July 1, 2021	0
Net Position, June 30, 2022	$ 0

SINGLE AUDIT SECTION

Jason E. Mumpower
Comptroller

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

Independent Auditor's Report

Fayette County Mayor and
Board of County Commissioners
Fayette 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 Fayette County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Fayette County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Fayette County School Department (a discretely presented component unit), as described in our report on Fayette County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

Cordell Hull Building | 425 Rep. John Lewis Way N. | Nashville, Tennessee 37243

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2022-001 and 2022-002.

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. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2022-004.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fayette County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2022-003.

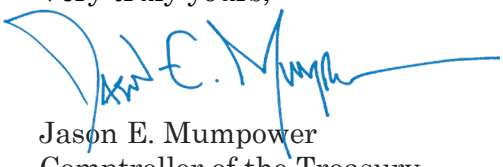
Fayette County's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 Fayette County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/gc

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TENNESSEE COMPTROLLER OF THE TREASURY

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fayette 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 Fayette County's major federal programs for the year ended June 30, 2022. Fayette County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Fayette County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Fayette County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

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provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fayette County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fayette County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Fayette County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fayette County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

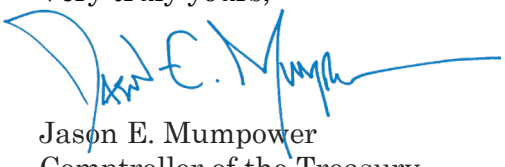
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Fayette County's basic financial statements. We issued our report thereon dated January 12, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/gc

Fayette County, Tennessee, and the Fayette County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8)
For the Year-Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (3)				
School Breakfast Program	10.553	N/A	$ 656,985	
National School Lunch Program	10.555	N/A	1,709,695	(5)
Fresh Fruit and Vegetable Program	10.582	N/A	45,427	
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (3)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	161,862	(5)
USDA Commodity Storage Rebate	10.555	N/A	5,415	(5)
Passed-though State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2271099	10,277	
Passed-through State Department of Education:				
COVID 19 - Pandemic-EBT Administrative Costs Grant	10.649	N/A	3,063	
Total U.S. Department of Agriculture			$ 2,592,724	
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	$ 3,074	(6)
Total U.S. Department of Defense			$ 3,074	
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	33004-93318	$ 306,990	
Total U.S. Department of Housing and Urban Development			$ 306,990	
U.S. Department of Justice:				
Direct Grant:				
Federal Asset Forfeiture Program:	16.U01	N/A	$ 87,578	
Passed through State Department of Finance and Administration:				
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	(4)	76,734	
Total U.S. Department of Justice			$ 164,312	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	AERO-22-350-00	$ 11,500	
Passed-through State Department of Safety and Homeland Security:				
Alcohol Open Container	20.607	Z21THS099	33,460	
Total U.S. Department of Transportation			$ 44,960	
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	$ 1,508,802	
Special Education Cluster: (3)				
Special Education - Grants to States	84.027	N/A	1,031,155	(5)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	55,686	(5)
Special Education - Preschool Grants	84.173	N/A	45,524	(5)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	N/A	210	(5)
Career and Technical Education - Basic Grants to States	84.048	N/A	76,254	
Education for Homeless Children and Youth	84.196	N/A	4,544	
Twenty-first Century Community Learning Centers	84.287	N/A	373,868	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	153,666	
Rural Education	84.358	N/A	15,239	
English Language Acquisition State Grants	84.365	N/A	11,909	
Supporting Effective Instruction State Grants	84.367	N/A	163,918	
Student Support and Academic Enrichment Program	84.424	N/A	52,143	
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER - GEER)	84.425C	N/A	2,269	(5)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	224,784	(5)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,408,487	(5)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER - ARP)	84.425U	N/A	3,669,906	(5)
Total U.S. Department of Education			$ 8,798,364	

(Continued)

Fayette County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG2271099	$ 70
Family Planning Services	93.217	GG2271099	2,149
Preventative Health and Health Services Block Grant	93.991	GG2271099	175
Maternal and Child Health Services Block Grant to the States	93.994	GG2271099	2,136
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(4)	284,244
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	(4)	160,265
COVID 19 - Temporary Assistance for Needy Families	93.558	(4)	276,448
Total U.S. Department of Health and Human Services			$ 725,487
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	$ 52,325
Homeland Security Grant	97.067	(4)	24,064
Total U.S. Department of Homeland Security			$ 76,389
Total Expenditures of Federal Awards			$ 12,712,300

