TENNESSEE COMPTROLLER OF THE TREASURY

ANNUAL FINANCIAL REPORT

The Metropolitan Government of Lynchburg, Moore County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
TABLE OF CONTENTS

Summary of Audit Findings

Annual Financial Report
Metropolitan Government of Lynchburg, Moore County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of the Metropolitan Government of Lynchburg, Moore County as of and for the year ended June 30, 2022.

Results

Our report on the metropolitan government's financial statements is unmodified.

Our audit resulted in six findings and recommendations, which we have reviewed with the metropolitan government's 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 METROPOLITAN MAYOR

- ♦ Consolidated purchasing required by the charter has not been implemented.
- ♦ Material audit adjustments were required for proper financial statement presentation.
- ♦ The office had deficiencies in budget operations.
- ♦ The purchase of celebration banners was not competitively bid.

OFFICES OF METROPOLITAN MAYOR AND SHERIFF

- ♦ Employees received overtime benefits that were not in compliance with approved personnel policies.

OFFICE OF SHERIFF

- ♦ Commissary bank statements were not properly reconciled with the general ledger.

Introductory Section

Metropolitan Lynchburg, Moore County Officials
June 30, 2022

Officials

Bonnie Lewis, Metropolitan Mayor
Shannon Cauble, Highway Superintendent
Chad Moorehead, Director of Schools
Lynn Harrison, Trustee
Darin Harrison, Assessor of Property
Nancy Hatfield, Metropolitan Clerk
Linda Wolaver, Circuit, General Sessions, and Juvenile Courts Clerk
Tammy Roberts, Clerk and Master
Pam Wells, Register of Deeds
Tyler Hatfield, Sheriff

Metropolitan Council

Denning Harder, Chairman
Amy Cashion
Gerald Burnett
Jimmy Hammond
Wayne Hawkins
Keith Moses
Arvis Bobo
Shane Taylor
John Taylor
Houston Lindsey
Gordon Millsaps
Peggy Sue Blackburn
Bradley Dye
Meghan Bailey
Sunny Rae Moorehead

Board of Education

Ed Cashion, Chairman
Jammie Cashion
Greg Thompson
Tanya Vann
Nathan Buchanan

Audit Committee

Pam Case, Chairman
Arvis Bobo
Gordon Millsaps
John Taylor
Denning Harder
Sunny Rae Moorehead

FINANCIAL SECTION

Jason E. Mumpower
Comptroller

Independent Auditor's Report

Metropolitan Mayor and
Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the government'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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Other General Government, 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 Metropolitan Lynchburg—Moore County Water and Sewer Department (major enterprise fund), which represents 100 percent of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), which represent .82 percent, 1.03 percent, and 3.48 percent, respectively, of the assets, net position, and revenues of the discretely presented Metropolitan School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as they relate to the amounts included for the Water and Sewer Department Fund and the Internal School Fund of the Metropolitan School Department, are based solely on the reports 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

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

in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the metropolitan government 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 the metropolitan government'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 the metropolitan government'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 metropolitan government's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of changes in the metropolitan government's net pension liability (asset) and related ratios, schedules of metropolitan government and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of 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 the metropolitan government's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and General Debt Service and the General Capital Project funds, combining and individual fund financial statements of the Metropolitan School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Metropolitan 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 February 21, 2023, on our consideration of the metropolitan government'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 metropolitan government'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 the metropolitan government's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 21, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
ASSETS				
Cash and Cash Equivalents	$ 675	$ 1,686,152	$ 1,686,827	$ 322,949
Equity in Pooled Cash and Investments	6,807,411	0	6,807,411	1,981,108
Certificate of Deposit	0	104,565	104,565	0
Inventories	0	116,318	116,318	8,352
Accounts Receivable	583,364	376,692	960,056	765
Allowance for Uncollectible	(67,978)	(12,873)	(80,851)	0
Due from Other Governments	1,395,758	0	1,395,758	371,988
Property Taxes Receivable	4,436,952	0	4,436,952	3,321,132
Allowance for Uncollectible Property Taxes	(98,114)	0	(98,114)	(73,670)
Other Receivables	0	30,772	30,772	0
Net Pension Asset - Agent Plan	372,077	0	372,077	581,209
Net Pension Asset - Teacher Retirement Plan	0	0	0	78,511
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	4,550,415
Restricted Assets:				
Customer Deposits	0	520	520	0
Amounts Accumulated for Pension Benefits	0	0	0	84,655
Capital Assets:				
Assets Not Depreciated:				
Land	393,779	92,459	486,238	39,342
Construction in Progress	686,834	639,140	1,325,974	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,326,472	0	2,326,472	25,487,073
Other Capital Assets	1,621,856	13,049,828	14,671,684	1,281,214
Infrastructure	5,061,626	0	5,061,626	0
Total Assets	$ 23,520,712	$ 16,083,573	$ 39,604,285	$ 38,035,043
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	$ 86,105	$ 0	$ 86,105	$ 32,709
Pension Changes in Proportion	0	0	0	18,108
Pension Changes in Assumptions	86,778	0	86,778	1,602,493
Pension Contributions After Measurement Date	71,309	0	71,309	464,256
OPEB Changes in Experience	0	0	0	85,332
OPEB Changes in Assumptions	0	0	0	149,280
OPEB Changes in Proportion	0	0	0	84,757
OPEB Contributions After Measurement Date	0	0	0	28,057
Total Deferred Outflows of Resources	$ 244,192	$ 0	$ 244,192	$ 2,464,992

(Continued)

Exhibit A

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
LIABILITIES				
Accounts Payable	$ 37,192	$ 311,585	$ 348,777	$ 6,484
Accrued Payroll	46,443	36,377	82,820	0
Accrued Interest Payable	116,032	10,689	126,721	0
Payroll Deductions Payable	78,863	0	78,863	411,310
Due to State of Tennessee	239	0	239	0
Due to Other Governments	630,109	0	630,109	0
Other Current Liabilities	0	38,319	38,319	0
Noncurrent Liabilities:				
Due Within One Year - Debt	857,000	341,499	1,198,499	0
Due Within One Year - Other	67,533	26,947	94,480	25,856
Due in More Than One Year - Debt	19,307,000	6,339,822	25,646,822	0
Due in More Than One Year - Other	101,299	0	101,299	1,535,280
Total Liabilities	$ 21,241,710	$ 7,105,238	$ 28,346,948	$ 1,978,930
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 4,287,557	$ 0	$ 4,287,557	$ 3,207,246
Pension Changes in Experience	0	0	0	473,329
Pension Changes in Investment Earnings	304,863	0	304,863	4,311,287
Pension Changes in Proportion	0	0	0	18,135
OPEB Changes in Experience	0	0	0	76,955
OPEB Changes in Assumptions	0	0	0	114,870
OPEB Changes in Proportion	0	0	0	40,323
Total Deferred Inflows of Resources	$ 4,592,420	$ 0	$ 4,592,420	$ 8,242,145
NET POSITION				
Net Investment in Capital Assets	$ 10,090,567	$ 7,100,106	$ 17,190,673	$ 26,807,629
Restricted for:				
General Government	962,539	0	962,539	0
Administration of Justice	91,589	0	91,589	0
Public Safety	68,250	0	68,250	0
Public Health and Welfare	34,073	0	34,073	0
Highway/Public Works	1,269,287	0	1,269,287	0
Pensions	372,077	0	372,077	5,294,790
Education	0	0	0	691,824
Other Purposes	71,725	98,532	170,257	0
Capital Projects	218,797	0	218,797	0
Unrestricted	(15,248,130)	1,779,697	(13,468,433)	(2,515,283)
Total Net Position	$ (2,069,226)	$ 8,978,335	$ 6,909,109	$ 30,278,960

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

Exhibit B

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
Primary Government:								
Governmental Activities:								
General Government	$ 882,815	$ 74,628	$ 2,271,382	$ 0	$ 1,463,195	$ 0	$ 1,463,195	$ 0
Finance	380,898	280,314	0	0	(100,584)	0	(100,584)	0
Administration of Justice	383,457	74,179	4,500	0	(304,778)	0	(304,778)	0
Public Safety	2,629,851	183,035	69,668	0	(2,377,148)	0	(2,377,148)	0
Public Health and Welfare	1,736,006	703,483	136,440	375,000	(521,083)	0	(521,083)	0
Social, Cultural, and Recreational Services	430,298	15,561	1,300	0	(413,437)	0	(413,437)	0
Agriculture and Natural Resources	124,324	0	0	0	(124,324)	0	(124,324)	0
Highways	1,803,391	0	1,903,333	306,640	406,582	0	406,582	0
Interest on Long-term Debt	410,974	0	0	0	(410,974)	0	(410,974)	0
Education	32,379	0	0	0	(32,379)	0	(32,379)	0
Total Governmental Activities	$ 8,814,393	$ 1,331,200	$ 4,386,623	$ 681,640	$ (2,414,930)	$ 0	$ (2,414,930)	$ 0
Business-type Activities:								
Water and Sewer Department	$ 2,905,799	$ 3,323,432	$ 82,911	$ 0	$ 0	$ 500,544	$ 500,544	$ 0
Total Business-type Activities	$ 2,905,799	$ 3,323,432	$ 82,911	$ 0	$ 0	$ 500,544	$ 500,544	$ 0
Total Primary Government	$ 11,720,192	$ 4,654,632	$ 4,469,534	$ 681,640	$ (2,414,930)	$ 500,544	$ (1,914,386)	$ 0
Component Unit:								
Metropolitan School Department	$ 11,283,145	$ 535,973	$ 1,961,912	$ 1,375	$ 0	$ 0	$ 0	$ (8,783,885)

(Continued)

Exhibit B

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Activities (Cont.)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 3,212,308	$ 0	$ 3,212,308	$ 3,333,648
Property Taxes Levied for Debt Service					1,023,170	0	1,023,170	0
Local Option Sales Tax					848,068	0	848,068	850,140
Wholesale Beer Tax					91,956	0	91,956	0
Business Tax					37,455	0	37,455	0
Litigation Tax - Jail, Workhouse, & Courthouse					15,731	0	15,731	0
Litigation Tax - General					11,864	0	11,864	0
Hotel/Motel Tax					25,354	0	25,354	0
Other Local Taxes					286	0	286	280
Grants and Contributions Not Restricted to Specific Programs					780,239	0	780,239	5,303,095
Unrestricted Investment Income					121,921	4,745	126,666	2,387
Miscellaneous					63,997	6,592	70,589	120,744
Total General Revenues					$ 6,232,349	$ 11,337	$ 6,243,686	$ 9,610,294
Change in Net Position					$ 3,817,419	$ 511,881	$ 4,329,300	$ 826,409
Net Position, July 1, 2021					(5,886,645)	8,466,454	2,579,809	29,452,551
Net Position, June 30, 2022					$ (2,069,226)	$ 8,978,335	$ 6,909,109	$ 30,278,960

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

Exhibit C-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
ASSETS					
Cash	$ 675	$ 0	$ 0	$ 0	$ 0
Equity in Pooled Cash and Investments	1,126,658	1,593,556	1,047,724	2,447,816	212,001
Accounts Receivable	524,079	0	0	0	6,000
Allowance for Uncollectibles	(67,978)	0	0	0	0
Due from Other Governments	52,165	962,539	305,733	75,321	0
Property Taxes Receivable	3,183,031	0	49,810	963,948	959
Allowance for Uncollectible Property Taxes	(70,001)	0	(984)	(21,564)	(163)
Total Assets	$ 4,748,629	$ 2,556,095	$ 1,402,283	$ 3,465,521	$ 218,797
LIABILITIES					
Accounts Payable	$ 34,901	$ 0	$ 459	$ 0	$ 0
Accrued Payroll	22,501	0	23,942	0	0
Payroll Deductions Payable	61,902	0	14,350	0	0
Due to State of Tennessee	138	0	0	0	0
Due to Other Governments	0	630,109	0	0	0
Total Liabilities	$ 119,442	$ 630,109	$ 38,751	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 3,078,956	$ 0	$ 48,109	$ 930,101	$ 0
Deferred Delinquent Property Taxes	32,687	0	694	11,805	750
Other Deferred/Unavailable Revenue	340,200	962,539	150,000	37,388	0
Total Deferred Inflows of Resources	$ 3,451,843	$ 962,539	$ 198,803	$ 979,294	$ 750

(Continued)

Exhibit C-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
FUND BALANCES					
Restricted:					
Restricted for Administration of Justice	$ 91,589	$ 0	$ 0	$ 0	$ 0
Restricted for Public Safety	14,601	0	0	0	0
Restricted for Public Health and Welfare	36,300	0	0	0	0
Restricted for Highways/Public Works	0	0	1,164,729	0	0
Restricted for Capital Projects	0	0	0	0	218,047
Restricted for Other Purposes	0	0	0	0	0
Committed:					
Committed for General Government	0	963,447	0	0	0
Committed for Public Health and Welfare	0	0	0	0	0
Committed for Social, Cultural, and Recreational Services	9,661	0	0	0	0
Committed for Debt Service	0	0	0	2,486,227	0
Assigned:					
Assigned for General Government	523,860	0	0	0	0
Assigned for Administration of Justice	518	0	0	0	0
Assigned for Public Safety	66,318	0	0	0	0
Assigned for Public Health and Welfare	10,600	0	0	0	0
Assigned for Capital Outlay	10,000	0	0	0	0
Unassigned	413,897	0	0	0	0
Total Fund Balances	$ 1,177,344	$ 963,447	$ 1,164,729	$ 2,486,227	$ 218,047
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,748,629	$ 2,556,095	$ 1,402,283	$ 3,465,521	$ 218,797

(Continued)

Exhibit C-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
ASSETS		
Cash	$ 0	$ 675
Equity in Pooled Cash and Investments	379,656	6,807,411
Accounts Receivable	53,285	583,364
Allowance for Uncollectibles	0	(67,978)
Due from Other Governments	0	1,395,758
Property Taxes Receivable	239,204	4,436,952
Allowance for Uncollectible Property Taxes	(5,402)	(98,114)
Total Assets	$ 666,743	$ 13,058,068
LIABILITIES		
Accounts Payable	$ 1,832	$ 37,192
Accrued Payroll	0	46,443
Payroll Deductions Payable	2,611	78,863
Due to State of Tennessee	101	239
Due to Other Governments	0	630,109
Total Liabilities	$ 4,544	$ 792,846
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 230,391	$ 4,287,557
Deferred Delinquent Property Taxes	3,279	49,215
Other Deferred/Unavailable Revenue	30,381	1,520,508
Total Deferred Inflows of Resources	$ 264,051	$ 5,857,280

(Continued)

Exhibit C-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Nonmajor Funds Other Governmental Funds	Total Governmental Funds
FUND BALANCES		
Restricted:		
Restricted for Administration of Justice	$ 0	$ 91,589
Restricted for Public Safety	53,649	68,250
Restricted for Public Health and Welfare	0	36,300
Restricted for Highways/Public Works	0	1,164,729
Restricted for Capital Projects	0	218,047
Restricted for Other Purposes	71,485	71,485
Committed:		
Committed for General Government	0	963,447
Committed for Public Health and Welfare	273,014	273,014
Committed for Social, Cultural, and Recreational Services	0	9,661
Committed for Debt Service	0	2,486,227
Assigned:		
Assigned for General Government	0	523,860
Assigned for Administration of Justice	0	518
Assigned for Public Safety	0	66,318
Assigned for Public Health and Welfare	0	10,600
Assigned for Capital Outlay	0	10,000
Unassigned	0	413,897
Total Fund Balances	$ 398,148	$ 6,407,942
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 666,743	$ 13,058,068

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

Exhibit C-2

The Metropolitan Government of Lynchburg, Moore 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)		$ 6,407,942
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 393,779	
Add: construction in progress	686,834	
Add: buildings and improvements net of accumulated depreciation	2,326,472	
Add: other capital assets net of accumulated depreciation	1,621,856	
Add: infrastructure net of accumulated depreciation	5,061,626	10,090,567
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	$ (20,164,000)	
Less: compensated absences payable	(168,832)	
Less: accrued interest on other loans payable	(116,032)	(20,448,864)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	$ 244,192	
Less: deferred inflows of resources related to pensions	(304,863)	(60,671)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		372,077
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		1,569,723
Net position of governmental activities (Exhibit A)		$ (2,069,226)

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

Exhibit C-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
Revenues					
Local Taxes	$ 3,466,714	$ 0	$ 61,210	$ 1,440,010	$ 61,375
Licenses and Permits	17,932	0	0	0	0
Fines, Forfeitures, and Penalties	28,355	0	0	0	0
Charges for Current Services	331,258	0	0	0	0
Other Local Revenues	214,736	910	4,841	0	0
Fees Received From County Officials	376,528	0	0	0	0
State of Tennessee	629,538	0	2,098,130	0	684,690
Federal Government	86,367	962,538	111,843	0	3,306
Other Governments and Citizens Groups	107,351	0	0	284,717	0
Total Revenues	$ 5,258,779	$ 963,448	$ 2,276,024	$ 1,724,727	$ 749,371
Expenditures					
Current:					
General Government	$ 737,503	$ 0	$ 0	$ 0	$ 0
Finance	285,721	0	0	0	0
Administration of Justice	283,073	0	0	0	0
Public Safety	2,084,295	0	0	0	0
Public Health and Welfare	771,777	0	0	0	0
Social, Cultural, and Recreational Services	222,493	0	0	0	0
Agriculture and Natural Resources	102,548	0	0	0	0
Other Operations	834,315	1	0	0	0
Highways	0	0	2,370,213	0	0
Debt Service:					
Principal on Debt	0	0	0	870,000	0
Interest on Debt	0	0	0	413,742	0
Other Debt Service	0	0	0	57,950	0

(Continued)

Exhibit C-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
Expenditures (Cont.)					
Capital Projects	$ 0	$ 0	$ 0	$ 0	$ 1,271,955
Total Expenditures	$ 5,321,725	$ 1	$ 2,370,213	$ 1,341,692	$ 1,271,955
Excess (Deficiency) of Revenues Over Expenditures	$ (62,946)	$ 963,447	$ (94,189)	$ 383,035	$ (522,584)
Other Financing Sources (Uses)					
Insurance Recovery	$ 11,446	$ 0	$ 2,616	$ 0	$ 0
Total Other Financing Sources (Uses)	$ 11,446	$ 0	$ 2,616	$ 0	$ 0
Net Change in Fund Balances	$ (51,500)	$ 963,447	$ (91,573)	$ 383,035	$ (522,584)
Fund Balance, July 1, 2021	1,228,844	0	1,256,302	2,103,192	740,631
Fund Balance, June 30, 2022	$ 1,177,344	$ 963,447	$ 1,164,729	$ 2,486,227	$ 218,047

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
Revenues		
Local Taxes	$ 268,600	$ 5,297,909
Licenses and Permits	6,650	24,582
Fines, Forfeitures, and Penalties	6,345	34,700
Charges for Current Services	231,352	562,610
Other Local Revenues	100,371	320,858
Fees Received From County Officials	0	376,528
State of Tennessee	40,024	3,452,382
Federal Government	0	1,164,054
Other Governments and Citizens Groups	0	392,068
Total Revenues	$ 653,342	$ 11,625,691
Expenditures		
Current:		
General Government	$ 4,177	$ 741,680
Finance	0	285,721
Administration of Justice	30	283,103
Public Safety	2,038	2,086,333
Public Health and Welfare	631,850	1,403,627
Social, Cultural, and Recreational Services	0	222,493
Agriculture and Natural Resources	0	102,548
Other Operations	0	834,316
Highways	0	2,370,213
Debt Service:		
Principal on Debt	0	870,000
Interest on Debt	0	413,742
Other Debt Service	0	57,950

(Continued)

Exhibit C-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)		
Capital Projects	$ 0	$ 1,271,955
Total Expenditures	$ 638,095	$ 10,943,681
Excess (Deficiency) of Revenues Over Expenditures	$ 15,247	$ 682,010
Other Financing Sources (Uses)		
Insurance Recovery	$ 0	$ 14,062
Total Other Financing Sources (Uses)	$ 0	$ 14,062
Net Change in Fund Balances	$ 15,247	$ 696,072
Fund Balance, July 1, 2021	382,901	5,711,870
Fund Balance, June 30, 2022	$ 398,148	$ 6,407,942

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

Exhibit C-4

The Metropolitan Government of Lynchburg, Moore 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)		$ 696,072
(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	$ 2,214,144	
Less: current-year depreciation expense	(1,004,262)	1,209,882
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2021	$ (577,664)	
Add: deferred delinquent property taxes and other deferred June 30, 2022	1,569,723	992,059
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on other loans		870,000
(4) 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 compensated absences payable	$ (19,371)	
Change in accrued interest payable	2,768	
Change in deferred outflows of resources related to pensions	65,294	
Change in deferred inflows of resources related to pensions	(302,231)	
Change in net pension asset	302,946	49,406
Change in net position of governmental activities (Exhibit B)		$ 3,817,419

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

Exhibit C-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 3,466,714	$ 3,263,620	$ 3,263,947	$ 202,767
Licenses and Permits	17,932	12,500	12,500	5,432
Fines, Forfeitures, and Penalties	28,355	17,468	17,468	10,887
Charges for Current Services	331,258	293,612	294,412	36,846
Other Local Revenues	214,736	82,600	159,270	55,466
Fees Received From County Officials	376,528	341,000	341,000	35,528
State of Tennessee	629,538	651,504	690,115	(60,577)
Federal Government	86,367	23,500	38,602	47,765
Other Governments and Citizens Groups	107,351	30,000	48,834	58,517
Total Revenues	$ 5,258,779	$ 4,715,804	$ 4,866,148	$ 392,631
Expenditures				
General Government				
County Commission	$ 196,815	$ 196,925	$ 197,466	$ 651
County Mayor/Executive	194,138	196,334	196,454	2,316
County Attorney	8,808	9,808	8,983	175
Election Commission	103,588	103,004	103,588	0
Register of Deeds	79,505	80,808	80,808	1,303
Planning	17,235	21,455	21,455	4,220
County Buildings	121,784	124,740	126,740	4,956
Preservation of Records	15,630	17,805	19,105	3,475
Finance				
Property Assessor's Office	94,371	107,857	107,857	13,486
County Trustee's Office	88,656	92,732	93,149	4,493
County Clerk's Office	102,694	104,552	104,552	1,858
Administration of Justice				
Circuit Court	95,440	111,482	111,482	16,042
General Sessions Court	77,177	77,222	77,222	45
Chancery Court	84,218	89,612	89,612	5,394
Juvenile Court	9,000	9,600	9,600	600
Judicial Commissioners	17,238	18,311	18,311	1,073
Public Safety				
Sheriff's Department	996,739	992,205	1,055,381	58,642
Special Patrols	468	4,400	4,400	3,932
Administration of the Sexual Offender Registry	0	1,300	1,300	1,300
Jail	576,562	649,031	652,749	76,187
Commissary	0	1,050	1,050	1,050
Fire Prevention and Control	145,462	148,378	148,503	3,041
Other Emergency Management	353,412	358,023	362,394	8,982
County Coroner/Medical Examiner	11,652	9,100	11,752	100
Public Health and Welfare				
Local Health Center	109,911	131,504	131,504	21,593
Rabies and Animal Control	7,000	7,000	7,000	0
Ambulance/Emergency Medical Services	635,114	519,375	651,224	16,110
Alcohol and Drug Programs	0	7,527	7,527	7,527
Regional Mental Health Center	2,500	2,500	2,500	0
Other Waste Disposal	17,252	17,252	17,252	0

(Continued)

Exhibit C-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund (Cont.)

