



ANNUAL FINANCIAL REPORT

Scott County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Scott County management. The detailed finding and recommendation are included in the Single Audit section of this report.

Findings

The following is a summary of the audit finding:

OFFICE OF SHERIFF

- ◆ Operations of the sheriff's department are currently under investigation.



INTRODUCTORY SECTION

Scott County Officials
June 30, 2022

Officials

Jeff Tibbals, County Mayor
Kelvin King, Superintendent of Roads
Bill Hall, Director of Schools
Jimmy Byrd, Trustee
Tiffany Jeffers, Assessor of Property
Felicia Bilbrey, County Clerk
Donnie Phillips, Circuit and General Sessions Courts Clerk
Michael Potter, Clerk and Master
Ashley Riseden, Register of Deeds
Ronnie Phillips, Sheriff
Ginger Reynolds, Director of Finance

Board of County Commissioners

Jeff Tibbals, County Mayor, Chairman
David Day
David Jeffers
Jennifer Dishman
Jerried Jeffers
Sheila Buttram
Kenny Morrow
Kenny Chadwell

Shonda Gray
Paul Strunk
Harold Chambers
Patti Brown
Donnie Bowlin
Mike Slaven
Vacant

Financial Management Committee

Mike Slaven, Chairman
Jeff Tibbals, County Mayor
Kelvin King, Superintendent of Roads
Bill Hall, Director of Schools

Kenny Chadwell
Sheila Buttram
Harold Chambers

Board of Education

Esther Abbott, Chairman
Carlene Terry
Kim Kidd
Derek Sexton

Linda Sharp
Tommy Silcox
Llew Stanley

Audit Committee

Melvin Stephens, Chairman
Jerry Slaven
Dave Cross

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General, Ambulance Service, 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 Internal School Fund, a special revenue fund of the discretely presented Scott County School Department, which represent 1.28 percent, 2.08 percent, and 1.98 percent, respectively, of the assets, net position, and revenues of the discretely presented Scott County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Scott County School Department, is based solely on the report of the other auditors.

Basis for Opinions

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

Scott County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Scott County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of Scott County's internal control. Accordingly, no such opinion is expressed.

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scott County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived

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

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2023, on our consideration of Scott County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scott County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scott County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 4, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>ASSETS</u>		
Cash	\$ 1,700	\$ 649,201
Equity in Pooled Cash and Investments	11,423,092	9,149,622
Inventories	75,236	0
Accounts Receivable	594,689	5,927
Allowance for Uncollectibles	(372,043)	0
Due From Other Governments	1,116,688	1,934,745
Property Taxes Receivable	5,930,703	2,082,893
Allowance for Uncollectible Property Taxes	(220,694)	(77,399)
Leases Receivable	1,956,495	0
Net Pension Asset - Agent Plan	5,093,509	2,846,490
Net Pension Asset - Teacher Retirement Plan	0	184,924
Net Pension Asset - Teacher Legacy Pension Plan	0	13,726,075
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	192,852
Capital Assets:		
Assets Not Depreciated:		
Land	2,324,770	910,561
Construction in Progress	1,509,894	457,634
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	10,889,004	14,885,201
Infrastructure	4,755,078	173,731
Other Capital Assets	1,901,451	2,795,139
Total Assets	<u>\$ 46,979,572</u>	<u>\$ 49,917,596</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 0	\$ 49,344
Pension Changes in Assumptions	1,489,174	4,566,297
Pension Changes in Proportion	0	2,676
Pension Contributions after Measurement Date	377,570	1,359,878
OPEB Changes in Experience	0	710,301
OPEB Changes in Assumptions	11,075	559,656
OPEB Changes in Proportion	0	209,701
OPEB Contributions After Measurement Date	1,597	120,482
Total Deferred Outflows of Resources	<u>\$ 1,879,416</u>	<u>\$ 7,578,335</u>

(Continued)