State Grants:		Contract Number	
Airport Maintenance - State Department of Transportation	N/A	(4)	$ 15,000
Local Health Services - State Department of Health	N/A	GG2271099	29,054
Litter Program - State Department of Transportation	N/A	(4)	42,090
Archives Development Grant - State Department of Library and Archives	N/A	(4)	3,000
Tennessee Certified Drug Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	26,445
Early Childhood Education - State Department of Education	N/A	(4)	654,448
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	438,228
State Direct Appropriations Grant FY 2021 - Courthouse Renovation - State Department of Finance and Administration	N/A	(4)	3,000,000
Fasttrack Economic Development Program - State Department of Economic and Community Development	N/A	(4)	3,400,000
Coordinated School Health - State Department of Education	N/A	(4)	83,651
Lottery for Education: Afterschool Program - State Department of Education	N/A	(4)	140,630
SPDG Reengagement Grant Award - State Department of Education	N/A	(4)	9,027
Entrepreneurial Education Program - State Department of Economic and and Community Development	N/A	(4)	5,750
Safe Schools - State Department of Education	N/A	(4)	72,697
COVID 19 - Summer Learning Camp - State Department of Education	N/A	(4)	295,760
COVID 19 - Bridge Camp - State Department of Education	N/A	(4)	106,083
COVID 19 - Stream Mini Camps - State Department of Education	N/A	(4)	55,674
COVID 19 - Summer Learning Transportation - State Department of Education	N/A	(4)	131,686
Total State Grants			$ 8,509,223

FAL = Federal Assistance Listing
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Fayette County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Child Nutrition Cluster total $2,579,384; Special Education Cluster total $1,132,575.
(4) Information not available.
(5) Total for FAL No. 10.555 is $1,876,972; Total for FAL No. 84.027 is $1,086,841; Total for FAL No. 84.173 is $45,734; Total for FAL No. 84.425 is $5,305,446.
(6) During the year ended June 30, 2022, Fayette County received excess military equipment from the U.S. Department of Military valued at $3,074.
(7) No amounts ($0) were passed-through to subrecipients.

(8) CONSOLIDATED ADMINISTRATION The following amounts were consolidated for administration purposes: Program Title	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	$ 195,277
English Language Acquisition Grant	84.365	243
Supporting Effective Instruction State Grant	84.367	30,000
Student Support and Academic Enrichment Program	84.424	1,610
Total amounts consolidated for administration purposes		$ 227,130

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
OFFICE OF DIRECTOR OF SCHOOLS					
2021	212	2021-001	The General Purpose School and School Federal Projects funds required material audit adjustments for proper financial statement presentation.	N/A	Corrected
2021	213	2021-002	The school department has a material recurring audit finding.	N/A	Corrected
2021	213	2021-003	Budget amendments were posted in the School Federal Projects Fund that were not approved by the county commission and the board of education.	N/A	Corrected
2021	214	2021-004	Competitive bids were not solicited for the purchase of temperature kiosks and smart boards.	N/A	Corrected
OFFICE OF TRUSTEE					
2021	215	2021-005	Bank statements were not accurately reconciled with the general ledger.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF REGISTER OF DEEDS					
2021	215	2021-006	Duties were not segregated adequately.	N/A	Corrected

Prior-year Federal Awards Findings

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

FAYETTE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Fayette County is unmodified.

2. Internal Control Over Financial Reporting:

   * Material weakness identified? **YES**

   * Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Program:

   * Assistance Listing Number: 84.425 COVID-19 - Education Stabilization Fund

8. Dollar threshold used to distinguish between Type A and Type B Programs. **$750,000**

9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF PUBLIC WORKS SUPERINTENDENT

FINDING 2022-001 **THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments for accounts receivable and related deferred revenue totaling $393,823 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the highway department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the highway department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Management should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – PUBLIC WORKS SUPERINTENDENT

We concur with the finding and will ensure all accounts receivable and deferred revenues have been properly posted to the financial statements at year-end.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2022-002 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF $1,111,448 AT JUNE 30, 2022**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

The School Federal Projects Fund had a cash overdraft of $1,111,448 at June 30, 2022. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2022.

RECOMMENDATION

The school department should not issue checks exceeding cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The district concurs with the finding with an explanation. The federal project funds are operated on a reimbursement basis. Documentation must be submitted in order to receive a reimbursement and therefore, checks must be written as support. We had two large payments due to vendors from our ESSER III (COVID Grant) project in June. One expenditure was for $417,588 for buses. The second large expenditure was for $693,200 as a payment toward the roofing project at Southwest Elementary. The district did not and does not have sufficient cash available in the School Federal Projects Fund to cover expenditures of this magnitude. Once the check is written for the purpose of reimbursement, it impacts the balance of funds in the Trustee's Office. The checks were not presented to the vendors for payment until funds were reimbursed and made available. In the future, funds from the General Purpose School Fund can be utilized temporarily to assist with expenditures and replaced after reimbursement.