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	$ 8,500	$ 8,500	$ 8,500	$ 0
Libraries	139,772	127,781	150,570	10,798
Parks and Fair Boards	34,799	36,700	36,700	1,901
Other Social, Cultural, and Recreational	39,422	40,730	40,730	1,308
Agriculture and Natural Resources				
Agricultural Extension Service	94,487	107,164	107,164	12,677
Forest Service	350	350	350	0
Soil Conservation	7,711	9,675	10,675	2,964
Other Operations				
Tourism	21,949	23,760	23,760	1,811
Veterans' Services	2,211	2,213	2,213	2
Other Charges	4,491	30,000	30,000	25,509
Employee Benefits	805,664	812,000	852,201	46,537
Total Expenditures	$ 5,321,725	$ 5,409,765	$ 5,683,783	$ 362,058
Excess (Deficiency) of Revenues Over Expenditures	$ (62,946)	$ (693,961)	$ (817,635)	$ 754,689
Other Financing Sources (Uses)				
Insurance Recovery	$ 11,446	$ 0	$ 0	$ 11,446
Total Other Financing Sources	$ 11,446	$ 0	$ 0	$ 11,446
Net Change in Fund Balance	$ (51,500)	$ (693,961)	$ (817,635)	$ 766,135
Fund Balance, July 1, 2021	1,228,844	796,264	1,228,844	0
Fund Balance, June 30, 2022	$ 1,177,344	$ 102,303	$ 411,209	$ 766,135

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

Exhibit C-6

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other General Government Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 910	$ 0	$ 910	$ 0
Federal Government	962,538	0	1,592,647	(630,109)
Total Revenues	$ 963,448	$ 0	$ 1,593,557	$ (630,109)
Expenditures				
Other Operations				
American Rescue Plan Act Grant #1	$ 1	$ 0	$ 1	$ 0
Total Expenditures	$ 1	$ 0	$ 1	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 963,447	$ 0	$ 1,593,556	$ (630,109)
Net Change in Fund Balance	$ 963,447	$ 0	$ 1,593,556	$ (630,109)
Fund Balance, July 1, 2021	0	0	0	0
Fund Balance, June 30, 2022	$ 963,447	$ 0	$ 1,593,556	$ (630,109)

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

Exhibit C-7

The Metropolitan Government of Lynchburg, Moore 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	$ 61,210	$ 60,365	$ 60,365	$ 845
Other Local Revenues	4,841	2,500	2,500	2,341
State of Tennessee	2,098,130	1,905,750	1,905,750	192,380
Federal Government	111,843	0	0	111,843
Total Revenues	$ 2,276,024	$ 1,968,615	$ 1,968,615	$ 307,409
Expenditures				
Highways				
Administration	$ 196,221	$ 207,818	$ 207,818	$ 11,597
Highway and Bridge Maintenance	794,893	964,100	964,100	169,207
Operation and Maintenance of Equipment	182,471	183,962	200,962	18,491
Other Charges	41,903	48,300	48,300	6,397
Employee Benefits	20,272	30,000	30,000	9,728
Capital Outlay	1,134,453	610,000	1,155,000	20,547
Total Expenditures	$ 2,370,213	$ 2,044,180	$ 2,606,180	$ 235,967
Excess (Deficiency) of Revenues Over Expenditures	$ (94,189)	$ (75,565)	$ (637,565)	$ 543,376
Other Financing Sources (Uses)				
Insurance Recovery	$ 2,616	$ 0	$ 0	$ 2,616
Total Other Financing Sources	$ 2,616	$ 0	$ 0	$ 2,616
Net Change in Fund Balance	$ (91,573)	$ (75,565)	$ (637,565)	$ 545,992
Fund Balance, July 1, 2021	1,256,302	584,010	1,256,302	0
Fund Balance, June 30, 2022	$ 1,164,729	$ 508,445	$ 618,737	$ 545,992

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

Exhibit D-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2022

	Major Enterprise Fund
	Water and Sewer Department
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,686,152
Certificate of Deposit	104,565
Inventories	116,318
Accounts Receivable	376,692
Allowance for Uncollectibles	(12,873)
Other Receivables	30,772
Total Current Assets	$ 2,301,626
Noncurrent Assets:	
Restricted Assets:	
Customer Deposits	$ 520
Capital Assets:	
Assets Not Depreciated:	
Land	92,459
Construction in Progress	639,140
Assets Net of Accumulated Depreciation:	
Utility Plant in Service	13,049,828
Total Noncurrent Assets	$ 13,781,947
Total Assets	$ 16,083,573
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 311,585
Accrued Payroll	36,377
Accrued Leave	26,947
Accrued Interest Payable	10,689
Current Portion of Long-term Liabilities	341,499
Customer Advances	8,266
Customer Deposits	30,053
Total Current Liabilities	$ 765,416
Noncurrent Liabilities:	
Due in More Than One Year	$ 6,339,822
Total Noncurrent Liabilities	$ 6,339,822
Total Liabilities	$ 7,105,238
NET POSITION	
Net Investment in Capital Assets	$ 7,100,106
Restricted for Other Purposes	98,532
Unrestricted	1,779,697
Total Net Position	$ 8,978,335

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

Exhibit D-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2022

	Major Enterprise Fund
	Water and Sewer Department
Operating Revenues	
Charges for Current Services	$ 3,323,432
Total Operating Revenues	$ 3,323,432
Operating Expenses	
General and Administrative	$ 536,026
Water Operating Expenses	905,156
Sewer Operating Expenses	260,711
Utility Maintenance	373,683
Depreciation	676,604
Total Operating Expenses	$ 2,752,180
Operating Income (Loss)	$ 571,252
Nonoperating Revenues (Expenses)	
Investment Income	$ 4,745
Interest Expense	(153,619)
Gain on Retirement of Capital Assets	6,592
Total Nonoperating Revenues (Expenses)	$ (142,282)
Income (Loss) Before Contributions, Grants, and Transfers	$ 428,970
Tap Fees in Excess of Costs	29,115
Contributions	53,796
Change in Net Position	$ 511,881
Net Position, July 1, 2021	8,466,454
Net Position, June 30, 2022	$ 8,978,335

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

Exhibit D-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

	Major Enterprise Fund
	Water and Sewer Department
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 3,442,884
Payments to Suppliers	(1,006,951)
Payments to Employees	(1,161,628)
Net Cash Provided By (Used In) Operating Activities	$ 1,274,305
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	$ (413,063)
Proceeds from Borrowings	78,919
Contributions, Grants, and Transfers in Aid of Construction	63,469
Principal Payments on Long-term Debt	(369,782)
Interest Payments on Long-term Debt	(164,262)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (804,719)
Cash Flows from Investing Activities	
Investment in certificate of deposit	$ (1,763)
Investment Income	4,745
Net Cash Provided By (Used In) Investing Activities	$ 2,982
Increase (Decrease) in Cash	$ 472,568
Cash, July 1, 2021	1,213,584
Cash, June 30, 2022	$ 1,686,152

(Continued)

Exhibit D-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

	Major Enterprise Fund
	Water and Sewer Department
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 571,252
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation and Amortization Expense	676,604
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	70,042
(Increase) Decrease in Other Assets	(5,008)
(Increase) Decrease in Other Accrued Revenue	16,800
(Increase) Decrease in Inventories	(34,006)
Increase (Decrease) in Accounts Payable	(25,618)
Increase (Decrease) in Accrued Wages and Payroll	7,911
Increase (Decrease) in Accrued Vacation Pay	(2,227)
Increase (Decrease) in Customer Deposits and Deferred Fees	(1,445)
Net Cash Provided By (Used In) Operating Activities	$ 1,274,305
Schedule of Capital Activities That Did Not Result in Cash Payments	
Purchase of Capital Assets on Account	$ (60,896)

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

Exhibit E-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Net Position
Fiduciary Fund
June 30, 2022

	Custodial Fund
ASSETS	
Cash	$ 201,966
Total Assets	$ 201,966
NET POSITION	
Restricted For Individuals, Organizations and Other Governments	$ 201,966
Total Net Position	$ 201,966

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

Exhibit E-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended June 30, 2022

		Custodial Fund
ADDITIONS		
Fines/Fees and Other Collections	$	1,600,165
Total Additions	$	1,600,165
DEDUCTIONS		
Payments to State	$	1,136,963
Payments to County/City		193,439
Payments to Individuals and Others		178,793
Total Deductions	$	1,509,195
Net Increase (Decrease) in Fiduciary in Net Position	$	90,970
Net Position, July 1, 2021		110,996
Net Position, June 30, 2022	$	201,966

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Index of Notes to the Financial Statements

**THE METROPOLITAN GOVERNMENT OF
LYNCHBURG, MOORE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Metropolitan Government of Lynchburg, Moore 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 the metropolitan government:

A. Reporting Entity

The Metropolitan Government of Lynchburg, Moore County (metropolitan government,) is a public municipal corporation governed by an elected 15-member metropolitan council. As required by GAAP, these financial statements present the metropolitan government (the primary government) and its component units. Although required by GAAP, the financial statements of the Moore County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the metropolitan government's reporting entity because of the significance of their operational or financial relationships with the metropolitan government.

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

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

The Moore County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Moore County, and the metropolitan council 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 metropolitan council's approval. The financial statements of the Moore County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The school department does not issue separate financial statements from those of the metropolitan government. 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 Moore County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Moore County Emergency Communications District
1333 Main Street
Lynchburg, TN 37352

B. <u>Government-wide and Fund Financial Statements</u>

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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. The primary government has one business-type activity to report, the Metropolitan Lynchburg – Moore County Water and Sewer Department. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The metropolitan 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.

The Metropolitan Government of Lynchburg, Moore County issues all debt for the discretely presented metropolitan school department. There were no debt issues contributed by the metropolitan government to the school department during the year ended June 30, 2022.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and the fiduciary fund 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 the metropolitan government are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. The metropolitan government only reports one proprietary fund, the Metropolitan Lynchburg – Moore County Water and Sewer Department Fund, an enterprise fund.

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

The metropolitan government reports the following major governmental funds:

> **General Fund** – This is the metropolitan government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **Other General Government Fund** – This fund accounts for funding related to the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, received by the metropolitan government to be used to respond to acute pandemic response needs, fill revenue shortfalls, and support communities and populations hit by the COVID-19 crisis.
>
> **Highway/Public Works Fund** – This special revenue fund accounts for transactions of the metropolitan government's highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

General Capital Projects Fund – This fund accounts for resources accumulated to be used for the general capital expenditures of the metropolitan government and the receipt of debt issued by the metropolitan government and contributed to the school department for building construction and renovations.

The metropolitan government reports the following major proprietary fund:

Water and Sewer Department Fund – This fund accounts for water and sewer services provided by the metropolitan government.

Additionally, the metropolitan government reports the following fund type:

Custodial Fund – This fund accounts for amounts collected in a custodial capacity by the constitutional officers.

The discretely presented metropolitan school department reports the following major governmental fund:

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.

Additionally, the metropolitan school department reports the following fund type:

Special Revenue Funds – These funds 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.

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 (FY 22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html.

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

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 metropolitan government's own legally issued bonds or notes.

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

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

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

All other investments are reported at fair value.

2. **<u>Receivables and Payables</u>**

All ambulance, property taxes, and solid waste receivables are shown with allowances for uncollectible. Ambulance and solid waste receivables allowances for uncollectible are based on historical collection data. The allowance for uncollectible property taxes is equal to less than one 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. Inventories

Inventories of the metropolitan school department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories 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 metropolitan 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 metropolitan school department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the metropolitan 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), and intangible right-to-use assets (e.g., lease assets) are reported in the governmental and business-type columns 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 ($25,000 for infrastructure) 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 (excluding the Water and Sewer Fund, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	20 - 50
Other Capital Assets	5 - 15
Infrastructure:	
Roads	10 - 15
Bridges	40

6. **<u>Deferred Outflows/Inflows of Resources</u>**

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

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

Primary Government

It is the metropolitan government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the metropolitan government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred for the metropolitan government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Metropolitan School Department

The general policy of the metropolitan school department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore requires no accrual or recording. Noncertified personnel of the metropolitan school department earn varying amounts of annual and sick leave days. The metropolitan school department will only pay for accumulated sick leave balances in excess of 30 days that have accrued during the current year. Sick leave may only be paid in December or June. Therefore, no liability for accrued sick leave exists. A liability for annual leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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 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 other loans 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 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.

As of June 30, 2022, the metropolitan government had $20,164,000 in outstanding debt for capital purposes for the discretely presented metropolitan school department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the metropolitan school department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government's capital assets.

It is the metropolitan government'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 metropolitan government'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 metropolitan council, the primary government's highest level of decision-making authority and the Board of Education, the metropolitan 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 metropolitan government's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The metropolitan council has by resolution authorized the Budget Committee to make assignments for the general government. The Board of Education makes assignments for the metropolitan 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 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.

10. Minimum Fund Balance Policy

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

General Fund – five percent of current-year appropriations.

General Debt Service Fund – the metropolitan government will typically have at least 75 percent of budgeted annual expenditures as 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 the Metropolitan Government of Lynchburg, Moore County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the metropolitan government'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 Metropolitan 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) Plan

Discretely Presented Metropolitan 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 metropolitan school department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The metropolitan 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 Metropolitan School Department

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

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

Primary Government

Exhibit J-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 Metropolitan School Department

Exhibit I-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. All annual appropriations lapse at fiscal year-end.

The metropolitan government 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 metropolitan council 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, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the metropolitan council may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Metro Moore County Water and Sewer System Oversight Order

On September 19, 2019, the Tennessee Water and Wastewater Financing Board reviewed the financially distressed status of the Metro Moore County Water and Sewer System pursuant to Section 68-221-1010 *Tennessee Code Annotated*. Upon the review, it was determined Metro Moore County Water and Sewer System had complied with prior year directives to resolve the system's financial deficiencies. On September 30, 2019, the Tennessee Water and Wastewater Financing Board issued an oversight order stating the system shall send financial updates to the board by March 1st and September 1st of each year, beginning March 1, 2020, until the board releases the system from its oversight.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the metropolitan council in the General Capital Projects Fund by $123,342. Expenditures exceeded appropriations approved by the metropolitan council in the

Recycling Center major appropriations category (the legal level of control) of the Solid Waste/Sanitation Fund by $12,476. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the Solid Waste/Sanitation and the General Capital Projects funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government (excluding the Water and Sewer Fund, an enterprise fund) and the metropolitan school department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government and in this capacity is responsible for receiving, disbursing, and investing most metropolitan government 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 metropolitan government.

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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 metropolitan government 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 metropolitan government 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 metropolitan government had no pooled and nonpooled investments as of June 30, 2022.

<u>TCRS Stabilization Trust</u>

Legal Provisions. The metropolitan 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 metropolitan 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 metropolitan 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	$ 26,243
Developed Market International Equity	N/A	N/A	11,852
Emerging Market International Equity	N/A	N/A	3,386
U.S. Fixed Income	N/A	N/A	16,931
Real Estate	N/A	N/A	8,465
Short-term Securities	N/A	N/A	847
NAV - Private Equity and Strategic Lending	N/A	N/A	16,931
Total			$ 84,655

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

B. Capital Assets

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

Primary Government

Governmental Activities:

		Balance 7-1-21		Increases		Balance 6-30-22
Capital Assets Not Depreciated:						
Land	$	393,779	$	0	$	393,779
Construction in Progress		0		686,834		686,834
Total Capital Assets Not Depreciated	$	393,779	$	686,834	$	1,080,613
Capital Assets Depreciated:						
Buildings and Improvements	$	4,319,510	$	0	$	4,319,510
Other Capital Assets		6,071,458		578,039		6,649,497
Infrastructure		7,516,291		949,271		8,465,562
Total Capital Assets Depreciated	$	17,907,259	$	1,527,310	$	19,434,569
Less Accumulated Depreciation For:						
Buildings and Improvements	$	1,844,181	$	148,857	$	1,993,038
Other Capital Assets		4,625,855		401,786		5,027,641
Infrastructure		2,950,317		453,619		3,403,936
Total Accumulated Depreciation	$	9,420,353	$	1,004,262	$	10,424,615
Total Capital Assets Depreciated, Net	$	8,486,906	$	523,048	$	9,009,954
Governmental Activities Capital Assets, Net	$	8,880,685	$	1,209,882	$	10,090,567

There were no decreases in capital assets to report during the year ended June 30, 2022.

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

Governmental Activities:

General Government	$ 37,572
Administration of Justice	2,822
Public Safety	206,666
Public Health and Welfare	108,336
Social, Cultural, and Recreational Services	79,195
Highway/Public Works	569,671
Total Depreciation Expense - Governmental Activities	$ 1,004,262

Discretely Presented Metropolitan School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	$ 39,342	$ 0	$ 0	$ 39,342
Construction in Progress	16,860,030	0	(16,860,030)	0
Total Capital Assets Not Depreciated	$ 16,899,372	$ 0	$ (16,860,030)	$ 39,342
Capital Assets Depreciated:				
Buildings and Improvements	$ 20,872,983	$ 16,396,515	$ 0	$ 37,269,498
Other Capital Assets	1,680,741	684,385	0	2,365,126
Total Capital Assets Depreciated	$ 22,553,724	$ 17,080,900	$ 0	$ 39,634,624
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 10,869,580	$ 912,845	$ 0	$ 11,782,425
Other Capital Assets	921,830	162,082	0	1,083,912
Total Accumulated Depreciation	$ 11,791,410	$ 1,074,927	$ 0	$ 12,866,337
Total Capital Assets Depreciated, Net	$ 10,762,314	$ 16,005,973	$ 0	$ 26,768,287
Governmental Activities Capital Assets, Net	$ 27,661,686	$ 16,005,973	$ (16,860,030)	$ 26,807,629

Depreciation expense was charged to functions of the metropolitan school department as follows:

Governmental Activities:

Instruction	$ 925,197
Support Services	149,730
Total Depreciation Expense - Governmental Activities	$ 1,074,927

C. **Interfund Transfer**

Interfund Transfer:

The interfund transfer for the year ended June 30, 2022, consisted of the following amount:

Discretely Presented Metropolitan School Department

	Transfer In	
Transfer Out	Nonmajor Governmental Funds	Purpose
General Purpose School Fund	$ 50,000	To provide cash flow

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 Purpose School Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. **Long-term Debt**

Primary Government

Other Loans

Direct Borrowing and Direct Placement - The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented metropolitan school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loans outstanding were issued for original terms of up to 28 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

Other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-22
Direct Borrowing and Direct Placement:							
Other Loans	variable	%	5-25-35	$	8,300,000	$	4,864,000
Other Loans	2.51 to 2.59		3-1-45		17,000,000		15,300,000

During prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned $8,300,000 to the metropolitan government for various capital projects. This loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the metropolitan government pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2022, the variable interest rate was 0.71 percent, and other fees totaled approximately .57 percent (letter of credit), .08 percent (remarketing), and $85 per month (trustee) for the $8,300,000 loan.

During the 2017-18 year, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority has loaned $14,000,000 to the metropolitan government for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.51 percent.

During the 2019-2020 year, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority has loaned $3,000,000 to the metropolitan government for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.59 percent.