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 136,347	\$ 56,553
Accrued Payroll	49,874	3,810,738
Accrued Interest Payable	20,321	0
Payroll Deductions Payable	81,174	247,017
Due to State of Tennessee	5,201	1,683
Due to Other Governments	1,676,777	0
Due to Litigants, Heirs, and Others	30,840	0
Other Current Liabilities	0	410,065
Noncurrent Liabilities:		
Due Within One Year - Debt	1,564,382	0
Due Within One Year - Other	310,626	193,736
Due in More Than One Year - Debt	19,558,470	0
Due in More Than One Year - Other	1,563,332	3,847,743
Total Liabilities	<u>\$ 24,997,344</u>	<u>\$ 8,567,535</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 5,482,931	\$ 1,925,676
Deferred Lease Receivable	1,899,048	0
Pension Changes in Experience	561,781	1,492,585
Pension Changes in Investment Earnings	3,111,828	12,791,718
Pension Changes in Proportion	0	43,335
OPEB Changes in Experience	105,119	476,208
OPEB Changes in Assumptions	17,784	336,536
OPEB Changes in Proportion	0	1,020,094
Total Deferred Inflows of Resources	<u>\$ 11,178,491</u>	<u>\$ 18,086,152</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 14,018,980	\$ 19,222,266
Restricted for:		
General Government	18,956	0
Administration of Justice	41,710	0
Public Safety	78,435	0
Public Health and Welfare	777,761	0
Social, Cultural, and Recreation	53	0
Highway/Public Works	559,754	0
Debt Service	306,540	0
Capital Projects	92,803	0
Capital Outlay	508,896	0
Pensions	5,093,509	16,950,341
Other Purposes	16,449	0
Education	0	1,973,815
Unrestricted	<u>(8,830,693)</u>	<u>(7,304,178)</u>
Total Net Position	<u>\$ 12,683,153</u>	<u>\$ 30,842,244</u>

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total	Scott County School Department
				Governmental Activities		
Primary Government:						
Governmental Activities:						
General Government	\$ 3,564,907	\$ 774,403	\$ 523,019	\$ 161,116	\$ (2,106,369)	\$ 0
Finance	935,067	619,800	0	0	(315,267)	0
Administration of Justice	1,064,988	376,743	345,800	0	(342,445)	0
Public Safety	4,233,415	1,119,186	248,595	0	(2,865,634)	0
Public Health and Welfare	2,128,386	1,780,775	312,795	0	(34,816)	0
Social, Cultural, and Recreational Services	133,826	0	0	0	(133,826)	0
Agriculture and Natural Resources	44,715	0	0	0	(44,715)	0
Highways	3,475,458	4,781	2,869,756	2,479,757	1,878,836	0
Interest on Long-term Debt	383,768	0	0	0	(383,768)	0
Total Governmental Activities	\$ 15,964,530	\$ 4,675,688	\$ 4,299,965	\$ 2,640,873	\$ (4,348,004)	\$ 0
Component Unit:						
Scott County School Department	\$ 29,899,305	\$ 94,946	\$ 9,846,118	\$ 0	\$ 0	\$ (19,958,241)
Total Component Unit	\$ 29,899,305	\$ 94,946	\$ 9,846,118	\$ 0	\$ 0	\$ (19,958,241)

(Continued)

Exhibit B

Scott County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total	Scott County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 3,942,833	\$ 1,937,965	
Property Taxes Levied for General Debt Services				660,153	0	
Property Taxes Levied for Rural Debt Service				827,148	0	
Property Taxes Levied for Capital				51,951	0	
Local Option Sales Taxes				719,758	1,845,035	
Wheel Tax				634,868	0	
Litigation Taxes				89,890	0	
Business Taxes				220,297	0	
Other Taxes				219,946	646	
Grants and Contributions Not Restricted to Specific Programs				2,144,202	20,277,988	
Unrestricted Investment Income				156,142	0	
Miscellaneous				131,432	5,333	
Total General Revenues				\$ 9,798,620	\$ 24,066,967	
Change in Net Position				\$ 5,450,616	\$ 4,108,726	
Net Position, July 1, 2021				7,232,537	26,733,518	
Net Position, June 30, 2022				\$ 12,683,153	\$ 30,842,244	