FINDING 2022-003 **ACCOUNTING RECORDS FOR CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**
(Noncompliance Under Government Auditing Standards)

Capital assets accounting records were not closed and available for audit by August 31, 2022, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The capital assets accounting records were made available to auditors on December 28, 2022. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Management should close its capital assets accounting records for the fiscal year ended June 30 and have those records available for audit by the following August 31.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with the finding. The school department will work to ensure that all accounting records, including capital assets, are available for audit by August 31st following each fiscal year.

OFFICE OF TRUSTEE

FINDING 2022-004 **BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Bank statements were not accurately reconciled with the general ledger. The trustee attempted to reconcile the bank accounts; however, unidentified differences totaling $48,840 were reflected on the reconciliation of two of the bank accounts at June 30, 2022. These unidentified reconciling differences had accumulated during the current- and prior-years. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly, and any differences should be identified and corrected promptly. These deficiencies were the result of the trustee failing to accurately reconcile the accounts on a current basis. These deficiencies were also the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any differences discovered should be identified and corrected promptly.

MANAGEMENT'S RESPONSE – CHARLES MCNAB, CURRENT TRUSTEE

I concur with the finding. Efforts are being made to identify the unreconciled amounts.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
OFFICE OF PUBLIC WORKS SUPERINTENDENT		
2022-001	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.	217
OFFICE OF DIRECTOR OF SCHOOLS		
2022-002	The School Federal Projects Fund had a cash overdraft of $1,111,448 at June 30, 2022.	218
2022-003	Accounting records for capital assets were not closed and available for audit by August 31, 2022.	219
OFFICE OF TRUSTEE		
2022-004	Bank statements were not accurately reconciled with the general ledger.	220

FAYETTE COUNTY PUBLIC WORKS DEPARTMENT

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P.O. BOX 579
SOMERVILLE, TENNESSEE 38068

901-465-5222
FAX 901-465-9105

HANK FRANCK, Chairman
WESLEY PARKS, Secretary
WAYNE DOWDY, Superintendent

RONNIE WILKINS
BILL McCLURE, JR
JIM MAC RIKE

Corrective Action Plan

FINDING: **THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

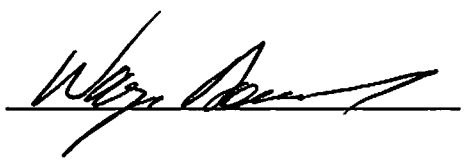
Response and Corrective Action Plan Prepared by:
Wayne Dowdy, Public Works Superintendent

Person Responsible for Implementing the Corrective Action:
Wayne Dowdy, Public Works Superintendent

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

Planned Corrective Action:
We will make the proper accruals at year-end to ensure all accounts receivable and deferred revenues have been properly posted to the financial statements.

Signature: 

Fayette County Public Schools
Family • Collaboration • Perseverance • Service

Dr. Versie R. Hamlett
Superintendent

Corrective Action Plan

FINDING: **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF $1,111,448 AT JUNE 30, 2022**

Response and Corrective Action Plan Prepared by:
Versie Hamlett, Director of Schools

Person Responsible for Implementing the Corrective Action:
Versie Hamlett, Director of Schools and Vincent Harvell, Director of Finance

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

Planned Corrective Action:
The school department will work to ensure that checks issued do not exceed cash on deposit with the county trustee.

Signature:

Fayette County Public Schools
Family • Collaboration • Perseverance • Service

Dr. Versie R. Hamlett
Superintendent

Corrective Action Plan

FINDING: **ACCOUNTING RECORDS FOR CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**

Response and Corrective Action Plan Prepared by:
Versie Hamlett, Director of Schools

Person Responsible for Implementing the Corrective Action:
Versie Hamlett, Director of Schools and Vincent Harvell, Director of Finance

Anticipated Completion Date of Corrective Action:
August 31, 2023

Repeat Finding:
No

Planned Corrective Action:
The school department will work to ensure that all accounting records, including capital assets, are available for audit by August 31 following each fiscal year

Signature:

Fayette County Government

Charles A. McNab / County Trustee

Corrective Action Plan

FINDING: BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER

Response and Corrective Action Plan Prepared by:
Charles McNab, Trustee

Person Responsible for Implementing the Corrective Action:
Charles McNab, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The previous Trustee was unable to isolate or identify the differences in the reconciliation.

Planned Corrective Action:
The bank statements have been reconciled and an entry will be made to clear the differences.

Signature: _____

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BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Fayette County.

FAYETTE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Fayette County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.