The annual requirements to amortize other loans outstanding as of June 30, 2022, including interest payments and other loan fees, are presented in the following table:

Year Ending	Other Loans - Direct Placement			
June 30	Principal	Interest	Other Fees	Total
2023	$ 857,000	$ 420,971	$ 32,636	$ 1,310,607
2024	881,000	404,927	30,634	1,316,561
2025	905,000	388,457	28,567	1,322,024
2026	930,000	371,563	26,435	1,327,998
2027	956,000	354,219	24,238	1,334,457
2028-2032	5,189,000	1,494,727	85,681	6,769,408
2033-2037	5,009,000	991,264	20,102	6,020,366
2038-2042	4,197,000	480,749	0	4,677,749
2043-2045	1,240,000	44,628	0	1,284,628
Total	$ 20,164,000	$ 4,951,505	$ 248,293	$ 25,363,798

There is $2,486,227 available in the General Debt Service Fund to service long-term debt. Debt per capita totaled $3,121, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:	Other Loans - Direct Placement
Balance, July 1, 2021	$ 21,034,000
Reductions	(870,000)
Balance, June 30, 2022	$ 20,164,000
Balance Due Within One Year	$ 857,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	$ 20,164,000
Less: Balance Due Within One Year - Debt	(857,000)
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$ 19,307,000

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:

		Compensated Absences
Balance, July 1, 2021	$	149,461
Additions		154,136
Reductions		(134,765)
Balance, June 30, 2022	$	168,832
Balance Due Within One Year	$	67,533

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	$	168,832
Less: Balance Due Within One Year - Other		(67,533)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	101,299

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Metropolitan School Department

Changes in Long-term Obligations

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

Governmental Activities:		Compensated Absences		Other Postemployment Benefits
Balance, July 1, 2021	$	24,820	$	1,518,967
Additions		27,164		210,185
Reductions		(26,128)		(193,872)
Balance, June 30, 2022	$	25,856	$	1,535,280
Balance Due Within One Year	$	25,856	$	0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	$	1,561,136
Less: Balance Due Within One Year - Other		(25,856)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	1,535,280

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

F. On-Behalf Payments – Discretely Presented Metropolitan School Department

The State of Tennessee pays health insurance premiums for retired teachers on behalf of the metropolitan 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 $11,671. The metropolitan school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

The metropolitan government and the discretely presented metropolitan school department participate 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 metropolitan government and the metropolitan school department pay an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage.

The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Employee Health Insurance

Metropolitan Government

The metropolitan government 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, *Tennessee Code Annotated* (*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 Metropolitan School Department

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

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 metropolitan government 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. Metropolitan management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The metropolitan government is involved in several pending lawsuits. The metropolitan government attorney estimates that the potential claims against the metropolitan government not covered by insurance resulting from such litigation would not materially affect the metropolitan government's financial statements.

D. Joint Ventures

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford 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 the judicial district. The metropolitan government did not contribute to the DTF for the year ended June 30, 2022.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Franklin, Moore, and Lincoln and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating county commission or city council appointed the authority's board for varying terms of office. The metropolitan government made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2022.

The metropolitan government does not retain an equity interest in any of the above-noted joint ventures.

Complete financial statements for the Seventeenth Judicial District Drug Task Force and the Interlocal Solid Waste Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Seventeenth Judicial District Drug Task Force
P.O. Box 878
Fayetteville, TN 37334

Interlocal Solid Waste Authority
c/o City of Tullahoma
P.O. Box 807
Tullahoma, TN 37388

E. <u>Retirement Commitments</u>

1. <u>Tennessee Consolidated Retirement System (TCRS)</u>

<u>Primary Government</u>

General Information About the Pension Plan

Plan Description. Certain employees of the metropolitan government are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent 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 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	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	3
Active Employees	11
Total	20

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 to the plan. The metropolitan government 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 the metropolitan government was $71,309 based on a rate of 8.62 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government'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)

The metropolitan government'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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	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 the metropolitan government 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)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	$ 2,133,915	$ 2,203,046	$ (69,131)
Changes for the Year:			
Service Cost	$ 73,262	$ 0	$ 73,262
Interest	156,783	0	156,783
Differences Between Expected and Actual Experience	39,045	0	39,045
Changes in Assumptions	108,472	0	108,472
Contributions-Employer	0	69,942	(69,942)
Contributions-Employees	0	40,617	(40,617)
Net Investment Income	0	570,933	(570,933)
Benefit Payments, Including Refunds of Employee Contributions	(89,293)	(89,293)	0
Administrative Expense	0	(984)	984
Net Changes	$ 288,269	$ 591,215	$ (302,946)
Balance, June 30, 2021	$ 2,422,184	$ 2,794,261	$ (372,077)

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

Metropolitan Government	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ (60,941)	$ (372,077)	$ (633,858)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the metropolitan government recognized pension expense (negative pension expense) of $4,834.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the metropolitan government 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	$ 86,105	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	304,863
Changes in Assumptions	86,778	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	71,309	N/A
Total	$ 244,192	$ 304,863

(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.

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	$ (19,307)
2024	(17,036)
2025	(43,043)
2026	(52,594)
2027	0
Thereafter	0

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

<u>Discretely Presented Metropolitan School Department</u>

<u>Non-certified Employees</u>

General Information About the Pension Plan

Plan Description. Non-certified employees of the metropolitan 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 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	35
Inactive Employees Entitled to But Not Yet Receiving Benefits	72
Active Employees	57
Total	164

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 to the plan. The metropolitan government makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contributions for the metropolitan government were $70,633 based on a rate of 4.73 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government'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)

The metropolitan government'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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	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 the metropolitan government 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)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	$ 4,574,637	$ 4,665,850	$ (91,213)
Changes for the Year:			
Service Cost	$ 126,606	$ 0	$ 126,606
Interest	333,453	0	333,453
Differences Between Expected and Actual Experience	(99,481)	0	(99,481)
Changes in Assumptions	477,840	0	477,840
Contributions-Employer	0	67,457	(67,457)
Contributions-Employees	0	71,459	(71,459)
Net Investment Income	0	1,194,618	(1,194,618)
Benefit Payments, Including Refunds of Employee Contributions	(203,771)	(203,771)	0
Administrative Expense	0	(5,120)	5,120
Other Changes	0	0	0
Net Changes	$ 634,647	$ 1,124,643	$ (489,996)
Balance, June 30, 2021	$ 5,209,284	$ 5,790,493	$ (581,209)

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

Metripolitan School Department	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 107,829	$ (581,209)	$ (1,154,313)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the metropolitan government recognized pension expense (negative pension expense) of $(39,994).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the metropolitan government 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	$ 16,051	$ 79,444
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	637,239
Changes in Assumptions	358,380	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	70,633	N/A
Total	$ 445,064	$ 716,683

(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.

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	$	(63,508)
2024		(50,301)
2025		(56,664)
2026		(171,779)
2027		0
Thereafter		0

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

<u>Certified Employees</u>

<u>Teacher Retirement Plan</u>

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan 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 $22,227, which is 2.01 percent of covered payroll. In addition, employer contributions of $22,006, 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, 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 metropolitan school department reported a liability (asset) of ($78,511) 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 metropolitan school department's proportion was 0.072480 percent. The proportion as of June 30, 2020, was 0.074395 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the metropolitan school department recognized pension expense (negative pension expense) of $10,025.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 1,366	$ 14,366
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	45,193
Changes in Assumptions	28,318	0
Changes in Proportion of Net Pension Liability (Asset)	7,531	2,786
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	22,227	N/A
Total	$ 59,442	$ 62,345

The metropolitan school department's employer contributions of $22,227, 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	$	(9,436)
2024		(9,189)
2025		(9,119)
2026		(10,256)
2027		1,798
Thereafter		11,072

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.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	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 the metropolitan government 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 Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the metropolitan government calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

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)	$	26,990	$	(78,511)	$	(156,323)

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

<u>Teacher Legacy Pension Plan</u>

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan 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 metropolitan school department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were $371,396, 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 metropolitan school department reported a liability (asset) of ($4,550,415) 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 metropolitan school department's proportion of the net pension liability (asset) was based on the metropolitan 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 metropolitan school department's proportion was 0.105499 percent. The proportion measured at June 30, 2020, was 0.102757 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the metropolitan school department recognized pension expense (negative pension expense) of ($723,089).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the metropolitan 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	$ 15,292	$ 379,519
Changes in Assumptions	1,215,795	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,628,855
Changes in Proportion of Net Pension Liability (Asset)	10,577	15,349
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	371,396	N/A
Total	$ 1,613,060	$ 4,023,723

The metropolitan school department's employer contributions of $371,396 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	$ (657,797)
2024	(627,628)
2025	(517,310)
2026	(979,324)
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 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.

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	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 the metropolitan government 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 Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the metropolitan government calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

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)	$ (809,821)	$ (4,550,415)	$ (7,663,336)

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

The metropolitan government offers its employees a deferred compensation plan established pursuant to IRC Section 457. The metropolitan government contributes three percent of the costs of administering and funding this program. All other costs of administering and funding this program are the responsibility of plan participants. Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the metropolitan 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 metropolitan 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 metropolitan school department contributed $56,107 and teachers contributed $25,659 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Discretely Presented Metropolitan School Department

The metropolitan school department provides OPEB benefits to its retirees under an OPEB plan provided through the state administered public entity risk pools. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is 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

The metropolitan school department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the metropolitan school department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the metropolitan 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 metropolitan school department's total OPEB liability for the 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 the 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%, based on the daily rate of Bond Buyer's 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 2021 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

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

Plan Description. Employees of the metropolitan 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 metropolitan 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 the retiree premiums. During the year, the metropolitan school department provided a direct subsidy ranging from $329 to $358 per month toward the cost of the insurance plan selected by the retiree. 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:

	Total
Inactive Employees Currently Receiving Benefits Payments	3
Inactive Employees Entitled to But Not Yet Receiving Benefits Payments	0
Active Employees Eligible For Benefits	101
Total	104

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 metropolitan school department paid $28,057 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		
	Metropolitan Moore School Department 70.3616%	State of TN 29.6384%	Total OPEB Liability
Balance July 1, 2020	$ 1,518,967	$ 571,107	$ 2,090,074
Changes for the Year:			
Service Cost	$ 76,228	$ 32,110	$ 108,338
Interest	33,382	14,062	47,444
Difference between Expected and Actuarial Experience	48,277	20,335	68,612
Changes in Proportion	(48,358)	48,358	0
Changes in Assumption and Other Inputs	(18,115)	(10,555)	(28,670)
Benefit Payments	(75,101)	(28,710)	(103,811)
Net Changes	$ 16,313	$ 75,600	$ 91,913
Balance June 30, 2021	$ 1,535,280	$ 646,707	$ 2,181,987

The metropolitan 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 metropolitan school department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The metropolitan school department recognized $40,833 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the metropolitan school department's proportionate share of the collective OPEB liability was 70.3616 percent and the State of Tennessee's share was 29.6384 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the metropolitan school department recognized OPEB expense of $161,908, including the state's share of the expense. At June 30, 2022, the metropolitan 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	$ 85,332	$ 76,955
Changes of Assumptions/Inputs	149,280	114,870
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	84,757	40,323
Benefits Paid After the Measurement Date of June 30, 2021	28,057	0
Total	$ 347,426	$ 232,148

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	$ 11,465
2024	11,465
2025	11,465
2026	11,465
2027	11,465
Thereafter	29,896

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 metropolitan 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	$ 1,659,141	$ 1,535,280	$ 1,416,208

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the metropolitan 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	$ 1,343,600	$ 1,535,280	$ 1,761,003

G. Purchasing Law

The metropolitan government follows the Metropolitan Charter, which provides for all purchases and contracts for goods or services to be made through a consolidated metropolitan purchasing department. The charter further provides for the metropolitan mayor to manage/conduct the metropolitan purchasing department according to the procedures adopted by the metropolitan council. The metropolitan council is required by the charter to establish a three-member oversight committee to oversee the activity of the metropolitan purchasing department.

The metropolitan council has not created a consolidated metropolitan purchasing department. However, effective June 21, 1999, (amended October 18, 2004) the council adopted the following purchasing procedures to be administered by the metropolitan mayor assisted by the director of schools and the highway superintendent:

1. Purchase orders are required for all purchases estimated to exceed $500.

2. Purchase orders shall be approved by the metropolitan mayor for the general metropolitan government, the director of schools for the

metropolitan school department, and the highway superintendent for the highway department.

3. Evidence of receiving goods or services should be noted on all invoices prior to payment.

4. The metropolitan council set the bid requirements for the Office of Metropolitan Mayor to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for competitive bids on all purchases exceeding $10,000.

5. The metropolitan council set the bid requirements for the Office of Highway Superintendent to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *TCA,* and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding $25,000 to be made after public advertisement and solicitation of competitive bids.

6. The metropolitan council set the bid requirements for the Office of Director of Schools to follow the general statutes applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the 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 that competitive bids be solicited through newspaper advertisement on all purchases exceeding $10,000.

H. Subsequent Events

On August 31, 2022, Bonnie Lewis left the Office of Metropolitan Mayor and was succeeded by Sloan Stewart, and Nancy Hatfield left the Office of Metropolitan Clerk and was succeeded by Lacy Ivey.

On October 4, 2022, the metropolitan government's General Debt Service Fund issued a $350,000 tax anticipation note to the General Fund for temporary operating funds.

VI. OTHER NOTES–WATER AND SEWER DEPARTMENT (ENTERPRISE FUND)

A. General

The financial statements include the accounts of the Metropolitan Lynchburg – Moore County Water and Sewer Department, which is a proprietary fund of Metropolitan Lynchburg – Moore County, Tennessee, (the primary government) and governed by the Metropolitan Council and a Utility Board composed of members of the council. The department does not represent a separate legal entity separate and apart from the primary government.

B. Summary of Significant Accounting Policies

The accounting policies of the department conform to generally accepted accounting principles as applicable to enterprise funds. The following is a summary of significant policies:

Measurement Focus and Basis of Accounting – These financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Utility Plant and Depreciation – Utility plant in service is reported at cost and includes improvements, with a cost in excess of $3,000 that significantly adds to the utility plant or extends useful lives. Cost of maintenance and repairs are charged to expense, as are tap connection costs.

Depreciation is calculated by the straight-line method to allocate the cost of the assets over their estimated useful lives using guidelines set forth by the State of Tennessee Capital Asset Guide. The estimated useful lives are as follows:

Assets	Years
Structures	20 - 50
Utility plant other than structures and equipment	25 - 50
Equipment	5 - 10
Vehicles	10

Allowance for Uncollectible Accounts – The department provides an allowance for uncollectible accounts equal to estimated losses that will be incurred in collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the outstanding receivables.

Inventories – Inventories are stated at cost, first-in, first-out method.

Compensated Absences – The costs of vacation pay granted to employees are recorded as expenditures when earned.

Cash Equivalents – For purposes of the Statement of Cash Flows, the department considers all highly liquid investments (including restricted assets) purchased with an original maturity of three months or less to be cash equivalents.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the department are charges to customers for sales and services. The department also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative and maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, when both restricted and unrestricted resources are available for use, it is the department's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied. However, when purchasing a capital asset, the governing body will determine the best source of funding for the purchase, which may or may not result in restricted resources being depleted prior to using unrestricted resources.

Bond premiums are amortized over the life of the debt using the effective interest method.

C. Utility Plant Additions and Retirements

Business-type Activities:

	Balance 7-1-21	Additions	Deductions	Balance 6-30-22
Capital Assets Not Depreciated or Amortized:				
Land and Land Rights	$ 92,459	$ 0	$ 0	$ 92,459
Construction in Progress	238,845	400,295	0	639,140
Total Capital Assets Not Depreciated or Amortized	$ 331,304	$ 400,295	$ 0	$ 731,599
Other Capital Assets:				
General	$ 345,879	$ 46,526	$ 0	$ 392,405
Water	15,128,051	24,933	(45,764)	15,107,220
Sewer	5,183,861	17,385	(13,927)	5,187,319
Maintenance	350,572	0	(3,939)	346,633
Acquistion Adjustment	301,099	0	0	301,099
Utility Plant	$ 21,309,462	$ 88,844	$ (63,630)	$ 21,334,676
Less Accumulated Depreciation/ Amortization for:				
General	$ 166,020	$ 27,964	$ 0	$ 193,984
Water	6,040,451	476,619	(37,176)	6,479,894
Sewer	1,057,283	117,094	(13,927)	1,160,450
Maintenance	194,293	39,872	(3,939)	230,226
Acquistion Adjustment	205,239	15,055	0	220,294
Total Accumulated Depreciation/ Amortization	$ 7,663,286	$ 676,604	$ (55,042)	$ 8,284,848
Other Capital Assets, Net	$ 13,646,176	$ (587,760)	$ (8,588)	$ 13,049,828
Business-type Activities Capital Assets, Net	$ 13,977,480	$ (187,465)	$ (8,588)	$ 13,781,427

D. Cash and Restricted Funds

The following is a summary of cash and restricted funds at June 30, 2022

	Cash Equivalents	Certificate of Deposit
Cash for General Use	$ 1,587,620	$ 104,565
Restricted for Asset Maintenance	98,532	0
Total	$ 1,686,152	$ 104,565

The department has also designated $788,069 to be used to fund capital asset replacements.

Legal Provisions: All deposits with financial institutions must be secured by one of two methods depending on whether the financial institution participates in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose 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 department.

Types of Investments Authorized: State statutes authorize the entity 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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the metropolitan government's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements. The entity has no policy that would further limit its investments.

E. Revenue Bonds

A summary of revenue bond and bond anticipation transactions for the year ended June 30, 2022, includes the following:

	Revenue Bonds
Balance, July 1, 2021	$ 5,019,268
Additions	78,919
Reductions	(149,535)
Balance, June 30, 2022	$ 4,948,652

Details of water and sewer revenue bonds are as follows:

Series 2014 Sewer Revenue and Tax Bonds, 2.250% payable $4,696 per month including principal and interest with with final maturity in 2054	$	1,290,813
Series 2014 Sewer Revenue and Tax Bonds, 2.250% payable $1,586 per month including principal and interest with with final maturity in 2055		439,825
Series 2019 Water Revenue and Tax Refunding Bonds, with interest rates of 1.6%, 3.0%, and 2.875% and final maturity in 2044		3,028,000
Series 2022 Water Revenue and Tax Refunding Bonds, with an interest rate of 2.690% and final maturity in 2046		78,918
	$	4,837,556
Unamortized Premium		111,096
Total	$	4,948,652

The Series 2022 Revenue and Tax bonds are expected to total $1.3 million when fully funded during fiscal year 2023; therefore, the full amount of the anticipated repayments are included in the annual requirements to amortize principal and interest shown below even though only $78,918 had been used as of June 30, 2022, leaving $1,221,082 available to draw.

The bonds are payable from and secured primarily by a pledge of the net revenues of the department; in the event such revenues are insufficient, the bonds are further secured by the taxing power of the metropolitan government.

The annual requirements to amortize principal and interest for all revenue bonds as of June 30, 2022, are as follows:

Year	Principal	Interest
2023	$ 181,822	$ 142,771
2024	186,660	157,996
2025	192,516	152,777
2026	197,391	147,393
2027	203,287	141,871
2028-2032	1,100,595	620,958
2033-2037	1,221,244	458,735
2038-2042	1,313,940	283,672
2043-2047	952,052	111,312
2048-2052	337,983	38,937
2053-2055	171,148	4,720
Total	$ 6,058,638	$ 2,261,142

Under provisions of the bond agreements, the department is required to establish and maintain various funds as follows:

Revenue Fund – All revenues are to be deposited in this fund and shall be disbursed for the establishment of the other required funds.

Operation and Maintenance Fund – The money transferred from the revenue fund is to be deposited to this fund for payment of current expenses. The maximum balance of this fund shall not exceed one-fourth of the amount budgeted for current expenses for the fiscal year.

As required by provisions of the bond agreements, the beginning and end of the year balances of the required funds are as follows:

	Balance 6-30-22	Balance 6-30-21
Revenue	$ 1,527,046	$ 1,001,570
Operation and Maintenance	165,139	233,672
Short-lived Asset Maintenance	98,532	81,144

Principal and interest payments for these revenue bonds as a percentage of pledged revenue totaled eight percent for the year.

F. Notes Payable

Direct borrowings and direct placement debt

Metropolitan Lynchburg, Moore County, Tennessee, (the primary government) has borrowed funds under the State of Tennessee's revolving loan program for the department's construction projects. The principal and interest payments required under the terms of the loans, which are secured by the department's revenues and has stated interest rates of 2.95 percent and zero percent, respectively, are as follows:

Year	DWF 00-026 Principal	DWF 00-026 Interest	CWO 10-259 Principal
2023	$ 56,104	$ 3,344	$ 65,628
2024	57,868	1,580	65,628
2025	22,165	146	65,628
2026	0	0	65,628
2027	0	0	65,628
2028-2032	0	0	328,140
2033-2036	0	0	236,910
Total	$ 136,137	$ 5,070	$ 893,190

Principal and interest payments, as a percentage of pledged revenue, totaled four percent for the year for these loans. Should the department fail to remit monthly payments in accordance with the terms of the agreement, the metropolitan government has consented to the withholding and application of State-Shared Taxes.

The metropolitan government has also been approved for a $2,500,000 loan from the revolving fund program, which is to be used for the Sewer Rehab Project. The loan carries an interest rate of 1.03% and will be payable over 20 years. There had been no draws on this loan as of June 30, 2022.

The department borrowed $211,534 to purchase five vehicles. The obligation requires payments over five years at interest rates of 4.14% and 5.39%. Remaining principal and interest payments as of June 30, 2022, are as follows:

Year	Principal	Interest
2023	$ 28,304	$ 2,392
2024	44,144	2,011
Total	$ 72,448	$ 4,403

In the event of default, Ally Financial is recorded as lienholder.