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

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	Other General Government	Highway / Public Works	General Debt Service	Rural Debt Service
<u>ASSETS</u>						
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	3,606,801	286,047	1,436,156	557,968	1,830,460	2,463,910
Inventories	75,236	0	0	0	0	0
Accounts Receivable	92,508	498,185	296	0	2,232	0
Allowance for Uncollectibles	0	(372,043)	0	0	0	0
Due from Other Governments	615,360	0	0	463,061	8,333	3,719
Due from Other Funds	1,692	0	0	0	0	4,680
Property Taxes Receivable	4,253,246	0	0	0	721,843	901,598
Allowance for Uncollectible Property Taxes	(158,048)	0	0	0	(26,824)	(33,815)
Leases Receivable - Long-term	1,427,296	0	0	0	529,199	0
Total Assets	<u>\$ 9,914,191</u>	<u>\$ 412,189</u>	<u>\$ 1,436,452</u>	<u>\$ 1,021,029</u>	<u>\$ 3,065,243</u>	<u>\$ 3,340,092</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 77,454	\$ 15,611	\$ 0	\$ 38,191	\$ 0	\$ 0
Accrued Payroll	736	16,519	0	31,381	0	0
Payroll Deductions Payable	59,765	10,231	0	9,840	0	0
Due to Other Funds	4,189	0	0	0	0	0
Due to State of Tennessee	0	4,649	0	552	0	0
Due to Other Governments	0	0	1,676,777	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
Total Liabilities	<u>\$ 142,144</u>	<u>\$ 47,010</u>	<u>\$ 1,676,777</u>	<u>\$ 79,964</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	Other General Government	Highway / Public Works	General Debt Service	Rural Debt Service
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 3,932,212	\$ 0	\$ 0	\$ 0	\$ 667,358	\$ 833,422
Deferred Delinquent Property Taxes	142,554	0	0	0	24,196	29,720
Deferred Leases Receivable	1,384,299	0	0	0	514,749	0
Other Deferred/Unavailable Revenue	81,178	9,832	0	234,460	8,333	0
Total Deferred Inflows of Resources	<u>\$ 5,540,243</u>	<u>\$ 9,832</u>	<u>\$ 0</u>	<u>\$ 234,460</u>	<u>\$ 1,214,636</u>	<u>\$ 863,142</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 75,236	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for General Government	18,956	0	0	0	0	0
Restricted for Administration of Justice	41,710	0	0	0	0	0
Restricted for Public Safety	24,332	0	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	53	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	325,294	0	0
Restricted for Capital Outlay	508,896	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	280,379	2,083,004
Restricted for Capital Projects	0	0	0	0	0	0
Restricted for Other Purposes	16,449	0	0	0	0	0
Committed:						
Committed for General Government	26,647	0	0	0	0	0
Committed for Public Health and Welfare	0	355,347	0	0	0	0
Committed for Other Operations	4,433	0	0	0	0	0
Committed for Highways/Public Works	0	0	0	381,311	0	0

(Continued)

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	Other General Government	Highway / Public Works	General Debt Service	Rural Debt Service
<u>FUND BALANCES (Cont.)</u>						
Committed (Cont.):						
Committed for Debt Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,570,228	\$ 393,946
Assigned:						
Assigned for Public Safety	15,929	0	0	0	0	0
Assigned for Other Operations	237,511	0	0	0	0	0
Unassigned	3,261,652	0	(240,325)	0	0	0
Total Fund Balances	<u>\$ 4,231,804</u>	<u>\$ 355,347</u>	<u>\$ (240,325)</u>	<u>\$ 706,605</u>	<u>\$ 1,850,607</u>	<u>\$ 2,476,950</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,914,191</u>	<u>\$ 412,189</u>	<u>\$ 1,436,452</u>	<u>\$ 1,021,029</u>	<u>\$ 3,065,243</u>	<u>\$ 3,340,092</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Other Govern- mental Funds		Total Governmental Funds
<u>ASSETS</u>					
Cash	\$	1,600	\$	1,700	
Equity in Pooled Cash and Investments		1,241,750		11,423,092	
Inventories		0		75,236	
Accounts Receivable		1,468		594,689	
Allowance for Uncollectibles		0		(372,043)	
Due from Other Governments		26,215		1,116,688	
Due from Other Funds		4,189		10,561	
Property Taxes Receivable		54,016		5,930,703	
Allowance for Uncollectible Property Taxes		(2,007)		(220,694)	
Leases Receivable - Long-term		0		1,956,495	
		\$		\$	20,516,427
Total Assets		\$		\$	20,516,427
<u>LIABILITIES</u>					
Accounts Payable	\$	5,091	\$	136,347	
Accrued Payroll		1,238		49,874	
Payroll Deductions Payable		1,338		81,174	
Due to Other Funds		6,372		10,561	
Due to State of Tennessee		0		5,201	
Due to Other Governments		0		1,676,777	
Due to Litigants, Heirs, and Others		30,840		30,840	
Total Liabilities		\$		\$	1,990,774
		\$		\$	1,990,774

(Continued)

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>		<u>Total Governmental Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$	49,939	\$	5,482,931	
Deferred Delinquent Property Taxes		1,809		198,279	
Deferred Leases Receivable		0		1,899,048	
Other Deferred/Unavailable Revenue		0		333,803	
Total Deferred Inflows of Resources	<u>\$</u>	<u>51,748</u>	<u>\$</u>	<u>7,914,061</u>	

FUND BALANCES

Nonspendable:					
Inventory	\$	0	\$	75,236	
Restricted:					
Restricted for General Government		0		18,956	
Restricted for Administration of Justice		0		41,710	
Restricted for Public Safety		54,103		78,435	
Restricted for Public Health and Welfare		767,929		767,929	
Restricted for Social, Cultural, and Recreational Services		0		53	
Restricted for Highways/Public Works		0		325,294	
Restricted for Capital Outlay		0		508,896	
Restricted for Debt Service		0		2,363,383	
Restricted for Capital Projects		90,994		90,994	
Restricted for Other Purposes		0		16,449	
Committed:					
Committed for General Government		317,578		344,225	
Committed for Public Health and Welfare		0		355,347	
Committed for Other Operations		0		4,433	
Committed for Highways/Public Works		0		381,311	

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Committed (Cont.):

 Committed for Debt Service

Assigned:

 Assigned for Public Safety

 Assigned for Other Operations

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
\$	0	\$ 1,964,174
	0	15,929
	0	237,511
	0	3,021,327
<u>\$</u>	<u>1,230,604</u>	<u>\$ 10,611,592</u>
<u>\$</u>	<u>1,327,231</u>	<u>\$ 20,516,427</u>

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

Exhibit C-2

Scott 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)		\$ 10,611,592
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,324,770	
Add: construction in progress	1,509,894	
Add: buildings and improvements net of accumulated depreciation	10,889,004	
Add: infrastructure net of accumulated depreciation	4,755,078	
Add: other capital assets net of accumulated depreciation	<u>1,901,451</u>	21,380,197
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (139,363)	
Less: other loans payable	(15,142,339)	
Less: bonds payable	(5,795,000)	
Less: compensated absences payable	(256,724)	
Less: landfill postclosure care costs	(1,578,702)	
Less: other postemployment benefits liability (OPEB)	(38,532)	
Less: accrued interest payable	(20,321)	
Less: unamortized premium on debt	<u>(46,150)</u>	(23,017,131)
(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 expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,866,744	
Less: deferred inflows of resources related to pensions	(3,673,609)	
Add: deferred outflows of resources related to OPEB	12,672	
Less: deferred inflows of resources related to OPEB	<u>(122,903)</u>	(1,917,096)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds.		5,093,509
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>532,082</u>
Net position (deficit) of governmental activities (Exhibit A)		<u>\$ 12,683,153</u>