The department financed its purchase of water meters and AMI in the amount of $765,997 under an agreement requiring annual payments of $90,242 for ten years at a stated interest rate of 3.637%. Remaining principal and interest payments as of June 30, 2022, are as follows:

Year	Principal	Interest
2024	$ 70,705	$ 19,537
2025	72,894	17,348
2026	75,152	15,090
2027	77,479	12,763
2028	79,878	10,364
2029	82,352	7,890
2030	84,902	5,340
2031	87,532	2,711
Total	$ 630,894	$ 91,043

In the event of default, title shall revert to Government Capital Corporation.

Notes payable activity for the year ended June 30, 2022, is as follows:

Balance June 30, 2021	Repayments	Balance June 30, 2022
$ 1,961,448	$ 228,779	$ 1,732,669

The department incurred $153,619 in interest costs from revenue bonds and notes payable during the current year.

G. **Income Taxes**

As a governmental entity, the department is exempt from federal, state and local income taxes.

H. **Risk Management**

The department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The department obtains insurance coverage covering the above risks of loss through a public risk entity pool, Tennessee Risk Management Trust (TRMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TRMT provides for it to be self-sustaining through member premiums.

Settled claims in the past three years have not exceeded the coverage.

I. **Significant Concentrations**

The department operates principally to distribute water to residents of Moore County, Tennessee. The department grants credit to its customers, which at June 30, 2022, totaled $376,692. Deposits from these customers, totaling $30,053 at June 30, 2022, are held as security for these accounts receivable.

Water and sewer revenues from the Jack Daniels Distillery account for approximately 39 percent of the department's total water and sewer revenues.

J. <u>Defined Contribution Plans</u>

The department offers its employees the following defined contribution plans: State of Tennessee Deferred Compensation Plan I for Participating Governmental Employers – 457(b) and State of Tennessee Deferred Compensation Plan II for Participating Governmental Employers – 401(k) plans. The plans are administered by the State Treasurer. Full-time employees (30 hours or more of service per week) are immediately eligible to make elective deferrals under the plans. All contributions after February 2018 have been made to Plan II. The department contributes up to three percent of employee compensation as matching contributions. Matching contributions related to distributed permissible withdrawals will be placed in a forfeiture account, which will be used first to reduce the employer's matching contributions to the plan and then to offset plan expenses. The election provisions of the plans may be amended, so long as the amendment is not inconsistent with the plan, the Internal Revenue Code, state law, or other applicable law and is approved by the chair of the Tennessee Consolidated Retirement System. The chair may amend the plans on behalf of all employers for changes in the Internal Revenue Code, the regulations thereunder, state law, revenue rulings, other statements published by the IRS, and for other reasons that are deemed at the chair's sole discretion to be in the interest of the plans. The department recognized $24,844 in retirement plan expense for the year. There were $2,995 forfeitures for the current year.

K. <u>Environmental Contingency</u>

The department's facilities and operations are subject to a wide range of environmental protection laws related to the use and disposal of hazardous materials. As a result, there is the possibility that environmental conditions may arise, which would require the department to incur clean-up costs. As in prior years, management continues its efforts to comply, and to determine compliance with all applicable environmental protection laws and does not believe such costs, if any, would materially affect the department's financial position or its future cash flows.

L. <u>Commitments</u>

Commitments under the department's engineering contracts for the following projects as of June 30, 2022, follows:

	Contract	Billed through June 30	Remaining amount
2021 Sewer Rehab	$ 425,000	$ 191,476	$ 233,524
TDOT Turn Lane	79,245	50,018	29,227
12-inch Water Main	321,250	58,566	262,684
2 Booster Stations	332,225	137,868	194,357

In February 2022, the board approved the purchase of 6.69 acres of land to ensure future land application of sewer plan sludge. The sale was completed July 18, 2022, with a sales price, including fees, of $104,509. The board also approved recommending that the Metropolitan Council approve a bid in the amount of $2,114,030 from Pipeworks Plus, Inc. for the Sewer Rehab Project. As of June 30, 2022, $52,931 had been incurred under this contract.

In June 2022 the board approved the purchase of a hydro excavator subsequent to June 30, 2022. The purchase, approximately $58,000, will be financed over two years.

M. Subsequent Events

Subsequent to June 30, 2022, notification of approval of the metropolitan government's application for American Rescue Plan Act funds was received. The department plans to fund the following projects with the funds:

Project	Amount
Phase II of Sewer Rehabilitation Project	$ 2,000,000
Asset Management Software/Planning	256,000
Planning and design of approximately 40,000 linear feet of water main replacement	250,000

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

The Metropolitan Government of Lynchburg, Moore 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 Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	$ 43,773	$ 45,336	$ 45,961	$ 55,432	$ 57,974	$ 60,156	$ 70,791	$ 73,262
Interest	104,800	111,497	105,928	113,805	120,071	128,481	145,491	156,783
Differences Between Actual and Expected Experience	8,069	(169,046)	(984)	(13,152)	6,805	109,241	19,623	39,045
Changes in Assumptions	0	0	0	42,387	0	0	0	108,472
Benefit Payments, Including Refunds of Employee Contributions	(68,860)	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)
Net Change in Total Pension Liability	$ 87,782	$ (81,156)	$ 94,502	$ 144,191	$ 114,605	$ 226,052	$ 159,955	$ 288,269
Total Pension Liability, Beginning	1,387,984	1,475,766	1,394,610	1,489,112	1,633,303	1,747,908	1,973,960	2,133,915
Total Pension Liability, Ending (a)	$ 1,475,766	$ 1,394,610	$ 1,489,112	$ 1,633,303	$ 1,747,908	$ 1,973,960	$ 2,133,915	$ 2,422,184
Plan Fiduciary Net Position								
Contributions - Employer	$ 54,991	$ 57,406	$ 60,945	$ 64,426	$ 67,844	$ 77,552	$ 67,059	$ 69,942
Contributions - Employee	26,286	27,494	29,189	30,856	32,461	37,107	38,943	40,617
Net Investment Income	194,294	42,397	38,281	172,419	143,487	142,037	103,422	570,933
Benefit Payments, Including Refunds of Employee Contributions	(68,860)	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)
Administrative Expense	(384)	(457)	(748)	(849)	(950)	(979)	(975)	(984)
Net Change in Plan Fiduciary Net Position	$ 206,327	$ 57,897	$ 71,264	$ 212,571	$ 172,597	$ 183,891	$ 132,499	$ 591,215
Plan Fiduciary Net Position, Beginning	1,166,000	1,372,327	1,430,224	1,501,488	1,714,059	1,886,656	2,070,547	2,203,046
Plan Fiduciary Net Position, Ending (b)	$ 1,372,327	$ 1,430,224	$ 1,501,488	$ 1,714,059	$ 1,886,656	$ 2,070,547	$ 2,203,046	$ 2,794,261
Net Pension Liability (Asset), Ending (a - b)	$ 103,439	$ (35,614)	$ (12,376)	$ (80,756)	$ (138,748)	$ (96,587)	$ (69,131)	$ (372,077)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.99%	102.55%	100.83%	104.94%	107.94%	104.89%	103.24%	115.36%
Covered Payroll	$ 525,725	$ 549,868	$ 583,769	$ 617,107	$ 649,228	$ 742,131	$ 778,842	$ 812,335
Net Pension Liability (Asset) as a Percentage of Covered Payroll	19.68%	6.48%	(2.12%)	(13.09%)	(21.37%)	(13.01%)	(8.88%)	(45.80%)

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

Exhibit F-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
Discretely Presented Metropolitan School Department - Non-Certified Employees
For the Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	$ 89,333	$ 95,048	$ 110,147	$ 106,742	$ 115,127	$ 118,656	$ 119,382	$ 126,606
Interest	240,127	249,499	264,200	278,235	284,044	298,548	314,350	333,453
Differences Between Actual and Expected Experience	(66,797)	(18,827)	(28,157)	(116,331)	(24,161)	6,783	26,679	(99,481)
Changes in Assumptions	0	0	0	84,069	0	0	0	477,840
Benefit Payments, Including Refunds of Employee Contributions	(150,417)	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)
Net Change in Total Pension Liability	$ 112,246	$ 189,285	$ 193,022	$ 194,590	$ 227,018	$ 215,005	$ 255,900	$ 634,647
Total Pension Liability, Beginning	3,187,571	3,299,817	3,489,102	3,682,124	3,876,714	4,103,732	4,318,737	4,574,637
Total Pension Liability, Ending (a)	$ 3,299,817	$ 3,489,102	$ 3,682,124	$ 3,876,714	$ 4,103,732	$ 4,318,737	$ 4,574,637	$ 5,209,284
Plan Fiduciary Net Position								
Contributions - Employer	$ 30,992	$ 25,086	$ 25,635	$ 27,462	$ 28,289	$ 62,991	$ 65,418	$ 67,457
Contributions - Employee	55,743	56,246	57,478	61,574	63,429	67,443	69,299	71,459
Net Investment Income	517,468	110,225	96,230	413,102	330,846	316,013	222,259	1,194,618
Benefit Payments, Including Refunds of Employee Contributions	(150,417)	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)
Administrative Expense	(2,135)	(2,893)	(4,324)	(4,616)	(5,345)	(4,998)	(4,928)	(5,120)
Net Change in Plan Fiduciary Net Position	$ 451,651	$ 52,229	$ 21,851	$ 339,397	$ 269,227	$ 232,467	$ 147,537	$ 1,124,643
Plan Fiduciary Net Position, Beginning	3,151,491	3,603,142	3,655,371	3,677,222	4,016,619	4,285,846	4,518,313	4,665,850
Plan Fiduciary Net Position, Ending (b)	$ 3,603,142	$ 3,655,371	$ 3,677,222	$ 4,016,619	$ 4,285,846	$ 4,518,313	$ 4,665,850	$ 5,790,493
Net Pension Liability (Asset), Ending (a - b)	$ (303,325)	$ (166,269)	$ 4,902	$ (139,905)	$ (182,114)	$ (199,576)	$ (91,213)	$ (581,209)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.19%	104.77%	99.87%	103.61%	104.44%	104.62%	101.99%	111.16%
Covered Payroll	$ 1,114,845	$ 1,124,926	$ 1,149,541	$ 1,231,478	$ 1,268,564	$ 1,348,844	$ 1,385,975	$ 1,429,188
Net Pension Liability (Asset) as a Percentage of Covered Payroll	27.21%	14.78%	0.43%	(11.36%)	(14.36%)	(14.8%)	(6.58%)	(40.67%)

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

Exhibit F-3

The Metropolitan Government of Lynchburg, Moore 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	$ 54,991	$ 57,406	$ 60,945	$ 64,426	$ 67,844	$ 77,552	$ 67,059	$ 69,942	$ 71,309
Less: Contributions in Relation to the Actuarially Determined Contribution	(54,991)	(57,406)	(60,945)	(64,426)	(67,844)	(77,552)	(67,059)	(69,942)	(71,309)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 525,725	$ 549,868	$ 583,769	$ 617,107	$ 649,228	$ 742,131	$ 778,842	$ 812,335	$ 827,250
Contributions as a Percentage of Covered Payroll	10.46%	10.44%	10.44%	10.44%	10.45%	10.45%	8.61%	8.61%	8.62%

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

Exhibit F-4

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Discretely Presented Metropolitan School Department - Non-Certified Employees
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 30,992	$ 25,086	$ 25,635	$ 27,462	$ 28,289	$ 62,991	$ 65,418	$ 67,457	$ 70,633
Less: Contributions in Relation to the Actuarially Determined Contribution	(30,992)	(25,086)	(25,635)	(27,462)	(28,289)	(62,991)	(65,418)	(67,457)	(70,633)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 1,114,845	$ 1,124,926	$ 1,149,541	$ 1,231,478	$ 1,268,564	$ 1,348,844	$ 1,385,975	$ 1,429,188	$ 1,493,298
Contributions as a Percentage of Covered Payroll	2.78%	2.23%	2.23%	2.23%	2.23%	4.67%	4.72%	4.72%	4.73%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 4,015	$ 14,486	$ 26,160	$ 28,640	$ 14,823	$ 19,058	$ 21,130	$ 22,227
Less: Contributions in Relation to the Contractually Required Contribution	(4,015)	(14,486)	(26,160)	(28,640)	(14,823)	(19,058)	(21,130)	(22,227)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 100,386	$ 362,154	$ 652,058	$ 715,986	$ 764,086	$ 938,799	$ 1,046,060	$ 1,105,829
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	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 - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 342,727	$ 346,443	$ 336,183	$ 305,916	$ 323,741	$ 375,685	$ 363,548	$ 355,614	$ 371,396
Less: Contributions in Relation to the Contractually Required Contribution	(342,727)	(346,443)	(336,183)	(305,916)	(323,741)	(375,685)	(363,548)	(355,614)	(371,396)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 3,859,535	$ 3,832,343	$ 3,718,842	$ 3,389,818	$ 3,565,424	$ 3,591,631	$ 3,420,016	$ 3,462,648	$ 3,605,786
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit F-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Metropolitan 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)	0.048314%	0.082307%	0.099644%	0.081932%	0.072206%	0.074395%	0.072480%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (1,944)	$ (8,568)	$ (26,290)	$ (37,159)	$ (40,759)	$ (42,304)	$ (78,511)
Covered Payroll	$ 100,386	$ 362,154	$ 652,058	$ 715,986	$ 764,086	$ 938,799	$ 1,046,060
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.94%	(2.37%)	(4.03%)	(5.19%)	(5.33%)	(4.51%)	(7.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

Exhibit F-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Metropolitan 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)	0.098332%	0.102373%	0.103021%	0.095730%	0.101821%	0.107112%	0.102757%	0.105499%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (15,979)	$ 41,935	$ 643,822	$ (31,322)	$ (358,299)	$ (1,101,309)	$ (783,597)	$ (4,550,415)
Covered Payroll	$ 3,859,537	$ 3,832,343	$ 3,718,842	$ 3,389,818	$ 3,565,424	$ 3,591,631	$ 3,420,016	$ 3,462,648
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.414002%	1.094252%	17.310000%	(0.92%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 99,481	$ 91,570	$ 101,930	$ 88,030	$ 108,338
Interest	56,319	66,184	67,945	67,067	47,444
Changes in Benefit Terms	0	(33,522)	0	0	0
Differences Between Actual and Expected Experience	0	(73,214)	89,536	(82,572)	68,612
Changes in Assumptions or Other Inputs	(92,380)	57,851	(135,024)	228,693	(28,670)
Benefit Payments	(132,714)	(117,546)	(86,016)	(67,152)	(103,811)
Net Change in Total OPEB Liability	$ (69,294)	$ (8,677)	$ 38,371	$ 234,066	$ 91,913
Total OPEB Liability, Beginning	1,895,608	1,826,314	1,817,637	1,856,008	2,090,074
Total OPEB Liability, Ending	$ 1,826,314	$ 1,817,637	$ 1,856,008	$ 2,090,074	$ 2,181,987
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 629,118	$ 511,319	$ 520,915	$ 571,107	$ 646,707
Employer Proportionate Share of the Total OPEB Liability	1,197,196	1,306,318	1,335,093	1,518,967	1,535,280
Covered Employee Payroll	$ 4,264,311	$ 5,365,762	$ 5,407,042	$ 5,535,640	$ 5,912,390
Net OPEB Liability as a Percentage of Covered Employee Payroll	28.07%	24.35%	24.69%	27.44%	25.97%

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.

THE METROPOLITAN GOVERNMENT OF LYNCHBURG,
MOORE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Urban Services Fund – The Urban Services Fund represents financial activity for the Urban Services District.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for household garbage pick-up and the convenience center operations.

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

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

Exhibit G-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Urban Services	Solid Waste / Sanitation	Drug Control	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	$ 69,930	$ 257,169	$ 52,557	$ 379,656
Accounts Receivable	1,554	50,639	1,092	53,285
Property Taxes Receivable	6,279	232,925	0	239,204
Allowance for Uncollectible Property Taxes	(154)	(5,248)	0	(5,402)
Total Assets	$ 77,609	$ 535,485	$ 53,649	$ 666,743
LIABILITIES				
Accounts Payable	$ 0	$ 1,832	$ 0	$ 1,832
Payroll Deductions Payable	0	2,611	0	2,611
Due to State of Tennessee	0	101	0	101
Total Liabilities	$ 0	$ 4,544	$ 0	$ 4,544
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 5,884	$ 224,507	$ 0	$ 230,391
Deferred Delinquent Property Taxes	240	3,039	0	3,279
Other Deferred/Unavailable Revenue	0	30,381	0	30,381
Total Deferred Inflows of Resources	$ 6,124	$ 257,927	$ 0	$ 264,051
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 0	$ 0	$ 53,649	$ 53,649
Restricted for Other Purposes	71,485	0	0	71,485
Committed:				
Committed for Public Health and Welfare	0	273,014	0	273,014
Total Fund Balances	$ 71,485	$ 273,014	$ 53,649	$ 398,148
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 77,609	$ 535,485	$ 53,649	$ 666,743

Exhibit G-2

The Metropolitan Government of Lynchburg, Moore 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: Urban Services	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 5,974	$ 262,626	$ 0	$ 0	$ 268,600
Licenses and Permits	6,650	0	0	0	6,650
Fines, Forfeitures, and Penalties	0	0	6,345	0	6,345
Charges for Current Services	0	231,322	0	30	231,352
Other Local Revenues	0	100,371	0	0	100,371
State of Tennessee	5,819	34,205	0	0	40,024
Total Revenues	$ 18,443	$ 628,524	$ 6,345	$ 30	$ 653,342
Expenditures					
Current:					
General Government	$ 4,177	$ 0	$ 0	$ 0	$ 4,177
Administration of Justice	0	0	0	30	30
Public Safety	0	0	2,038	0	2,038
Public Health and Welfare	0	631,850	0	0	631,850
Total Expenditures	$ 4,177	$ 631,850	$ 2,038	$ 30	$ 638,095
Excess (Deficiency) of Revenues Over Expenditures	$ 14,266	$ (3,326)	$ 4,307	$ 0	$ 15,247
Net Change in Fund Balances	$ 14,266	$ (3,326)	$ 4,307	$ 0	$ 15,247
Fund Balance, July 1, 2021	57,219	276,340	49,342	0	382,901
Fund Balance, June 30, 2022	$ 71,485	$ 273,014	$ 53,649	$ 0	$ 398,148

Exhibit G-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Urban Services Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 5,974	$ 9,794	$ 9,794	$ (3,820)
Licenses and Permits	6,650	6,500	6,500	150
State of Tennessee	5,819	1,500	1,500	4,319
Total Revenues	$ 18,443	$ 17,794	$ 17,794	$ 649
Expenditures				
General Government				
Other General Administration	$ 4,177	$ 10,900	$ 10,900	$ 6,723
Total Expenditures	$ 4,177	$ 10,900	$ 10,900	$ 6,723
Excess (Deficiency) of Revenues Over Expenditures	$ 14,266	$ 6,894	$ 6,894	$ 7,372
Net Change in Fund Balance	$ 14,266	$ 6,894	$ 6,894	$ 7,372
Fund Balance, July 1, 2021	57,219	46,830	57,219	0
Fund Balance, June 30, 2022	$ 71,485	$ 53,724	$ 64,113	$ 7,372

Exhibit G-4

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 262,626	$ 256,990	$ 256,990	$ 5,636
Charges for Current Services	231,322	251,150	251,150	(19,828)
Other Local Revenues	100,371	40,000	40,000	60,371
State of Tennessee	34,205	46,389	46,389	(12,184)
Total Revenues	$ 628,524	$ 594,529	$ 594,529	$ 33,995
Expenditures				
Public Health and Welfare				
Waste Pickup	$ 38,573	$ 44,200	$ 44,200	$ 5,627
Recycling Center	593,277	578,101	580,801	(12,476)
Total Expenditures	$ 631,850	$ 622,301	$ 625,001	$ (6,849)
Excess (Deficiency) of Revenues Over Expenditures	$ (3,326)	$ (27,772)	$ (30,472)	$ 27,146
Net Change in Fund Balance	$ (3,326)	$ (27,772)	$ (30,472)	$ 27,146
Fund Balance, July 1, 2021	276,340	203,276	276,340	0
Fund Balance, June 30, 2022	$ 273,014	$ 175,504	$ 245,868	$ 27,146

Exhibit G-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 6,345	$ 6,000	$ 6,000	$ 345
Total Revenues	$ 6,345	$ 6,000	$ 6,000	$ 345
Expenditures				
Public Safety				
Drug Enforcement	$ 2,038	$ 7,500	$ 7,500	$ 5,462
Total Expenditures	$ 2,038	$ 7,500	$ 7,500	$ 5,462
Excess (Deficiency) of Revenues Over Expenditures	$ 4,307	$ (1,500)	$ (1,500)	$ 5,807
Net Change in Fund Balance	$ 4,307	$ (1,500)	$ (1,500)	$ 5,807
Fund Balance, July 1, 2021	49,342	24,404	49,342	0
Fund Balance, June 30, 2022	$ 53,649	$ 22,904	$ 47,842	$ 5,807

Major Governmental Funds

General Debt Service Fund

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

General Capital Projects Fund

The General Capital Projects Fund is 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.