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

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	Other General Government	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Revenues</u>						
Local Taxes	\$ 5,349,319	\$ 0	\$ 0	\$ 235	\$ 1,395,021	\$ 827,148
Licenses and Permits	33,221	0	0	0	998	0
Fines, Forfeitures, and Penalties	110,982	0	0	0	0	0
Charges for Current Services	390,185	1,388,199	0	0	0	0
Other Local Revenues	705,304	18,574	4,482	9,346	201,396	0
Fees Received From County Officials	893,782	0	0	0	0	0
State of Tennessee	2,897,912	0	0	4,679,053	0	0
Federal Government	609,175	0	466,448	464,327	0	0
Other Governments and Citizens Groups	0	0	0	0	0	393,729
Total Revenues	\$ 10,989,880	\$ 1,406,773	\$ 470,930	\$ 5,152,961	\$ 1,597,415	\$ 1,220,877
<u>Expenditures</u>						
Current:						
General Government	\$ 1,660,738	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,040,655	0	0	0	0	0
Administration of Justice	1,154,967	0	0	0	0	0
Public Safety	4,481,780	0	0	0	0	0
Public Health and Welfare	346,151	1,691,149	0	0	0	0
Social, Cultural, and Recreational Services	132,849	0	0	0	0	0
Agriculture and Natural Resources	58,648	0	0	0	0	0
Other Operations	1,581,833	62,611	332,008	0	0	0
Highways	235	0	372,987	4,757,902	0	0
Debt Service:						
Principal on Debt	0	0	0	164,345	974,000	445,000
Interest on Debt	0	0	0	9,392	108,944	139,531
Other Debt Service	0	0	0	0	129,275	17,155

(Continued)

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	Other General Government	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 6,466	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 10,457,856	\$ 1,753,760	\$ 711,461	\$ 4,931,639	\$ 1,212,219	\$ 601,686
Excess (Deficiency) of Revenues Over Expenditures	\$ 532,024	\$ (346,987)	\$ (240,531)	\$ 221,322	\$ 385,196	\$ 619,191
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 12,739	\$ 3,397	\$ 0	\$ 8,341	\$ 0	\$ 0
Insurance Recovery	37,500	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 50,239	\$ 3,397	\$ 0	\$ 8,341	\$ 0	\$ 0
Net Change in Fund Balances	\$ 582,263	\$ (343,590)	\$ (240,531)	\$ 229,663	\$ 385,196	\$ 619,191
Fund Balance, July 1, 2021	3,649,541	698,937	206	476,942	1,465,411	1,857,759
Fund Balance, June 30, 2022	\$ 4,231,804	\$ 355,347	\$ (240,325)	\$ 706,605	\$ 1,850,607	\$ 2,476,950

(Continued)

Exhibit C-3

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

	Nonmajor Funds <u>Other</u>	Total Governmental Funds
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 51,951	\$ 7,623,674
Licenses and Permits	0	34,219
Fines, Forfeitures, and Penalties	15,466	126,448
Charges for Current Services	248,027	2,026,411
Other Local Revenues	44,702	983,804
Fees Received From County Officials	0	893,782
State of Tennessee	59,747	7,636,712
Federal Government	6,175	1,546,125
Other Governments and Citizens Groups	0	393,729
Total Revenues	<u>\$ 426,068</u>	<u>\$ 21,264,904</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 48,078	\$ 1,708,816
Finance	637	1,041,292
Administration of Justice	15,276	1,170,243
Public Safety	8,898	4,490,678
Public Health and Welfare	261,508	2,298,808
Social, Cultural, and Recreational Services	6,499	139,348
Agriculture and Natural Resources	0	58,648
Other Operations	0	1,976,452
Highways	27,866	5,158,990
Debt Service:		
Principal on Debt	0	1,583,345
Interest on Debt	0	257,867
Other Debt Service	0	146,430

(Continued)

Exhibit C-3

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

	Nonmajor Funds <u>Other</u>	Total Governmental Funds
<u>Expenditures (Cont.)</u>		
Capital Projects	\$ 27	\$ 6,493
Total Expenditures	<u>\$ 368,789</u>	<u>\$ 20,037,410</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ 57,279</u>	 <u>\$ 1,227,494</u>
 <u>Other Financing Sources (Uses)</u>		
Proceeds from Sale of Capital Assets	\$ 0	\$ 24,477
Insurance Recovery	0	37,500
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 61,977</u>
 Net Change in Fund Balances	 <u>\$ 57,279</u>	 <u>\$ 1,289,471</u>
Fund Balance, July 1, 2021	<u>1,173,325</u>	<u>9,322,121</u>
 Fund Balance, June 30, 2022	 <u>\$ 1,230,604</u>	 <u>\$ 10,611,592</u>

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

Scott 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)		\$ 1,289,471
(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	\$ 2,151,038	
Less: current-year depreciation expense	<u>(982,405)</u>	1,168,633
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 100,000	
Less: book value of capital assets disposed	<u>(59,579)</u>	40,421
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 532,082	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(484,238)</u>	47,844
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 580,000	
Add: principal payments on notes	164,345	
Add: principal payments on other loans	839,000	
Add: change in unamortized premium on debt issuances	<u>17,030</u>	1,600,375
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,499	
Change in compensated absences payable	3,627	
Change in net pension liability/asset	2,740,030	
Change in deferred outflows related to pensions	1,262,066	
Change in deferred inflows related to pensions	(3,028,521)	
Change in net OPEB liability	251,189	
Change in deferred outflows related to OPEB	(79,931)	
Change in deferred inflows related to OPEB	112,989	
Change in landfill postclosure care costs	<u>38,924</u>	<u>1,303,872</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,450,616</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,349,319	\$ 0	\$ 5,349,319	\$ 4,898,458	\$ 4,923,005	\$ 426,314
Licenses and Permits	33,221	0	33,221	36,500	36,500	(3,279)
Fines, Forfeitures, and Penalties	110,982	0	110,982	166,400	166,400	(55,418)
Charges for Current Services	390,185	0	390,185	363,400	512,519	(122,334)
Other Local Revenues	705,304	0	705,304	434,650	628,665	76,639
Fees Received From County Officials	893,782	0	893,782	848,500	863,000	30,782
State of Tennessee	2,897,912	0	2,897,912	2,428,664	3,224,609	(326,697)
Federal Government	609,175	0	609,175	80,000	712,106	(102,931)
Total Revenues	\$ 10,989,880	\$ 0	\$ 10,989,880	\$ 9,256,572	\$ 11,066,804	\$ (76,924)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 153,489	\$ 0	\$ 153,489	\$ 224,908	\$ 238,351	\$ 84,862
County Mayor/Executive	205,981	0	205,981	202,045	210,163	4,182
County Attorney	74,089	0	74,089	71,222	74,266	177
Election Commission	211,285	0	211,285	229,578	259,133	47,848
Register of Deeds	211,944	0	211,944	210,005	213,933	1,989
County Buildings	803,950	0	803,950	470,774	1,382,375	578,425
<u>Finance</u>						
Accounting and Budgeting	328,903	0	328,903	318,420	334,944	6,041
Property Assessor's Office	237,653	0	237,653	241,876	247,159	9,506
County Trustee's Office	180,711	0	180,711	183,315	187,101	6,390
County Clerk's Office	293,388	0	293,388	302,838	309,910	16,522
<u>Administration of Justice</u>						
Circuit Court	385,355	0	385,355	320,778	397,365	12,010
General Sessions Court	508,283	0	508,283	331,065	550,518	42,235