Exhibit H-1

The Metropolitan Government of Lynchburg, Moore 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	$ 1,440,010	$ 1,255,130	$ 1,255,130	$ 184,880
Other Governments and Citizens Groups	284,717	300,000	300,000	(15,283)
Total Revenues	$ 1,724,727	$ 1,555,130	$ 1,555,130	$ 169,597
Expenditures				
Principal on Debt				
General Government	$ 87,100	$ 87,100	$ 87,100	$ 0
Education	782,900	782,900	782,900	0
Interest on Debt				
General Government	226	4,355	4,355	4,129
Education	413,516	600,280	600,280	186,764
Other Debt Service				
General Government	25,571	32,000	32,000	6,429
Education	32,379	50,000	50,000	17,621
Total Expenditures	$ 1,341,692	$ 1,556,635	$ 1,556,635	$ 214,943
Excess (Deficiency) of Revenues Over Expenditures	$ 383,035	$ (1,505)	$ (1,505)	$ 384,540
Net Change in Fund Balance	$ 383,035	$ (1,505)	$ (1,505)	$ 384,540
Fund Balance, July 1, 2021	2,103,192	1,900,368	2,103,192	0
Fund Balance, June 30, 2022	$ 2,486,227	$ 1,898,863	$ 2,101,687	$ 384,540

Exhibit H-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 61,375	$ 64,760	$ 64,760	$ (3,385)
State of Tennessee	684,690	0	951,384	(266,694)
Federal Government	3,306	0	3,306	0
Other Governments and Citizens Groups	0	0	26,500	(26,500)
Total Revenues	$ 749,371	$ 64,760	$ 1,045,950	$ (296,579)
Expenditures				
Capital Projects				
General Administration Projects	$ 74,801	$ 1,855	$ 52,092	$ (22,709)
Public Safety Projects	140,874	83,300	113,592	(27,282)
Public Health and Welfare Projects	958,803	0	895,754	(63,049)
Social, Cultural, and Recreation Projects	87,925	0	77,623	(10,302)
Agriculture and Natural Resources Projects	752	0	752	0
Other General Government Projects	8,800	0	8,800	0
Total Expenditures	$ 1,271,955	$ 85,155	$ 1,148,613	$ (123,342)
Excess (Deficiency) of Revenues Over Expenditures	$ (522,584)	$ (20,395)	$ (102,663)	$ (419,921)
Net Change in Fund Balance	$ (522,584)	$ (20,395)	$ (102,663)	$ (419,921)
Fund Balance, July 1, 2021	740,631	776,396	740,631	0
Fund Balance, June 30, 2022	$ 218,047	$ 756,001	$ 637,968	$ (419,921)

Custodial Fund

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.

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 I-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Combining Statement of Net Position
Custodial Fund
June 30, 2022

	Custodial Fund Constitu-tional Officers - Custodial
ASSETS	
Cash	$ 201,966
Total Assets	$ 201,966
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	$ 201,966
Total Net Position	$ 201,966

Exhibit I-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Combining Statement of Changes in Net Position
Custodial Fund
For the Year Ended June 30, 2022

	Custodial Fund
	Constitu-tional Officers - Custodial
ADDITIONS	
Fines/Fees and Other Collections	$ 1,600,165
Total Additions	$ 1,600,165
DEDUCTIONS	
Payments to State	$ 1,136,963
Payments to County/City	193,439
Payments to Individuals and Others	178,793
Total Deductions	$ 1,509,195
Change in Net Position	$ 90,970
Net Position July 1, 2021	110,996
Net Position June 30, 2022	$ 201,966

Metropolitan School Department

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

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

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

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

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

Exhibit J-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Activities
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	$ 5,941,036	$ 18,000	$ 242,031	$ 0	$ (5,681,005)
Support Services	4,281,441	424,326	938,305	1,375	(2,917,435)
Operation of Non-instructional Services	1,060,668	93,647	781,576	0	(185,445)
Total Governmental Activities	$ 11,283,145	$ 535,973	$ 1,961,912	$ 1,375	$ (8,783,885)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 3,333,648
Local Option Sales Tax					850,140
Other Local Taxes					280
Grants and Contributions Not Restricted for Specific Programs					5,303,095
Unrestricted Investment Income					2,387
Miscellaneous					120,744
Total General Revenues					$ 9,610,294
Change in Net Position					$ 826,409
Net Position, July 1, 2021					29,452,551
Net Position, June 30, 2022					$ 30,278,960

Exhibit J-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Metropolitan School Department
June 30, 2022

	Major Fund General Purpose School	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 322,949	$ 322,949
Equity in Pooled Cash and Investments	1,524,949	456,159	1,981,108
Inventories	0	8,352	8,352
Accounts Receivable	668	97	765
Due from Other Governments	354,479	17,509	371,988
Property Taxes Receivable	3,321,132	0	3,321,132
Allowance for Uncollectible Property Taxes	(73,670)	0	(73,670)
Restricted Assets	84,655	0	84,655
Total Assets	$ 5,212,213	$ 805,066	$ 6,017,279
LIABILITIES			
Accounts Payable	$ 6,484	$ 0	$ 6,484
Payroll Deductions Payable	368,068	43,242	411,310
Total Liabilities	$ 374,552	$ 43,242	$ 417,794
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 3,207,246	$ 0	$ 3,207,246
Deferred Delinquent Property Taxes	38,613	0	38,613
Other Deferred/Unavailable Revenue	74,777	0	74,777
Total Deferred Inflows of Resources	$ 3,320,636	$ 0	$ 3,320,636
FUND BALANCES			
Nonspendable:			
Inventory	$ 0	$ 8,352	$ 8,352
Restricted:			
Restricted for Education	0	683,472	683,472
Restricted for Hybrid Retirement Stabilization Funds	84,655	0	84,655
Committed:			
Committed for Education	48,121	70,000	118,121
Assigned:			
Assigned for Education	819,943	0	819,943
Unassigned	564,306	0	564,306
Total Fund Balances	$ 1,517,025	$ 761,824	$ 2,278,849
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,212,213	$ 805,066	$ 6,017,279

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Metropolitan School Department
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		$ 2,278,849
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 39,342	
Add: buildings and improvements net of accumulated depreciation	25,487,073	
Add: other capital assets net of accumulated depreciation	1,281,214	26,807,629
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	$ (1,535,280)	
Less: compensated absences payable	(25,856)	(1,561,136)
(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 expense and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	$ 2,117,566	
Add: deferred outflows of resources related to OPEB	347,426	
Less: deferred inflows of resources related to pensions	(4,802,751)	
Less: deferred inflows of resources related to OPEB	(232,148)	(2,569,907)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	$ 581,209	
Add: net pension asset - teacher retirement plan	78,511	
Add: net pension asset - teacher legacy pension plan	4,550,415	5,210,135
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		113,390
Net position of governmental activities (Exhibit A)		$ 30,278,960

Exhibit J-4

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

	Major Fund General Purpose School	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 4,160,276	$ 0	$ 4,160,276
Licenses and Permits	637	0	637
Charges for Current Services	62,640	49,007	111,647
Other Local Revenues	54,535	424,146	478,681
State of Tennessee	5,436,326	5,178	5,441,504
Federal Government	24,751	1,803,408	1,828,159
Other Governments and Citizens Groups	1,375	0	1,375
Total Revenues	$ 9,740,540	$ 2,281,739	$ 12,022,279
Expenditures			
Current:			
Instruction	$ 4,919,533	$ 675,691	$ 5,595,224
Support Services	4,282,729	383,733	4,666,462
Operation of Non-Instructional Services	159,825	936,169	1,095,994
Capital Outlay	119,684	34,382	154,066
Total Expenditures	$ 9,481,771	$ 2,029,975	$ 11,511,746
Excess (Deficiency) of Revenues Over Expenditures	$ 258,769	$ 251,764	$ 510,533
Other Financing Sources (Uses)			
Insurance Recovery	$ 22,650	$ 0	$ 22,650
Transfers In	0	50,000	50,000
Transfers Out	(50,000)	0	(50,000)
Total Other Financing Sources (Uses)	$ (27,350)	$ 50,000	$ 22,650
Net Change in Fund Balances	$ 231,419	$ 301,764	$ 533,183
Fund Balance, July 1, 2021	1,285,606	460,060	1,745,666
Fund Balance, June 30, 2022	$ 1,517,025	$ 761,824	$ 2,278,849

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		$ 533,183
(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	$ 220,870	
Less: current-year depreciation expense	(1,074,927)	(854,057)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2021	$ (89,598)	
Add: deferred delinquent property taxes and other deferred June 30, 2022	113,390	23,792
(3) 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	$ (16,313)	
Change in compensated absences payable	(1,036)	
Change in deferred outflows of resources related to pensions	1,291,786	
Change in deferred outflows of resources related to OPEB	(53,574)	
Change in deferred inflows of resources related to pensions	(4,367,262)	
Change in deferred inflows of resources related to OPEB	(23,131)	
Change in net pension asset - agent plan	489,996	
Change in net pension asset - teacher retirement plan	36,207	
Change in net pension asset - teacher legacy pension plan	3,766,818	1,123,491
Change in net position of governmental activities (Exhibit B)		$ 826,409

Exhibit J-6

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Metropolitan School Department
June 30, 2022

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 11,527	$ 311,422	$ 322,949
Equity in Pooled Cash and Investments	98,366	357,793	0	456,159
Inventories	0	8,352	0	8,352
Accounts Receivable	0	97	0	97
Due from Other Governments	6,362	11,147	0	17,509
Total Assets	$ 104,728	$ 388,916	$ 311,422	$ 805,066
LIABILITIES				
Payroll Deductions Payable	$ 34,728	$ 8,514	$ 0	$ 43,242
Total Liabilities	$ 34,728	$ 8,514	$ 0	$ 43,242
FUND BALANCES				
Nonspendable:				
Inventory	$ 0	$ 8,352	$ 0	$ 8,352
Restricted:				
Restricted for Education	0	372,050	311,422	683,472
Committed:				
Committed for Education	70,000	0	0	70,000
Total Fund Balances	$ 70,000	$ 380,402	$ 311,422	$ 761,824
Total Liabilities and Fund Balances	$ 104,728	$ 388,916	$ 311,422	$ 805,066

Exhibit J-7

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

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	$ 0	$ 49,007	$ 0	$ 49,007
Other Local Revenues	0	2,970	421,176	424,146
State of Tennessee	0	5,178	0	5,178
Federal Government	1,119,463	683,945	0	1,803,408
Total Revenues	$ 1,119,463	$ 741,100	$ 421,176	$ 2,281,739
Expenditures				
Current:				
Instruction	$ 675,691	$ 0	$ 0	$ 675,691
Support Services	383,733	0	0	383,733
Operation of Non-Instructional Services	25,702	502,415	408,052	936,169
Capital Outlay	34,382	0	0	34,382
Total Expenditures	$ 1,119,508	$ 502,415	$ 408,052	$ 2,029,975
Excess (Deficiency) of Revenues Over Expenditures	$ (45)	$ 238,685	$ 13,124	$ 251,764
Other Financing Sources (Uses)				
Transfers In	$ 50,000	$ 0	$ 0	$ 50,000
Total Other Financing Sources (Uses)	$ 50,000	$ 0	$ 0	$ 50,000
Net Change in Fund Balances	$ 49,955	$ 238,685	$ 13,124	$ 301,764
Fund Balance, July 1, 2021	20,045	141,717	298,298	460,060
Fund Balance, June 30, 2022	$ 70,000	$ 380,402	$ 311,422	$ 761,824

Exhibit J-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,160,276	$ 3,840,700	$ 4,049,126	$ 111,150
Licenses and Permits	637	600	600	37
Charges for Current Services	62,640	47,000	55,000	7,640
Other Local Revenues	54,535	40,185	112,902	(58,367)
State of Tennessee	5,436,326	5,279,392	5,409,918	26,408
Federal Government	24,751	0	24,751	0
Other Governments and Citizens Groups	1,375	0	1,375	0
Total Revenues	$ 9,740,540	$ 9,207,877	$ 9,653,672	$ 86,868
Expenditures				
Instruction				
Regular Instruction Program	$ 4,008,928	$ 4,193,107	$ 4,181,500	$ 172,572
Alternative Instruction Program	56,526	59,348	57,465	939
Special Education Program	642,438	673,346	652,727	10,289
Career and Technical Education Program	211,641	258,413	220,272	8,631
Support Services				
Attendance	56,795	72,470	57,782	987
Health Services	107,127	146,230	113,847	6,720
Other Student Support	327,895	320,738	335,793	7,898
Regular Instruction Program	372,120	386,640	382,134	10,014
Special Education Program	134,294	126,955	136,809	2,515
Career and Technical Education Program	45,585	45,864	45,864	279
Technology	196,647	207,346	203,399	6,752
Other Programs	11,671	0	11,671	0
Board of Education	218,985	231,906	231,498	12,513
Director of Schools	224,939	237,742	233,864	8,925
Office of the Principal	699,561	709,856	714,360	14,799
Fiscal Services	134,390	134,687	134,740	350
Operation of Plant	849,278	857,792	872,991	23,713
Maintenance of Plant	243,405	273,042	255,903	12,498
Transportation	660,037	613,901	679,035	18,998
Operation of Non-Instructional Services				
Community Services	50,530	36,909	56,100	5,570
Early Childhood Education	109,295	109,494	109,787	492
Capital Outlay				
Regular Capital Outlay	119,684	95,000	150,000	30,316
Total Expenditures	$ 9,481,771	$ 9,790,786	$ 9,837,541	$ 355,770
Excess (Deficiency) of Revenues Over Expenditures	$ 258,769	$ (582,909)	$ (183,869)	$ 442,638
Other Financing Sources (Uses)				
Insurance Recovery	$ 22,650	$ 0	$ 22,650	$ 0
Transfers Out	(50,000)	0	(50,000)	0
Total Other Financing Sources	$ (27,350)	$ 0	$ (27,350)	$ 0
Net Change in Fund Balance	$ 231,419	$ (582,909)	$ (211,219)	$ 442,638
Fund Balance, July 1, 2021	1,285,606	875,374	1,285,606	0
Fund Balance, June 30, 2022	$ 1,517,025	$ 292,465	$ 1,074,387	$ 442,638

Exhibit J-9

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 1,119,463	$ 2,315,893	$ 2,315,893	$ (1,196,430)
Total Revenues	$ 1,119,463	$ 2,315,893	$ 2,315,893	$ (1,196,430)
Expenditures				
Instruction				
Regular Instruction Program	$ 467,077	$ 1,065,643	$ 1,064,310	$ 597,233
Special Education Program	199,625	283,899	280,264	80,639
Career and Technical Education Program	8,989	8,557	9,252	263
Support Services				
Health Services	87,677	145,597	145,597	57,920
Other Student Support	148,410	285,700	284,905	136,495
Regular Instruction Program	101,862	353,411	353,411	251,549
Special Education Program	28,667	37,431	40,946	12,279
Career and Technical Education Program	2,961	2,943	3,043	82
Maintenance of Plant	8,333	7,000	8,333	0
Transportation	5,823	5,710	5,830	7
Operation of Non-Instructional Services				
Food Service	25,702	50,000	50,000	24,298
Capital Outlay				
Regular Capital Outlay	34,382	70,000	70,000	35,618
Total Expenditures	$ 1,119,508	$ 2,315,891	$ 2,315,891	$ 1,196,383
Excess (Deficiency) of Revenues Over Expenditures	$ (45)	$ 2	$ 2	$ (47)
Other Financing Sources (Uses)				
Transfers In	$ 50,000	$ 0	$ 50,000	$ 0
Total Other Financing Sources	$ 50,000	$ 0	$ 50,000	$ 0
Net Change in Fund Balance	$ 49,955	$ 2	$ 50,002	$ (47)
Fund Balance, July 1, 2021	20,045	70,000	70,000	(49,955)
Fund Balance, June 30, 2022	$ 70,000	$ 70,002	$ 120,002	$ (50,002)

Exhibit J-10

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Metropolitan 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	$ 49,007	$ 273,000	$ 273,000	$ (223,993)
Other Local Revenues	2,970	200	200	2,770
State of Tennessee	5,178	4,500	4,500	678
Federal Government	683,945	308,000	308,000	375,945
Total Revenues	$ 741,100	$ 585,700	$ 585,700	$ 155,400
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 502,415	$ 613,086	$ 613,086	$ 110,671
Total Expenditures	$ 502,415	$ 613,086	$ 613,086	$ 110,671
Excess (Deficiency) of Revenues Over Expenditures	$ 238,685	$ (27,386)	$ (27,386)	$ 266,071
Net Change in Fund Balance	$ 238,685	$ (27,386)	$ (27,386)	$ 266,071
Fund Balance, July 1, 2021	141,717	128,081	141,717	0
Fund Balance, June 30, 2022	$ 380,402	$ 100,695	$ 114,331	$ 266,071

MISCELLANEOUS SCHEDULES

Exhibit K-1

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Changes in Long-term Other Loans
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
OTHER LOANS PAYABLE							
Payable through General Debt Service Fund							
School Construction	$ 8,300,000	Variable %	7-17-07	5-25-35	$ 5,163,000	$ 299,000	$ 4,864,000
School Construction/Public Water	2,971,980	Variable	6-9-08	5-19-22	130,000	130,000	0
School Construction	14,000,000	2.51	12-22-17	3-1-45	12,741,000	441,000	12,300,000
School Construction	3,000,000	2.59	5-1-20	3-1-36	3,000,000	0	3,000,000
Total Other Loans Payable					$ 21,034,000	$ 870,000	$ 20,164,000

Exhibit K-2

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2023	$ 857,000	$ 420,971	$ 32,636	$ 1,310,607
2024	881,000	404,927	30,634	1,316,561
2025	905,000	388,457	28,567	1,322,024
2026	930,000	371,563	26,435	1,327,998
2027	956,000	354,219	24,238	1,334,457
2028	982,000	336,419	21,970	1,340,389
2029	1,009,000	318,162	19,630	1,346,792
2030	1,037,000	299,443	17,212	1,353,655
2031	1,066,000	280,214	14,722	1,360,936
2032	1,095,000	260,490	12,147	1,367,637
2033	1,125,000	240,250	9,496	1,374,746
2034	1,158,000	219,492	6,760	1,384,252
2035	1,189,000	198,151	3,846	1,390,997
2036	759,000	176,265	0	935,265
2037	778,000	157,106	0	935,106
2038	798,000	137,467	0	935,467
2039	818,000	117,323	0	935,323
2040	839,000	96,675	0	935,675
2041	860,000	75,496	0	935,496
2042	882,000	53,787	0	935,787
2043	904,000	31,522	0	935,522
2044	166,000	8,702	0	174,702
2045	170,000	4,404	0	174,404
Total	$ 20,164,000	$ 4,951,505	$ 248,293	$ 25,363,798

Exhibit K-3

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Transfers
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2022

From Fund	To Fund	Purpose	Amount
DISCRETELY PRESENTED METROPOLITAN SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Cash flow	$ 50,000
Total Transfers Discretely Presented Metropolitan School Department			$ 50,000

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

Official	Authorization for Salary	Salary Paid During Period		Bond		Surety
Metropolitan Mayor	Section 8-24-102, *TCA,* and Metropolitan Council	$ 84,063		$ 400,000		Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, *TCA,* and Metropolitan Council	84,063		400,000		"
Director of Schools	State Board of Education and Metropolitan Board of Education	100,274	(2)	400,000		"
Trustee	Section 8-24-102, *TCA*	72,782		400,000		"
Assessor of Property	Section 8-24-102, *TCA*	72,782		400,000		"
Metropolitan Clerk	Section 8-24-102, *TCA*	72,782		400,000		"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	72,782		400,000		"
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	72,782		50,000	(3)	RLI Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	72,782		400,000		Tennessee Risk Management Trust
Sheriff	Section 8-24-101, *TCA*	80,060	(1)	400,000		"
Employee Bonds:						
Metropolitan Employees				400,000		Tennessee Risk Management Trust
School Department Employees				400,000		"

(1) Does not include a law enforcement training supplement of $800.
(2) Does not include a career ladder supplement of $1,000.
(3) Official additionally covered by the employee fidelity insurance pursuant to Section 8-19-101, *TCA* .