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Administration of Justice (Cont.)</u>						
Chancery Court	\$ 177,648	\$ 0	\$ 177,648	\$ 172,224	\$ 179,072	\$ 1,424
District Attorney General	71,681	0	71,681	25,000	80,128	8,447
Office of Public Defender	12,000	0	12,000	12,000	12,000	0
<u>Public Safety</u>						
Sheriff's Department	1,975,348	0	1,975,348	1,739,075	2,072,286	96,938
Administration of the Sexual Offender Registry	3,364	0	3,364	0	5,000	1,636
Jail	2,171,781	0	2,171,781	1,967,618	2,227,175	55,394
Juvenile Services	256,391	0	256,391	270,268	273,295	16,904
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	37,610	0	37,610	53,866	70,916	33,306
Rescue Squad	8,000	0	8,000	8,000	8,000	0
County Coroner/Medical Examiner	27,286	0	27,286	21,659	27,907	621
<u>Public Health and Welfare</u>						
Local Health Center	55,150	0	55,150	67,691	67,691	12,541
Other Local Health Services	289,907	0	289,907	323,300	338,400	48,493
General Welfare Assistance	893	0	893	2,250	2,250	1,357
Other Local Welfare Services	201	0	201	244	244	43
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	75,945	0	75,945	79,864	83,371	7,426
Libraries	56,904	0	56,904	57,933	58,840	1,936
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	58,648	0	58,648	59,688	59,688	1,040
<u>Other Operations</u>						
Tourism	66,030	0	66,030	78,866	80,152	14,122
Airport	605,449	237,511	842,960	343,470	865,400	22,440

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Other Operations (Cont.)</u>						
Veterans' Services	\$ 51,568	\$ 0	\$ 51,568	\$ 49,948	\$ 52,132	\$ 564
Contributions to Other Agencies	107,828	0	107,828	92,000	107,981	153
COVID-19 Grant #1	0	0	0	0	25,846	25,846
Miscellaneous	750,958	0	750,958	696,481	807,991	57,033
<u>Highways</u>						
Highway and Bridge Maintenance	235	0	235	235	235	0
Total Expenditures	\$ 10,457,856	\$ 237,511	\$ 10,695,367	\$ 9,230,504	\$ 11,913,218	\$ 1,217,851
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 532,024	\$ (237,511)	\$ 294,513	\$ 26,068	\$ (846,414)	\$ 1,140,927
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 12,739	\$ 0	\$ 12,739	\$ 0	\$ 11,799	\$ 940
Insurance Recovery	37,500	0	37,500	0	37,500	0
Total Other Financing Sources	\$ 50,239	\$ 0	\$ 50,239	\$ 0	\$ 49,299	\$ 940
Net Change in Fund Balance	\$ 582,263	\$ (237,511)	\$ 344,752	\$ 26,068	\$ (797,115)	\$ 1,141,867
Fund Balance, July 1, 2021	3,649,541	0	3,649,541	2,489,782	2,489,782	1,159,759
Fund Balance, June 30, 2022	\$ 4,231,804	\$ (237,511)	\$ 3,994,293	\$ 2,515,850	\$ 1,692,667	\$ 2,301,626