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	General	Special Revenue Funds: Urban Services	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
Local Taxes						
County Property Taxes						
Current Property Tax	$ 2,779,485	$ 4,757	$ 258,526	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	28,651	0	2,712	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	10,498	0	926	0	0	0
Interest and Penalty	4,913	7	462	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	391	1,210	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	423,030	0	0	0	0	0
Hotel/Motel Tax	25,354	0	0	0	0	0
Litigation Tax - General	11,864	0	0	0	0	0
Litigation Tax - Special Purpose	28	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	15,731	0	0	0	0	0
Business Tax	25,455	0	0	0	0	0
Mixed Drink Tax	258	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	49,100	0	0	0	0	0
Wholesale Beer Tax	91,956	0	0	0	0	0
Total Local Taxes	$ 3,466,714	$ 5,974	$ 262,626	$ 0	$ 0	$ 0
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 12,755	$ 6,650	$ 0	$ 0	$ 0	$ 0
Permits						
Building Permits	5,177	0	0	0	0	0
Total Licenses and Permits	$ 17,932	$ 6,650	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	$ 1,453	$ 0	$ 0	$ 0	$ 0	$ 0
Drug Control Fines	0	0	0	3,247	0	0
Drug Court Fees	47	0	0	0	0	0
Jail Fees	1,064	0	0	0	0	0
Data Entry Fee - Circuit Court	242	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	190	0	0	0	0	0
Courtroom Security Fee	44	0	0	0	0	0
General Sessions Court						
Fines	5,794	0	0	0	0	0
Officers Costs	4,772	0	0	0	0	0
Game and Fish Fines	238	0	0	0	0	0
Drug Control Fines	0	0	0	3,098	0	0
Drug Court Fees	1,072	0	0	0	0	0
Jail Fees	486	0	0	0	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,216	0	0	0	0	0
Courtroom Security Fee	122	0	0	0	0	0
Chancery Court						
Officers Costs	494	0	0	0	0	0
Data Entry Fee - Chancery Court	386	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	10,450	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 28,355	$ 0	$ 0	$ 6,345	$ 0	$ 0

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds: Urban Services	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
Charges for Current Services						
General Service Charges						
Solid Waste Disposal Fee	$ 0	$ 0	$ 231,322	$ 0	$ 0	$ 0
Patient Charges	307,716	0	0	0	0	0
Fees						
Recreation Fees	14,705	0	0	0	0	0
Copy Fees	251	0	0	0	0	0
Library Fees	856	0	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0	0
Vending Machine Collections	52	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	30
Data Processing Fee - Register	2,982	0	0	0	0	0
Data Processing Fee - Sheriff	374	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,550	0	0	0	0	0
Data Processing Fee - County Clerk	1,167	0	0	0	0	0
Vehicle Registration Reinstatement Fees	255	0	0	0	0	0
Total Charges for Current Services	$ 331,258	$ 0	$ 231,322	$ 0	$ 0	$ 30
Other Local Revenues						
Recurring Items						
Investment Income	$ 121,011	$ 0	$ 0	$ 0	$ 910	$ 0
Lease/Rentals	986	0	0	0	0	0
Commissary Sales	2,156	0	0	0	0	0
Sale of Recycled Materials	0	0	100,265	0	0	0
E-Rate Funding	1,249	0	0	0	0	0
Miscellaneous Refunds	51,763	0	106	0	0	0

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds: Urban Services	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Property	$ 8,500	$ 0	$ 0	$ 0	$ 0	$ 0
Damages Recovered from Individuals	139	0	0	0	0	0
Contributions and Gifts	25,735	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	3,197	0	0	0	0	0
Total Other Local Revenues	$ 214,736	$ 0	$ 100,371	$ 0	$ 910	$ 0
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	$ 76,153	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	9,889	0	0	0	0	0
General Sessions Court Clerk	23,713	0	0	0	0	0
Clerk and Master	15,819	0	0	0	0	0
Juvenile Court Clerk	508	0	0	0	0	0
Register	45,564	0	0	0	0	0
Sheriff	2,523	0	0	0	0	0
Trustee	202,359	0	0	0	0	0
Total Fees Received From County Officials	$ 376,528	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 4,500	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety Grants						
Law Enforcement Training Programs	11,200	0	0	0	0	0

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds: Urban Services	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Other General Government Fund	Special Revenue Funds: Constitu - tional Officers - Fees
State of Tennessee (Cont.)						
Health and Welfare Grants						
Health Department Programs	$ 90,392	$ 0	$ 0	$ 0	$ 0	$ 0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	32,983	0	0	0
Other State Revenues						
Income Tax	341	0	0	0	0	0
Beer Tax	10,294	0	0	0	0	0
Vehicle Certificate of Title Fees	5,814	0	0	0	0	0
Alcoholic Beverage Tax	21,995	0	0	0	0	0
State Revenue Sharing - T.V.A.	225,170	5,819	0	0	0	0
State Revenue Sharing - Telecommunications	8,551	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	3,276	0	0	0	0	0
Contracted Prisoner Boarding	161,733	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	56,210	0	0	0	0	0
Other State Grants	13,095	0	0	0	0	0
Other State Revenues	1,803	0	1,222	0	0	0
Total State of Tennessee	$ 629,538	$ 5,819	$ 34,205	$ 0	$ 0	$ 0
Federal Government						
Federal Through State						
Disaster Relief	$ 4,703	$ 0	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	15,102	0	0	0	0	0

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds: Urban Services	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Other General Government Fund	Special Revenue Funds: Constitu - tional Officers - Fees
Federal Government (Cont.)						
Federal Through State (Cont.)						
American Rescue Plan Act Grant #1	$ 16,748	$ 0	$ 0	$ 0	$ 962,538	$ 0
Other Federal through State	49,814	0	0	0	0	0
Total Federal Government	$ 86,367	$ 0	$ 0	$ 0	$ 962,538	$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 103,084	$ 0	$ 0	$ 0	$ 0	$ 0
Citizens Groups						
Donations	4,267	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 107,351	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 5,258,779	$ 18,443	$ 628,524	$ 6,345	$ 963,448	$ 30

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 48,478	$ 1,001,852	$ 60,008	$ 4,153,106
Trustee's Collections - Prior Year	477	9,855	970	42,665
Circuit Clerk/Clerk and Master Collections - Prior Years	172	3,558	246	15,400
Interest and Penalty	83	1,715	151	7,331
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,601
County Local Option Taxes				
Local Option Sales Tax	0	423,030	0	846,060
Hotel/Motel Tax	0	0	0	25,354
Litigation Tax - General	0	0	0	11,864
Litigation Tax - Special Purpose	0	0	0	28
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	15,731
Business Tax	12,000	0	0	37,455
Mixed Drink Tax	0	0	0	258
Statutory Local Taxes				
Bank Excise Tax	0	0	0	49,100
Wholesale Beer Tax	0	0	0	91,956
Total Local Taxes	$ 61,210	$ 1,440,010	$ 61,375	$ 5,297,909
Licenses and Permits				
Licenses				
Cable TV Franchise	$ 0	$ 0	$ 0	$ 19,405
Permits				
Building Permits	0	0	0	5,177
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 24,582

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties				
Circuit Court				
Officers Costs	$ 0	$ 0	$ 0	$ 1,453
Drug Control Fines	0	0	0	3,247
Drug Court Fees	0	0	0	47
Jail Fees	0	0	0	1,064
Data Entry Fee - Circuit Court	0	0	0	242
Criminal Court				
DUI Treatment Fines	0	0	0	190
Courtroom Security Fee	0	0	0	44
General Sessions Court				
Fines	0	0	0	5,794
Officers Costs	0	0	0	4,772
Game and Fish Fines	0	0	0	238
Drug Control Fines	0	0	0	3,098
Drug Court Fees	0	0	0	1,072
Jail Fees	0	0	0	486
DUI Treatment Fines	0	0	0	285
Data Entry Fee - General Sessions Court	0	0	0	1,216
Courtroom Security Fee	0	0	0	122
Chancery Court				
Officers Costs	0	0	0	494
Data Entry Fee - Chancery Court	0	0	0	386
Other Fines, Forfeitures, and Penalties				
Other Fines, Forfeitures, and Penalties	0	0	0	10,450
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 34,700

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services				
General Service Charges				
Solid Waste Disposal Fee	$ 0	$ 0	$ 0	$ 231,322
Patient Charges	0	0	0	307,716
Fees				
Recreation Fees	0	0	0	14,705
Copy Fees	0	0	0	251
Library Fees	0	0	0	856
Greenbelt Late Application Fee	0	0	0	350
Vending Machine Collections	0	0	0	52
Constitutional Officers' Fees and Commissions	0	0	0	30
Data Processing Fee - Register	0	0	0	2,982
Data Processing Fee - Sheriff	0	0	0	374
Sexual Offender Registration Fee - Sheriff	0	0	0	2,550
Data Processing Fee - County Clerk	0	0	0	1,167
Vehicle Registration Reinstatement Fees	0	0	0	255
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 562,610
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 0	$ 121,921
Lease/Rentals	0	0	0	986
Commissary Sales	0	0	0	2,156
Sale of Recycled Materials	0	0	0	100,265
E-Rate Funding	0	0	0	1,249
Miscellaneous Refunds	608	0	0	52,477

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Local Revenues (Cont.)				
Nonrecurring Items				
Sale of Property	$ 0	$ 0	$ 0	$ 8,500
Damages Recovered from Individuals	4,233	0	0	4,372
Contributions and Gifts	0	0	0	25,735
Other Local Revenues				
Other Local Revenues	0	0	0	3,197
Total Other Local Revenues	$ 4,841	$ 0	$ 0	$ 320,858
Fees Received From County Officials				
Fees In-Lieu-of Salary				
County Clerk	$ 0	$ 0	$ 0	$ 76,153
Circuit Court Clerk	0	0	0	9,889
General Sessions Court Clerk	0	0	0	23,713
Clerk and Master	0	0	0	15,819
Juvenile Court Clerk	0	0	0	508
Register	0	0	0	45,564
Sheriff	0	0	0	2,523
Trustee	0	0	0	202,359
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 376,528
State of Tennessee				
General Government Grants				
Juvenile Services Program	$ 0	$ 0	$ 0	$ 4,500
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	11,200

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)				
Health and Welfare Grants				
Health Department Programs	$ 0	$ 0	$ 0	$ 90,392
Public Works Grants				
State Aid Program	306,640	0	0	306,640
Litter Program	0	0	0	32,983
Other State Revenues				
Income Tax	0	0	0	341
Beer Tax	0	0	0	10,294
Vehicle Certificate of Title Fees	0	0	0	5,814
Alcoholic Beverage Tax	0	0	0	21,995
State Revenue Sharing - T.V.A.	0	0	0	230,989
State Revenue Sharing - Telecommunications	0	0	0	8,551
State Shared Sports Gaming Privilege Tax	0	0	0	3,276
Contracted Prisoner Boarding	0	0	0	161,733
Gasoline and Motor Fuel Tax	1,767,950	0	0	1,767,950
Petroleum Special Tax	5,223	0	0	5,223
Registrar's Salary Supplement	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	56,210
Other State Grants	18,317	0	684,690	716,102
Other State Revenues	0	0	0	3,025
Total State of Tennessee	$ 2,098,130	$ 0	$ 684,690	$ 3,452,382
Federal Government				
Federal Through State				
Disaster Relief	$ 111,843	$ 0	$ 0	$ 116,546
Homeland Security Grants	0	0	0	15,102

(Continued)

Exhibit K-5

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Federal Government (Cont.)				
Federal Through State (Cont.)				
American Rescue Plan Act Grant #1	$ 0	$ 0	$ 0	$ 979,286
Other Federal through State	0	0	3,306	53,120
Total Federal Government	$ 111,843	$ 0	$ 3,306	$ 1,164,054
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 0	$ 284,717	$ 0	$ 387,801
Citizens Groups				
Donations	0	0	0	4,267
Total Other Governments and Citizens Groups	$ 0	$ 284,717	$ 0	$ 392,068
Total	$ 2,276,024	$ 1,724,727	$ 749,371	$ 11,625,691

Exhibit K-6

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Metropolitan 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	$ 3,263,425	$ 0	$ 0	$ 0	$ 3,263,425
Trustee's Collections - Prior Year	33,161	0	0	0	33,161
Circuit Clerk/Clerk and Master Collections - Prior Years	11,641	0	0	0	11,641
Interest and Penalty	5,647	0	0	0	5,647
County Local Option Taxes					
Local Option Sales Tax	846,122	0	0	0	846,122
Mixed Drink Tax	280	0	0	0	280
Total Local Taxes	$ 4,160,276	$ 0	$ 0	$ 0	$ 4,160,276
Licenses and Permits					
Licenses					
Marriage Licenses	$ 637	$ 0	$ 0	$ 0	$ 637
Total Licenses and Permits	$ 637	$ 0	$ 0	$ 0	$ 637
Charges for Current Services					
Education Charges					
Tuition - Regular Day Students	$ 18,000	$ 0	$ 0	$ 0	$ 18,000
Lunch Payments - Children	0	0	36,731	0	36,731
Lunch Payments - Adults	0	0	1,515	0	1,515
Income from Breakfast	0	0	8,340	0	8,340
A la Carte Sales	0	0	2,421	0	2,421
Community Service Fees - Children	44,640	0	0	0	44,640
Total Charges for Current Services	$ 62,640	$ 0	$ 49,007	$ 0	$ 111,647

(Continued)

Exhibit K-6

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Metropolitan 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	$ (3,970)	$ 0	$ 2,387	$ 0	$ (1,583)
E-Rate Funding	3,150	0	0	0	3,150
Miscellaneous Refunds	53,348	0	583	0	53,931
Nonrecurring Items					
Damages Recovered from Individuals	90	0	0	0	90
Other Local Revenues					
Other Local Revenues	1,917	0	0	421,176	423,093
Total Other Local Revenues	$ 54,535	$ 0	$ 2,970	$ 421,176	$ 478,681
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 11,671	$ 0	$ 0	$ 0	$ 11,671
State Education Funds					
Basic Education Program	4,999,795	0	0	0	4,999,795
Early Childhood Education	79,787	0	0	0	79,787
Other State Education Funds	85,533	0	5,178	0	90,711
Coordinated School Health	85,000	0	0	0	85,000
Career Ladder Program	9,436	0	0	0	9,436
Other State Revenues					
Beer Tax	8,998	0	0	0	8,998
Alcoholic Beverage Tax	136,103	0	0	0	136,103
Safe Schools	18,680	0	0	0	18,680
Other State Revenues	1,323	0	0	0	1,323
Total State of Tennessee	$ 5,436,326	$ 0	$ 5,178	$ 0	$ 5,441,504

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 492,533	$ 0	$ 492,533
USDA - Commodities	0	0	33,467	0	33,467
Breakfast	0	0	127,708	0	127,708
USDA - Other	0	0	30,237	0	30,237
Vocational Education - Basic Grants to States	0	15,000	0	0	15,000
Title I Grants to Local Education Agencies	0	145,891	0	0	145,891
Special Education - Grants to States	0	205,289	0	0	205,289
Special Education Preschool Grants	0	16,276	0	0	16,276
Eisenhower Professional Development State Grants	0	7,371	0	0	7,371
COVID-19 Grant #1	0	12,666	0	0	12,666
COVID-19 Grant B	0	433,423	0	0	433,423
American Rescue Plan Act Grant #1	0	177,336	0	0	177,336
American Rescue Plan Act Grant #2	0	12,550	0	0	12,550
Other Federal through State	24,751	93,661	0	0	118,412
Total Federal Government	$ 24,751	$ 1,119,463	$ 683,945	$ 0	$ 1,828,159
Other Governments and Citizens Groups					
Citizens Groups					
Donations	$ 1,375	$ 0	$ 0	$ 0	$ 1,375
Total Other Governments and Citizens Groups	$ 1,375	$ 0	$ 0	$ 0	$ 1,375
Total	$ 9,740,540	$ 1,119,463	$ 741,100	$ 421,176	$ 12,022,279

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General Fund		
General Government		
County Commission		
Other Per Diem and Fees	$ 11,495	
Audit Services	2,649	
Dues and Memberships	1,000	
Printing, Stationery, and Forms	172	
Liability Insurance	72,423	
Refunds	1,095	
Trustee's Commission	71,334	
Workers' Compensation Insurance	36,647	
Total County Commission		$ 196,815
County Mayor/Executive		
County Official/Administrative Officer	$ 84,063	
Accountants/Bookkeepers	53,290	
Data Processing Personnel	25,119	
Longevity Pay	3,000	
Communication	2,657	
Data Processing Services	14,864	
Dues and Memberships	6,583	
Legal Notices, Recording, and Court Costs	2,135	
Licenses	396	
Printing, Stationery, and Forms	838	
In Service/Staff Development	550	
Office Equipment	643	
Total County Mayor/Executive		194,138
County Attorney		
County Official/Administrative Officer	$ 8,808	
Total County Attorney		8,808
Election Commission		
County Official/Administrative Officer	$ 65,504	
Equipment Operators	2,000	
Part-time Personnel	3,100	
Election Commission	1,530	
Communication	355	
Legal Notices, Recording, and Court Costs	553	
Maintenance Agreements	6,308	
Maintenance and Repair Services - Office Equipment	8,096	
Postal Charges	487	
Printing, Stationery, and Forms	1,700	
Other Contracted Services	7,845	
Office Supplies	204	
Office Equipment	5,906	
Total Election Commission		103,588
Register of Deeds		
County Official/Administrative Officer	$ 72,782	

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
General Government (Cont.)		
Register of Deeds (Cont.)		
Part-time Personnel	$ 1,613	
Communication	365	
Maintenance Agreements	2,898	
Printing, Stationery, and Forms	1,512	
Office Equipment	335	
Total Register of Deeds		$ 79,505
Planning		
County Official/Administrative Officer	$ 8,833	
Part-time Personnel	5,142	
Communication	309	
Consultants	1,679	
Legal Notices, Recording, and Court Costs	87	
Office Supplies	1,185	
Total Planning		17,235
County Buildings		
Custodial Personnel	$ 24,222	
Maintenance Personnel	25,855	
Communication	192	
Maintenance Agreements	2,500	
Maintenance and Repair Services - Buildings	17,830	
Maintenance and Repair Services - Vehicles	823	
Pest Control	1,020	
Postal Charges	8,330	
Internet Connectivity	5,977	
Custodial Supplies	6,245	
Electricity	11,357	
Gasoline	958	
Natural Gas	6,102	
Office Supplies	6,124	
Water and Sewer	4,234	
Other Supplies and Materials	15	
Total County Buildings		121,784
Preservation of Records		
County Official/Administrative Officer	$ 8,333	
Part-time Personnel	3,786	
Communication	355	
Data Processing Services	365	
Office Supplies	2,706	
In Service/Staff Development	85	
Total Preservation of Records		15,630
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 72,782	

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office (Cont.)		
Part-time Personnel	$ 12,082	
Communication	337	
Data Processing Services	2,006	
Legal Notices, Recording, and Court Costs	69	
Printing, Stationery, and Forms	125	
Travel	477	
Other Contracted Services	6,325	
In Service/Staff Development	150	
Office Equipment	18	
Total Property Assessor's Office		$ 94,371
County Trustee's Office		
County Official/Administrative Officer	$ 72,782	
Part-time Personnel	2,614	
Communication	408	
Data Processing Services	10,198	
Dues and Memberships	617	
Legal Notices, Recording, and Court Costs	69	
Printing, Stationery, and Forms	415	
Travel	836	
Refunds	327	
Office Equipment	390	
Total County Trustee's Office		88,656
County Clerk's Office		
County Official/Administrative Officer	$ 72,782	
Part-time Personnel	20,764	
Communication	408	
Maintenance and Repair Services - Office Equipment	8,212	
Printing, Stationery, and Forms	438	
Office Equipment	90	
Total County Clerk's Office		102,694
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 72,782	
Part-time Personnel	7,471	
Jury and Witness Expense	1,324	
Communication	542	
Data Processing Services	9,424	
Dues and Memberships	185	
Legal Notices, Recording, and Court Costs	192	
Maintenance Agreements	1,713	
Printing, Stationery, and Forms	115	
Office Supplies	76	
Office Equipment	1,616	
Total Circuit Court		95,440

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court		
Judge(s)	$ 76,072	
Travel	1,105	
Total General Sessions Court		$ 77,177
Chancery Court		
County Official/Administrative Officer	$ 72,782	
Part-time Personnel	2,626	
Communication	390	
Data Processing Services	6,084	
Dues and Memberships	702	
Printing, Stationery, and Forms	215	
Travel	243	
Periodicals	814	
Office Equipment	362	
Total Chancery Court		84,218
Juvenile Court		
Supervisor/Director	$ 9,000	
Total Juvenile Court		9,000
Judicial Commissioners		
County Official/Administrative Officer	$ 16,848	
Communication	1	
Travel	389	
Total Judicial Commissioners		17,238
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 80,060	
Assistant(s)	50,936	
Deputy(ies)	222,510	
Investigator(s)	121,742	
Lieutenant(s)	46,465	
Sergeant(s)	71,119	
Salary Supplements	11,200	
Part-time Personnel	15,650	
School Resource Officer	84,857	
Longevity Pay	30,538	
Overtime Pay	38,523	
Other Salaries and Wages	12,867	
Communication	20,754	
Contracts with Private Agencies	2,180	
Dues and Memberships	1,064	
Maintenance and Repair Services - Buildings	883	
Maintenance and Repair Services - Equipment	3,566	
Maintenance and Repair Services - Vehicles	52,737	
Medical and Dental Services	2,660	

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Postal Charges	$ 49	
Printing, Stationery, and Forms	1,751	
Travel	3,447	
Other Contracted Services	7,914	
Gasoline	48,706	
Office Supplies	2,914	
Uniforms	2,948	
Other Supplies and Materials	20,312	
In Service/Staff Development	2,333	
Data Processing Equipment	1,232	
Law Enforcement Equipment	29,708	
Motor Vehicles	5,114	
Total Sheriff's Department		$ 996,739
Special Patrols		
Office Supplies	$ 281	
Other Charges	106	
Law Enforcement Equipment	81	
Total Special Patrols		468
Jail		
Foremen	$ 51,978	
Guards	227,023	
Secretary(ies)	33,871	
Longevity Pay	6,769	
Overtime Pay	17,991	
Other Salaries and Wages	9,634	
Contracts with Government Agencies	1,335	
Contracts with Private Agencies	2,500	
Maintenance and Repair Services - Buildings	11,476	
Maintenance and Repair Services - Equipment	3,086	
Medical and Dental Services	85,752	
Pest Control	630	
Travel	916	
Custodial Supplies	5,417	
Drugs and Medical Supplies	24	
Electricity	20,927	
Food Preparation Supplies	530	
Food Supplies	53,818	
Natural Gas	5,993	
Prisoners Clothing	2,160	
Uniforms	1,573	
Water and Sewer	32,681	
In Service/Staff Development	478	
Total Jail		576,562

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Public Safety (Cont.)				
Fire Prevention and Control				
Supervisor/Director	$	46,271		
Communication		1,366		
Dues and Memberships		872		
Maintenance Agreements		15,429		
Maintenance and Repair Services - Buildings		5,588		
Maintenance and Repair Services - Vehicles		20,188		
Pest Control		1,600		
Travel		325		
Electricity		4,343		
Gasoline		5,899		
Natural Gas		4,274		
Office Supplies		488		
Water and Sewer		1,953		
Other Supplies and Materials		2		
Excess Risk Insurance		3,847		
In Service/Staff Development		4,597		
Other Equipment		28,420		
Total Fire Prevention and Control			$	145,462
Other Emergency Management				
Assistant(s)	$	1,674		
Supervisor/Director		51,568		
Salary Supplements		15,000		
Dispatchers/Radio Operators		158,125		
Part-time Personnel		14,760		
Longevity Pay		5,000		
Overtime Pay		52,936		
Other Salaries and Wages		7,829		
Communication		9,350		
Data Processing Services		776		
Dues and Memberships		164		
Maintenance and Repair Services - Equipment		957		
Maintenance and Repair Services - Vehicles		1,640		
Travel		1,223		
Gasoline		4,330		
Instructional Supplies and Materials		3,814		
Office Supplies		733		
Uniforms		516		
Other Supplies and Materials		21,399		
In Service/Staff Development		1,070		
Other Equipment		548		
Total Other Emergency Management				353,412
County Coroner/Medical Examiner				
County Official/Administrative Officer	$	3,000		
Other Contracted Services		8,652		
Total County Coroner/Medical Examiner				11,652

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 89,956	
Longevity Pay	4,000	
Communication	3,728	
Maintenance and Repair Services - Buildings	447	
Pest Control	314	
Travel	568	
Tuition	200	
Electricity	5,861	
Natural Gas	772	
Office Supplies	21	
Water and Sewer	1,506	
Other Supplies and Materials	430	
Other Charges	2,108	
Total Local Health Center		$ 109,911
Rabies and Animal Control		
Other Supplies and Materials	$ 7,000	
Total Rabies and Animal Control		7,000
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 1,853	
Paraprofessionals	277,920	
Part-time Personnel	14,493	
Longevity Pay	8,000	
Overtime Pay	186,667	
Other Salaries and Wages	24,667	
Communication	2,278	
Data Processing Services	25,150	
Dues and Memberships	2,195	
Maintenance and Repair Services - Buildings	677	
Maintenance and Repair Services - Equipment	6,842	
Maintenance and Repair Services - Vehicles	9,601	
Medical and Dental Services	3,070	
Custodial Supplies	515	
Drugs and Medical Supplies	45,733	
Equipment and Machinery Parts	5,112	
Gasoline	12,094	
Office Supplies	388	
Uniforms	2,112	
Refunds	1,630	
In Service/Staff Development	2,856	
Fines, Assessments, and Penalties	1,261	
Total Ambulance/Emergency Medical Services		635,114
Regional Mental Health Center		
Contracts with Other Public Agencies	$ 2,500	
Total Regional Mental Health Center		2,500

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Waste Disposal		
Contracts with Private Agencies	$ 17,252	
Total Other Waste Disposal		$ 17,252
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 8,500	
Total Senior Citizens Assistance		8,500
Libraries		
Assistant(s)	$ 24,049	
Supervisor/Director	36,495	
Part-time Personnel	20,175	
Longevity Pay	1,000	
Communication	2,695	
Data Processing Services	3,130	
Dues and Memberships	269	
Maintenance and Repair Services - Buildings	2,060	
Pest Control	300	
Postal Charges	302	
Printing, Stationery, and Forms	321	
Travel	596	
Custodial Supplies	1,433	
Electricity	3,633	
Instructional Supplies and Materials	6,118	
Library Books/Media	12,131	
Natural Gas	2,224	
Office Supplies	1,916	
Periodicals	236	
Water and Sewer	1,084	
In Service/Staff Development	100	
Other Charges	3,204	
Office Equipment	16,301	
Total Libraries		139,772
Parks and Fair Boards		
Maintenance and Repair Services - Buildings	$ 9,120	
Maintenance and Repair Services - Equipment	3,717	
Electricity	11,520	
Gasoline	2,993	
Water and Sewer	7,399	
Refunds	50	
Total Parks and Fair Boards		34,799
Other Social, Cultural, and Recreational		
Assistant(s)	$ 992	
Attendants	9,878	
Dues and Memberships	1,480	

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Other Social, Cultural, and Recreational (Cont.)		
Maintenance and Repair Services - Buildings	$ 8,579	
Maintenance and Repair Services - Equipment	2,798	
Electricity	8,491	
Water and Sewer	4,251	
Chemicals	2,953	
Total Other Social, Cultural, and Recreational		$ 39,422
Agriculture and Natural Resources		
Agricultural Extension Service		
Salary Supplements	$ 56,647	
Part-time Personnel	14,025	
Longevity Pay	3,026	
Employee and Dependent Insurance	11,347	
Communication	2,288	
Travel	7,107	
Other Charges	47	
Total Agricultural Extension Service		94,487
Forest Service		
Contracts with Government Agencies	$ 350	
Total Forest Service		350
Soil Conservation		
Part-time Personnel	$ 6,477	
Communication	416	
Postal Charges	84	
Travel	734	
Total Soil Conservation		7,711
Other Operations		
Tourism		
Dues and Memberships	$ 1,500	
Maintenance Agreements	11,865	
Maintenance and Repair Services - Buildings	2,217	
Pest Control	240	
Custodial Supplies	478	
Electricity	1,705	
Water and Sewer	3,918	
Other Supplies and Materials	26	
Total Tourism		21,949
Veterans' Services		
County Official/Administrative Officer	$ 2,211	
Total Veterans' Services		2,211
Other Charges		
Electricity	$ 3,691	
Tax Relief Program	800	
Total Other Charges		4,491

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)			
Other Operations (Cont.)			
Employee Benefits			
Social Security	$ 225,098		
Pensions	64,063		
Employee and Dependent Insurance	481,982		
Unemployment Compensation	1,822		
Local Retirement	32,699		
Total Employee Benefits		$ 805,664	
Total General Fund			$ 5,321,725
Urban Services Fund			
General Government			
Other General Administration			
Electricity	$ 3,885		
Trustee's Commission	292		
Total Other General Administration		$ 4,177	
Total Urban Services Fund			4,177
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Waste Pickup			
County Official/Administrative Officer	$ 3,391		
Laborers	25,499		
Social Security	2,210		
Unemployment Compensation	57		
Maintenance and Repair Services - Vehicles	572		
Gasoline	968		
Instructional Supplies and Materials	5,876		
Total Waste Pickup		$ 38,573	
Recycling Center			
Assistant(s)	$ 6,274		
Supervisor/Director	33,113		
Laborers	92,893		
Part-time Personnel	32,564		
Longevity Pay	6,000		
Overtime Pay	2,206		
Other Salaries and Wages	12,459		
Social Security	13,719		
Medical Insurance	24,876		
Unemployment Compensation	205		
Local Retirement	239		
Communication	85		
Contracts with Private Agencies	225,608		
Maintenance and Repair Services - Buildings	5,422		
Maintenance and Repair Services - Equipment	8,060		
Maintenance and Repair Services - Vehicles	49,169		

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Recycling Center (Cont.)			
Other Contracted Services	$ 630		
Diesel Fuel	31,340		
Electricity	2,356		
Garage Supplies	491		
Office Supplies	46		
Tires and Tubes	5,011		
Uniforms	559		
Water and Sewer	228		
Trustee's Commission	7,582		
Vehicle and Equipment Insurance	3,765		
Workers' Compensation Insurance	7,852		
Solid Waste Equipment	20,525		
Total Recycling Center		$ 593,277	
Total Solid Waste/Sanitation Fund			$ 631,850
Drug Control Fund			
Public Safety			
Drug Enforcement			
Communication	$ 538		
Confidential Drug Enforcement Payments	1,500		
Total Drug Enforcement		$ 2,038	
Total Drug Control Fund			2,038
Other General Government Special Revenue Fund			
Other Operations			
American Rescue Plan Act Grant #1			
Trustee's Commission	$ 1		
Total American Rescue Plan Act Grant #1		$ 1	
Total Other General Government Special Revenue Fund			1
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Bank Charges	$ 30		
Total Chancery Court		$ 30	
Total Constitutional Officers - Fees Fund			30
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 84,063		
Assistant(s)	54,309		
Longevity Pay	5,000		

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Administration (Cont.)				
Social Security	$	8,748		
Pensions		8,868		
Employee and Dependent Insurance		9,120		
Life Insurance		258		
Unemployment Compensation		210		
Employer Medicare		2,046		
Data Processing Services		13,321		
Postal Charges		116		
Printing, Stationery, and Forms		98		
Travel		1,361		
Office Supplies		1,543		
Other Charges		6,487		
Data Processing Equipment		400		
Office Equipment		273		
Total Administration			$	196,221
Highway and Bridge Maintenance				
Equipment Operators	$	451,031		
Longevity Pay		24,000		
Social Security		27,882		
Pensions		10,154		
Employee and Dependent Insurance		89,833		
Life Insurance		964		
Unemployment Compensation		2,520		
Employer Medicare		6,521		
Contracts with Private Agencies		109,180		
Dues and Memberships		2,544		
Asphalt		7,327		
Asphalt - Cold Mix		2,358		
Concrete		33		
Crushed Stone		14,301		
Riprap		22,061		
Pipe		4,219		
Road Signs		3,747		
Salt		8,937		
Sand		469		
Chemicals		432		
Other Charges		2,530		
Communication Equipment		1,718		
Maintenance Equipment		2,132		
Total Highway and Bridge Maintenance				794,893
Operation and Maintenance of Equipment				
Mechanic(s)	$	53,416		
Longevity Pay		4,000		
Social Security		3,349		
Employee and Dependent Insurance		10,668		

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Life Insurance	$ 129		
Unemployment Compensation	210		
Employer Medicare	783		
Custodial Supplies	467		
Diesel Fuel	51,731		
Equipment and Machinery Parts	26,613		
Garage Supplies	3,772		
Gasoline	6,316		
Lubricants	3,070		
Small Tools	36		
Tires and Tubes	7,166		
Vehicle Parts	9,461		
Other Charges	904		
Maintenance Equipment	380		
Total Operation and Maintenance of Equipment		$ 182,471	
Other Charges			
Advertising	$ 439		
Communication	1,947		
Internet Connectivity	1,142		
Electricity	3,164		
Propane Gas	2,671		
Water and Sewer	470		
Liability Insurance	7,938		
Trustee's Commission	18,829		
Vehicle and Equipment Insurance	5,303		
Total Other Charges		41,903	
Employee Benefits			
Workers' Compensation Insurance	$ 20,272		
Total Employee Benefits		20,272	
Capital Outlay			
Highway Equipment	$ 192,947		
State Aid Projects	449,410		
Other Capital Outlay	492,096		
Total Capital Outlay		1,134,453	
Total Highway/Public Works Fund			$ 2,370,213
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Other Loans	$ 87,100		
Total General Government		$ 87,100	

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)			
Principal on Debt (Cont.)			
Education			
Principal on Other Loans	$ 782,900		
Total Education		$ 782,900	
Interest on Debt			
General Government			
Interest on Other Loans	$ 226		
Total General Government		226	
Education			
Interest on Other Loans	$ 413,516		
Total Education		413,516	
Other Debt Service			
General Government			
Trustee's Commission	$ 24,524		
Other Debt Service	1,047		
Total General Government		25,571	
Education			
Other Debt Service	$ 32,379		
Total Education		32,379	
Total General Debt Service Fund			$ 1,341,692
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 1,315		
Administration Equipment	3,858		
Building Improvements	15,800		
Data Processing Equipment	15,436		
Furniture and Fixtures	12,950		
Office Equipment	7,652		
Other Equipment	17,790		
Total General Administration Projects		$ 74,801	
Public Safety Projects			
Heating and Air Conditioning Equipment	$ 18,292		
Motor Vehicles	110,582		
Other Equipment	12,000		
Total Public Safety Projects		140,874	
Public Health and Welfare Projects			
Building Construction	$ 719,943		
Health Equipment	219,409		
Other Construction	19,451		
Total Public Health and Welfare Projects		958,803	

(Continued)

Exhibit K-7

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Social, Cultural, and Recreation Projects			
Maintenance and Repair Services - Equipment	$ 3,750		
Crushed Stone	1,173		
Building Improvements	20,002		
Maintenance Equipment	63,000		
Total Social, Cultural, and Recreation Projects		$ 87,925	
Agriculture and Natural Resources Projects			
Other Equipment	$ 752		
Total Agriculture and Natural Resources Projects		752	
Other General Government Projects			
Data Processing Equipment	$ 8,800		
Total Other General Government Projects		8,800	
Total General Capital Projects Fund			$ 1,271,955
Total Governmental Funds - Primary Government			$ 10,943,681

Exhibit K-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2022

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 2,681,566	
Career Ladder Program	5,000	
Homebound Teachers	731	
Educational Assistants	107,037	
Other Salaries and Wages	5,218	
Certified Substitute Teachers	320	
Non-certified Substitute Teachers	66,815	
Social Security	166,040	
Pensions	258,157	
Medical Insurance	519,165	
Employer Medicare	38,832	
Instructional Supplies and Materials	43,944	
Software	3,019	
Other Supplies and Materials	12,636	
Other Charges	1,300	
Regular Instruction Equipment	99,148	
Total Regular Instruction Program		$ 4,008,928
Alternative Instruction Program		
Teachers	$ 44,149	
Social Security	2,605	
Pensions	3,095	
Medical Insurance	6,068	
Employer Medicare	609	
Total Alternative Instruction Program		56,526
Special Education Program		
Teachers	$ 326,450	
Educational Assistants	91,510	
Speech Pathologist	44,991	
Social Security	26,900	
Pensions	39,722	
Medical Insurance	106,574	
Employer Medicare	6,291	
Total Special Education Program		642,438
Career and Technical Education Program		
Teachers	$ 156,754	
Social Security	9,082	
Pensions	10,572	
Medical Insurance	29,258	
Employer Medicare	2,124	
Instructional Supplies and Materials	3,851	
Total Career and Technical Education Program		211,641

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services		
Attendance		
Supervisor/Director	$ 39,447	
Career Ladder Program	500	
Social Security	2,315	
Pensions	4,114	
Medical Insurance	5,522	
Employer Medicare	541	
Software	4,356	
Total Attendance		$ 56,795
Health Services		
Supervisor/Director	$ 36,930	
Medical Personnel	17,604	
Clerical Personnel	8,185	
Social Security	3,639	
Pensions	6,017	
Medical Insurance	8,306	
Employer Medicare	851	
Other Supplies and Materials	23,136	
In Service/Staff Development	639	
Health Equipment	1,820	
Total Health Services		107,127
Other Student Support		
Guidance Personnel	$ 104,429	
Psychological Personnel	29,148	
School Resource Officer	66,396	
Social Security	7,534	
Pensions	11,307	
Medical Insurance	26,876	
Employer Medicare	1,762	
Evaluation and Testing	5,328	
Travel	310	
Other Contracted Services	42,335	
Other Supplies and Materials	19,771	
In Service/Staff Development	808	
Other Charges	11,891	
Total Other Student Support		327,895
Regular Instruction Program		
Supervisor/Director	$ 140,317	
Career Ladder Program	500	
Librarians	114,417	
Educational Assistants	18,148	
Social Security	16,214	
Pensions	27,161	
Medical Insurance	40,628	

(Continued)

Exhibit K-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Employer Medicare	$	3,792		
Travel		252		
Library Books/Media		7,714		
Software		2,121		
In Service/Staff Development		856		
Total Regular Instruction Program			$	372,120
Special Education Program				
Supervisor/Director	$	48,611		
Psychological Personnel		29,148		
Medical Personnel		21,457		
Social Security		5,753		
Pensions		8,554		
Medical Insurance		19,387		
Employer Medicare		1,345		
Travel		39		
Total Special Education Program				134,294
Career and Technical Education Program				
Supervisor/Director	$	33,334		
Social Security		1,846		
Pensions		3,433		
Medical Insurance		6,540		
Employer Medicare		432		
Total Career and Technical Education Program				45,585
Technology				
Supervisor/Director	$	40,509		
Other Salaries and Wages		87,386		
Social Security		7,757		
Pensions		8,306		
Medical Insurance		19,322		
Employer Medicare		1,814		
Internet Connectivity		31,553		
Total Technology				196,647
Other Programs				
On-behalf Payments to OPEB	$	11,671		
Total Other Programs				11,671
Board of Education				
Board and Committee Members Fees	$	3,300		
Social Security		205		
Medical Insurance		11,028		
Unemployment Compensation		6,035		
Employer Medicare		48		

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Audit Services	$ 5,700	
Dues and Memberships	10,940	
Liability Insurance	32,876	
Trustee's Commission	78,483	
Workers' Compensation Insurance	64,362	
In Service/Staff Development	727	
Other Charges	5,281	
Total Board of Education		$ 218,985
Director of Schools		
County Official/Administrative Officer	$ 100,274	
Career Ladder Program	1,000	
Clerical Personnel	24,554	
Social Security	7,484	
Pensions	11,593	
Medical Insurance	16,823	
Employer Medicare	1,750	
Communication	25,472	
Travel	3,710	
Office Supplies	3,409	
Software	16,953	
Other Charges	7,839	
Administration Equipment	4,078	
Total Director of Schools		224,939
Office of the Principal		
Principals	$ 166,643	
Career Ladder Program	1,000	
Assistant Principals	202,854	
Secretary(ies)	77,692	
Clerical Personnel	79,015	
Social Security	30,655	
Pensions	45,574	
Medical Insurance	77,739	
Employer Medicare	7,169	
Communication	786	
Administration Equipment	10,434	
Total Office of the Principal		699,561
Fiscal Services		
Supervisor/Director	$ 61,033	
Accountants/Bookkeepers	43,773	
Social Security	6,286	
Pensions	4,957	
Medical Insurance	16,871	
Employer Medicare	1,470	
Total Fiscal Services		134,390

(Continued)

Exhibit K-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Operation of Plant				
Custodial Personnel	$	210,254		
Social Security		11,809		
Pensions		9,926		
Medical Insurance		72,061		
Employer Medicare		2,762		
Custodial Supplies		38,475		
Electricity		259,584		
Natural Gas		37,099		
Water and Sewer		114,755		
Other Supplies and Materials		12,438		
Building and Contents Insurance		80,115		
Total Operation of Plant			$	849,278
Maintenance of Plant				
Maintenance Personnel	$	125,785		
Social Security		7,427		
Pensions		5,142		
Medical Insurance		11,036		
Employer Medicare		1,737		
Maintenance and Repair Services - Buildings		300		
Maintenance and Repair Services - Equipment		50,938		
Pest Control		2,130		
Other Supplies and Materials		34,544		
Other Charges		4,366		
Total Maintenance of Plant				243,405
Transportation				
Mechanic(s)	$	37,280		
Bus Drivers		265,718		
Other Salaries and Wages		12,782		
Social Security		18,980		
Pensions		13,179		
Medical Insurance		58,167		
Employer Medicare		4,439		
Medical and Dental Services		3,488		
Diesel Fuel		67,876		
Tires and Tubes		7,631		
Vehicle Parts		33,267		
Software		3,395		
Other Supplies and Materials		4,026		
Vehicle and Equipment Insurance		19,483		
Other Charges		29,426		
Transportation Equipment		80,900		
Total Transportation				660,037

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services			
Community Services			
Other Salaries and Wages	$ 39,915		
Social Security	2,475		
Pensions	581		
Employer Medicare	579		
Other Supplies and Materials	6,980		
Total Community Services		$ 50,530	
Early Childhood Education			
Supervisor/Director	$ 8,102		
Teachers	51,987		
Educational Assistants	18,967		
Social Security	4,607		
Pensions	7,086		
Medical Insurance	17,469		
Employer Medicare	1,077		
Total Early Childhood Education		109,295	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 119,684		
Total Regular Capital Outlay		119,684	
Total General Purpose School Fund			$ 9,481,771
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 128,619		
Educational Assistants	1,760		
Other Salaries and Wages	21,396		
Non-certified Substitute Teachers	19,660		
Social Security	9,906		
Pensions	14,274		
Medical Insurance	25,755		
Employer Medicare	2,317		
Instructional Supplies and Materials	93,601		
Software	46,724		
Regular Instruction Equipment	103,065		
Total Regular Instruction Program		$ 467,077	
Special Education Program			
Teachers	$ 39,686		
Educational Assistants	91,159		
Social Security	7,046		
Pensions	8,399		
Medical Insurance	38,753		

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Employer Medicare	$	1,648		
Evaluation and Testing		739		
Other Contracted Services		6,124		
Instructional Supplies and Materials		2,310		
Other Supplies and Materials		243		
Special Education Equipment		3,518		
Total Special Education Program			$	199,625
Career and Technical Education Program				
Instructional Supplies and Materials	$	3,358		
Vocational Instruction Equipment		5,631		
Total Career and Technical Education Program				8,989
Support Services				
Health Services				
Bonus Payments	$	3,521		
Other Salaries and Wages		25,625		
Social Security		1,532		
Pensions		3,002		
Medical Insurance		7,672		
Employer Medicare		358		
Contracts with Private Agencies		700		
Drugs and Medical Supplies		3,820		
Health Equipment		37,535		
Other Equipment		3,912		
Total Health Services				87,677
Other Student Support				
Other Salaries and Wages	$	420		
Social Security		26		
Employer Medicare		6		
Travel		1,097		
Other Supplies and Materials		65,164		
In Service/Staff Development		1,500		
Other Charges		298		
Other Equipment		79,899		
Total Other Student Support				148,410
Regular Instruction Program				
Other Salaries and Wages	$	68,541		
Social Security		4,037		
Pensions		7,060		
Medical Insurance		9,626		
Employer Medicare		944		
In Service/Staff Development		11,654		
Total Regular Instruction Program				101,862

(Continued)

Exhibit K-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Medical Personnel	$ 12,502		
Social Security	684		
Pensions	876		
Medical Insurance	4,813		
Employer Medicare	160		
Contracts with Private Agencies	3,135		
Evaluation and Testing	2,155		
Postal Charges	22		
Other Contracted Services	2,502		
Other Supplies and Materials	1,368		
In Service/Staff Development	450		
Total Special Education Program		$ 28,667	
Career and Technical Education Program			
In Service/Staff Development	$ 2,212		
Other Equipment	749		
Total Career and Technical Education Program		2,961	
Maintenance of Plant			
Maintenance Equipment	$ 8,333		
Total Maintenance of Plant		8,333	
Transportation			
Other Salaries and Wages	$ 5,182		
Social Security	321		
Pensions	245		
Employer Medicare	75		
Total Transportation		5,823	
Operation of Non-Instructional Services			
Food Service			
Food Preparation Supplies	$ 3,099		
Food Supplies	22,603		
Total Food Service		25,702	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 34,382		
Total Regular Capital Outlay		34,382	
Total School Federal Projects Fund			$ 1,119,508
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 192,163		

(Continued)

Exhibit K-8

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department (Cont.)

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Social Security	$ 11,211		
Pensions	8,210		
Medical Insurance	40,232		
Employer Medicare	2,622		
Transportation - Other than Students	1,518		
Travel	97		
Food Supplies	186,356		
Office Supplies	812		
USDA - Commodities	33,467		
Other Supplies and Materials	19,944		
Other Charges	3,262		
Food Service Equipment	2,521		
Total Food Service		$ 502,415	
Total Central Cafeteria Fund			$ 502,415
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 408,052		
Total Community Services		$ 408,052	
Total Internal School Fund			408,052
Total Governmental Funds - Metropolitan School Department			$ 11,511,746

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

Metropolitan Mayor and
Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 21, 2023. Our report includes a reference to other auditors who audited the financial statements of the Metropolitan Lynchburg-Moore County Water and Sewer Department and the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), as described in our report on the metropolitan government's financial statements. This report does not include our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors.

Report on Internal Control Over Financial Reporting

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

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 significant deficiencies.

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

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 deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 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: 2022-006.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2022-001, 2022-003, 2022-004, and 2022-005.

Metropolitan Government's Responses to Findings

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

Purpose of this Report

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

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 21, 2023

JEM/tg

Jason E. Mumpower
Comptroller

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

Independent Auditor's Report

Metropolitan Mayor and
Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metropolitan Government of Lynchburg, Moore County, Tennessee'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 the metropolitan government's major federal programs for the year ended June 30, 2022. The metropolitan government'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, the metropolitan government 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.

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

We are required to be independent of the metropolitan government and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government'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 metropolitan government's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the metropolitan government’s basic financial statements. We issued our report thereon dated February 21, 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

February 21, 2023

JEM/tg

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

The Metropolitan Government of Lynchburg, Moore County, Tennessee, and the Metropolitan School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (5)				
National School Lunch Program (Commodities)	10.555	(4)	$ 34,561	(6)
Passed-through State Department of Education:				
Child Nutrition Cluster: (5)				
School Breakfast Program	10.553	(4)	127,708	
National School Lunch Program	10.555	(4)	521,062	(6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	614	
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(4)	30,491	
Total U.S. Department of Agriculture			$ 714,436	
U.S. Department of the Interior:				
Passed-through State Department of Environment and Conservation:				
Historic Preservation Fund Grants-In-Aid	15.904	(4)	$ 3,306	
Total U.S. Department of the Interior			$ 3,306	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Highway Safety Cluster: (5)				
State and Community Highway Safety	20.600	Z-22THS191	$ 1,665	
Alcohol Open Container Requirements	20.607	(7)	6,047	
Total U.S. Department of Transportation			$ 7,712	
U. S. Department of Treasury:				
Direct Program:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(4)	$ 1,925,077	
Total U.S. Department of Treasury			$ 1,925,077	
U.S. Institute of Museum and Library Services:				
Passed-through Tennessee Library and Archives:				
COVID-19 - Grants to States	45.310	(4)	$ 16,748	
Total U.S. Institute of Museum and Library Services			$ 16,748	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(4)	$ 145,891	
Special Education Cluster: (5)				
Special Education - Grants to States	84.027	(4)	205,290	(6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	(4)	12,550	(6)
Special Education Preschool Grants	84.173	(4)	16,276	
Career and Technical Education - Basic Grants to States	84.048	(4)	15,000	
Supporting Effective Instruction State Grants	84.367	(4)	7,371	
Student Support and Academic Enrichment Program	84.424	(4)	5,985	
COVID-19 - Education Stabilization Fund Program- Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	(4)	12,666	(6)
COVID-19 - Education Stabilization Fund Program- Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(4)	469,073	(6)
COVID-19 - 2021 American Rescue Plan - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425D	(4)	141,731	(6)
Total U.S. Department of Education			$ 1,031,833	

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee, and the Metropolitan School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (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 Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(4)	$ 87,675
Temporary Assistance for Needy Families	93.558	(4)	24,751
Passed through State Department of Health:			
Maternal and Child Health Services Block Grant to the States	93.994	(4)	4,998
Total U.S. Department of Health and Human Services			$ 117,424
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(4)	$ 116,546
Homeland Security Grant Program	97.067	(4)	15,102
Total U.S. Department of Homeland Security			$ 131,648
Total Expenditures of Federal Grants			$ 3,948,184

State Grants		Contract Number	
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	$ 279,690
Operations Grant - State Department of Finance and Administration	N/A	(4)	30,000
Litter Program - State Department of Transportation	N/A	(4)	32,983
Litter Removal of State Routes within Municipal Limits - State Department of Transportation	N/A	(4)	6,372
Coordinated School Health - State Department of Education	N/A	(4)	85,000
Early Childhood Education - State Department of Education	N/A	(4)	79,787
Safe Schools Act of 03 - State Department of Education	N/A	(4)	18,680
Disaster Grants - Public Assistance - State Department of Military	N/A	(4)	18,317
Health Department Programs - State Department of Health	N/A	(4)	66,373
Archives Development Programs - State Department of Health	N/A	(4)	1,300
Special Needs - State Department of Health	N/A	(4)	375,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(4)	4,500
Summer Learning Camps - State Department of Education	N/A	(4)	42,369
Bridge Camp - State Department of Education	N/A	(4)	16,104
STREAM Mini Camps - State Department of Education	N/A	(4)	11,525
Learning Camps Transportation - State Department of Education	N/A	(4)	15,535
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(4)	5,423
Total State Grants			$ 1,088,958

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) The Metropolitan Government of Lynchburg, Moore County, Tennessee elected to not use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts ($0) were passed through to subrecipients.
(4) Information not available.
(5) Child Nutrition Cluster total $683,331; Highway Safety Cluster total $1,665: Special Education Cluster total $234,116.
(6) Total for FAL No. 10.555 is $555,623; Total for FAL No. 84.027 is $217,840; Total for FAL No. 84.425 is $623,470.
(7) Z-22THS192: $877; Z-22THS194: $399; Z-21THS195 is $4,771.

The Metropolitan Government of Lynchburg, Moore 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 of the Metropolitan Government of Lynchburg, Moore 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 METROPOLITAN MAYOR					
2021	198	2021-001	Consolidated purchasing required by the charter has not been implemented.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF SHERIFF					
2021	199	2021-002	Commissary bank statements were not properly reconciled with the general ledger.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

THE METROPOLITAN GOVERNMENT OF
LYNCHBURG, MOORE 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 the Metropolitan Government of Lynchburg, Moore County, Tennessee 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 programs:

* Assistance Listing Number: 21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Funds

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

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action 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 METROPOLITAN MAYOR

FINDING 2022-001 **CONSOLIDATED PURCHASING REQUIRED BY THE CHARTER HAS NOT BEEN IMPLEMENTED**
(Noncompliance Under *Government Auditing Standards)*

The metropolitan government operates under authority of the Metropolitan Charter, which provides for all purchases and contracts for goods or services to be made through a consolidated Metropolitan Purchasing Department. The charter further provides for the metropolitan mayor to manage/conduct the Metropolitan Purchasing Department according to the procedures adopted by the Metropolitan Council. The Metropolitan Council is required by the charter to establish a three-member oversight committee to oversee the activity of the Metropolitan Purchasing Department. However, the Metropolitan Council has not created a consolidated Purchasing Department. This deficiency exists due to the government's failure to comply with its charter and government's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The government should implement the provisions of the charter that provide for a consolidated purchasing department.

MANAGEMENT'S RESPONSE – FORMER METROPOLITAN MAYOR – BONNIE LEWIS

I concur with the finding. This issue has been a 'Best Practices' recommendation for years and in the FY21 audit it was elevated to a Finding. Article 4.07 of the Metro Charter calls for a Consolidated Purchasing Department consisting of all funds: 101- County General, 111- Urban, 116- Solid Waste, 131- Highway, 141- Schools, 151- General Debt, and 171- Capital Projects. There would need to be a reorganization of all the individual offices for us to be fully compliant. Creating an oversight committee of three council members to oversee a Metropolitan Purchasing Department would not have helped because we don't have such a department. An alternate solution for this, and other noncompliant issues of the Charter, is to create a Charter Revision Committee to make proposed amendments to the Metropolitan Council for approval, then submit to the electorate on the ballot.

MANAGEMENT'S RESPONSE – CURRENT METROPOLITAN MAYOR – SLOAN STEWART

We concur with the finding.

FINDING 2022-002 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments totaling $424,861, related to ambulance service receivables, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles requires the Metropolitan Government of Lynchburg, Moore County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county'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 county 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

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

MANAGEMENT'S RESPONSE – FORMER METROPOLITAN MAYOR – BONNIE LEWIS

I concur with the finding. The audit adjustments mentioned were totaled and agreed upon by the department head, office personnel and me. The journal entry was not made in a timely manner by mistake.

MANAGEMENT'S RESPONSE – CURRENT METROPOLITAN MAYOR – SLOAN STEWART

We concur with the finding.

FINDING 2022-003 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following budget deficiencies. These deficiencies exist because management failed to hold spending to the limits authorized by the metropolitan council, which resulted in unauthorized expenditures. In addition, the deficiencies were the result of a lack of management oversight.

A. Expenditures exceeded total appropriations approved by the metropolitan council in the General Capital Projects Fund by $123,342.

B. Expenditures exceeded appropriations approved by the metropolitan council in one of two major appropriation categories (the legal level of control) in the Solid Waste/Sanitation Fund as reflected in the following table:

Fund/Major Appropriation Category		Amount Overspent
Solid Waste/Sanitation:		
Public Health and Welfare - Recycling Center	$	12,476

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

Expenditures should be held within appropriations approved by the metropolitan council.

MANAGEMENT'S RESPONSE – FORMER METROPOLITAN MAYOR – BONNIE LEWIS

We knew the extra financial activity would be in addition to overseeing the regular fiscal budget. My office and several department heads worked diligently around all post-covid delays completing much needed improvements for Metropolitan Lynchburg, Moore County. While many cities and counties hired additional office personnel to handle the increased workload created with additional revenues and expenses; our office took care of the extra work amidst an already heavy schedule of responsibilities. We all realized we were blessed to have extra money to complete projects like upgrading software and computers, providing new equipment for first responders and renovating the County Building floors and plumbing, along with others.

MANAGEMENT'S RESPONSE – CURRENT METROPOLITAN MAYOR – SLOAN STEWART

We concur with the finding.

FINDING 2022-004 **THE PURCHASE OF CELEBRATION BANNERS WAS NOT COMPETITIVELY BID**
(Noncompliance Under *Government Auditing Standards)*

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 33 disbursements totaling $274,188 from a population of 2,478 vendor checks totaling $5,869,102. Our examination revealed that competitive bids were not solicited for the purchase of celebration banners totaling $14,690. The metropolitan government follows the Metropolitan Charter, which provides for all purchases and contracts for goods or services to be made through a consolidated Metropolitan Purchasing Department. The Metropolitan Council has not created a consolidated Metropolitan Purchasing Department. However, effective June 21, 1999, (amended October 18, 2004) the Metropolitan Council provided for the Office of Metropolitan Mayor to follow the bid requirements set forth in the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated.* These statutes provide for competitive bids on all purchases exceeding $10,000. This deficiency exists because of a lack of management oversight. The failure to solicit competitive bids could result in the metropolitan government paying more than the most competitive price.

RECOMMENDATION

Purchases exceeding $10,000 should be competitively bid as required by state statutes.

MANAGEMENT'S RESPONSE – FORMER METROPOLITAN MAYOR – BONNIE LEWIS

I concur with the finding. We celebrated the 200th Anniversary of Lynchburg and 150th Anniversary of Moore County during this audit cycle. Our town celebrations did not cost the taxpayers anything because Jack Daniel's gave a generous donation to cover the expenses. The largest invoice was for commissioned work to be done by their contracted marketing firm. Their artists created an official logo, all posters and banners. Normally, I always sought bids for services for the county that were over $10,000. Even though I didn't initiate the work; I knew the cost was covered. We were grateful for all bills to be paid in full, at no cost to the county.

MANAGEMENT'S RESPONSE – CURRENT METROPOLITAN MAYOR – SLOAN STEWART

We concur with the finding.

OFFICES OF METROPOLITAN MAYOR AND SHERIFF

FINDING 2022-005 **EMPLOYEES RECEIVED OVERTIME BENEFITS THAT WERE NOT IN COMPLIANCE WITH APPROVED PERSONNEL POLICIES**
(Noncompliance Under *Government Auditing Standards*)

The metropolitan government has a county-wide personnel policy approved March 1, 2021, which states that nonexempt law enforcement personnel will be paid overtime when working in excess of 86 hours during a 14 day period. We reviewed payroll periods dated July 11, 2022 through January 23, 2023 and found overtime calculated and paid for hours worked in excess of 40 hours during a 7 day period. This resulted in unauthorized overtime payments totaling $47,677. This deficiency resulted from a lack of management oversight and the failure to follow approved personnel policies.

RECOMMENDATION

Officials should calculate and pay overtime in compliance with approved personnel policies.

MANAGEMENT'S RESPONSE – FORMER METROPOLITAN MAYOR – BONNIE LEWIS

We worked with MTAS for over a year to upgrade our Personnel Manual that was almost 30 years old. There were many current laws that had to be applied in almost every category of the manual. One such section has to do with the 207(k) exemption for the sheriff's department pay. The written description of the rule in the manual was interpreted differently than applied. Sheriff Hatfield also received advice from CTAS about this payroll issue and all efforts were made to be compliant.

MANAGEMENT'S RESPONSE – CURRENT METROPOLITAN MAYOR – SLOAN STEWART

We concur with the finding.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding. Throughout the budget process for 2022-2023 I informed the budget committee of my desire to remove Sheriff's Office employees from the 7k exemption to overtime, listed in the county's personnel policy. I conferred with CTAS as to the procedures for this process and followed their advice on advising the council of my plan.

The error in this came with a failure to update the verbiage in the county personnel policy manual.

OFFICE OF SHERIFF

FINDING 2022-006 **COMMISSARY BANK STATEMENTS WERE NOT PROPERLY RECONCILED WITH THE GENERAL LEDGER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During the audit period, office personnel used a bank reconciliation module in their commissary software to reconcile their monthly bank statements. The computerized reconciliations identified differences between the bank statement and the general ledger balances; however, the differences were not explained or corrected. The reconciliation of bank statements with the general ledger is a necessary procedure to ensure all collections and disbursements are recorded accurately. This deficiency resulted from a lack of management oversight, 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

The office should properly reconcile bank statements with the general ledger monthly, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding. Since the report of the 2021 audit, we have worked with our commissary vendor and our auditors to rectify discrepancies in the general ledger. On March 15th of 2022, the employee responsible for maintaining commissary records met with our auditors to work on reconciling the bank statements. On April 28th, 2022, this employee separated employment from this office, thus responsibilities for the commissary account were transferred to another employee. We worked with our commissary vendor on site June 1st and 2nd 2022 to identify discrepancies, as well as numerous phone calls to balance our books. The results of these work sessions left us as well as our vendor believing we had identified the issues and found a balance.

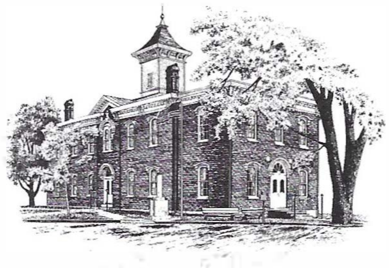
PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

Metropolitan Government of Lynchburg, Moore 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 METROPOLITAN MAYOR		
2022-001	Consolidated purchasing required by the charter has not been implemented.	205
2022-002	Material audit adjustments were required for proper financial statement presentation.	205
2022-003	The office had deficiencies in budget operations.	205
2022-004	The purchase of celebration banners was not competitively bid.	205
OFFICES OF METROPOLITAN MAYOR AND SHERIFF		
2022-005	Employees received overtime benefits that were not in compliance with approved personnel policies.	206
OFFICE OF SHERIFF		
2022-006	Commissary bank statements were not properly reconciled with the general ledger.	207



Metropolitan Moore County

Sloan Stewart

Metro Mayor

P.O. Box 206 • Lynchburg, TN 37352
Phone: (931) 759-7076 • Fax: (931) 759-6394

February 23, 2023

FINDING: 2022-001 Consolidated Purchasing Required By the Charter Has Not Been Implemented

The Metro Charter calls for consolidated purchasing and that has been an issue with audit for years. In prior years a individual was hired to start implementing the purchasing department but was later removed. Funding has always been the major issue in starting consolidated purchasing. This matter will be looked at by audit committee and metro council this year.

Repeat Finding: Yes

Finding 2022-002 Material Audit Adjustments Were Required For Proper Financial Statement Presentations

Management will be more involved in daily operations to prevent future findings.

Repeat Finding: No

Finding 2022-003 The Office Had Deficiencies In Budget Operations

Management over sight. Management will be more involved on a daily basis with each of the funds. Overseeing the revenues and expenditures to make sure that departments are staying within budget limits

Repeat Finding: No

Finding:2022-004 The Purchase of Celebrating Banners Was Not Competitively Bid

Manage oversight. Management will follow purchasing policy adopted by Metro Council

Repeat Finding: No

Sloan Stewart (Metro Mayor)
Response prepared by and responsible for Corrective Action

Completion Date: February 27, 2023

Sloan Stewart

METRO MOORE COUNTY SHERIFF'S DEPARTMENT
58 S. Elm Street, Lynchburg, Tennessee 37352
(931) 759-6389 Fax: (931) 759-5966

Tyler Hatfield
Sheriff

Shane Taylor
Captain

Corrective Action Plan

OFFICE OF SHERIFF – OFFICE OF MAYOR

FINDING 2022-005: **EMPLOYEES RECEIVED OVERTIME BENEFITS THAT WERE NOT IN COMPLIANCE WITH THE APPROVED PERSONNEL POLICES**
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:	Tyler Hatfield, Sheriff Sloan Stewart, Mayor
Person Responsible for Implementing the Correction Action:	Same
Anticipated Completion Date of Correction Action:	June 1, 2022
Repeat Finding	No

PLANNED CORRECTIVE ACTION:

I will work with the Metro Mayor's Office to refigure employee hourly rates and complete the appropriate budget amendments to reflect the current verbiage of the county's personnel manual. If correction is needed, I will present the desired changes to the Metro Council's Policy and Procedure Committee for review and the Metro Council for approval.

__________________________, Tyler Hatfield, Sheriff

__________________________, Sloan Stewart, Mayor

METRO MOORE COUNTY SHERIFF'S DEPARTMENT
58 S. Elm Street, Lynchburg, Tennessee 37352
(931) 759-6389 Fax: (931) 759-5966

Tyler Hatfield
Sheriff

Shane Taylor
Captain

Corrective Action Plan

OFFICE OF SHERIFF

FINDING 2022-006: **COMMISSARY BANK STATEMENTS WERE NOT PROPERTLY RECONCILED WITH THE GENERAL LEDGER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:	Tyler Hatfield, Sheriff
Person Responsible for Implementing the Correction Action:	Same
Anticipated Completion Date of Correction Action:	June 30, 2023
Repeat Finding	Yes

PLANNED CORRECTIVE ACTION:

Keefe Commissary Network was on site 2.22.2023 as well as our area manager to identify discrepancies found in the 2022 audit. The commissary company and our area manger believe the issues are the result of a software error. The commissary company will be conducting an account audit to identify the discrepancies and assist with balancing. Once this process is complete, we will notify our area manager to review and confirm the results.

______________________________, Tyler Hatfield, Sheriff

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 the Metropolitan Government of Lynchburg, Moore County, Tennessee.

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

The Metropolitan Government of Lynchburg, Moore County, Tennessee, does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the metropolitan council 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 and budgeting covering all county departments.