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

Exhibit C-6

Scott County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,388,199	\$ 1,736,057	\$ 1,736,057	\$ (347,858)
Other Local Revenues	18,574	10,000	18,276	298
Total Revenues	<u>\$ 1,406,773</u>	<u>\$ 1,746,057</u>	<u>\$ 1,754,333</u>	<u>\$ (347,560)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,691,149	\$ 1,739,498	\$ 1,939,926	\$ 248,777
<u>Other Operations</u>				
COVID-19 Grant #1	62,611	0	62,611	0
Total Expenditures	<u>\$ 1,753,760</u>	<u>\$ 1,739,498</u>	<u>\$ 2,002,537</u>	<u>\$ 248,777</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (346,987)</u>	<u>\$ 6,559</u>	<u>\$ (248,204)</u>	<u>\$ (98,783)</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 3,397	\$ 0	\$ 3,397	\$ 0
Total Other Financing Sources	<u>\$ 3,397</u>	<u>\$ 0</u>	<u>\$ 3,397</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (343,590)	\$ 6,559	\$ (244,807)	\$ (98,783)
Fund Balance, July 1, 2021	<u>698,937</u>	<u>404,911</u>	<u>404,911</u>	<u>294,026</u>
Fund Balance, June 30, 2022	<u>\$ 355,347</u>	<u>\$ 411,470</u>	<u>\$ 160,104</u>	<u>\$ 195,243</u>

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

Exhibit C-7

Scott 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 4,482	\$ 0	\$ 0	\$ 4,482
Federal Government	466,448	0	4,286,449	(3,820,001)
Total Revenues	<u>\$ 470,930</u>	<u>\$ 0</u>	<u>\$ 4,286,449</u>	<u>\$ (3,815,519)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
American Rescue Plan Act Grant #1	\$ 332,008	\$ 0	\$ 1,063,347	\$ 731,339
<u>Highways</u>				
American Rescue Plan Act Grant #1	372,987	0	1,328,102	955,115
<u>Capital Projects</u>				
American Rescue Plan Act Grant #1	6,466	0	1,895,000	1,888,534
Total Expenditures	<u>\$ 711,461</u>	<u>\$ 0</u>	<u>\$ 4,286,449</u>	<u>\$ 3,574,988</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (240,531)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (240,531)</u>
Net Change in Fund Balance	\$ (240,531)	\$ 0	\$ 0	\$ (240,531)
Fund Balance, July 1, 2021	206	0	0	206
Fund Balance, June 30, 2022	<u>\$ (240,325)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (240,325)</u>

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

Exhibit C-8

Scott 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 235	\$ 235	\$ 235	\$ 0
Other Local Revenues	9,346	8,000	8,000	1,346
State of Tennessee	4,679,053	2,064,000	4,544,432	134,621
Federal Government	464,327	0	402,354	61,973
Total Revenues	<u>\$ 5,152,961</u>	<u>\$ 2,072,235</u>	<u>\$ 4,955,021</u>	<u>\$ 197,940</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 160,500	\$ 156,320	\$ 167,511	\$ 7,011
Highway and Bridge Maintenance	3,860,786	1,197,868	3,881,519	20,733
Operation and Maintenance of Equipment	529,312	360,346	552,890	23,578
Other Charges	145,486	65,130	147,926	2,440
Employee Benefits	61,818	112,500	61,818	0
<u>Principal on Debt</u>				
Highways and Streets	164,345	165,444	165,444	1,099
<u>Interest on Debt</u>				
General Government	0	8,440	288	288
Highways and Streets	9,392	0	9,512	120
Total Expenditures	<u>\$ 4,931,639</u>	<u>\$ 2,066,048</u>	<u>\$ 4,986,908</u>	<u>\$ 55,269</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 221,322</u>	<u>\$ 6,187</u>	<u>\$ (31,887)</u>	<u>\$ 253,209</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 8,341	\$ 0	\$ 0	\$ 8,341
Total Other Financing Sources	<u>\$ 8,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,341</u>
Net Change in Fund Balance	\$ 229,663	\$ 6,187	\$ (31,887)	\$ 261,550
Fund Balance, July 1, 2021	<u>476,942</u>	<u>495,918</u>	<u>495,918</u>	<u>(18,976)</u>
Fund Balance, June 30, 2022	<u>\$ 706,605</u>	<u>\$ 502,105</u>	<u>\$ 464,031</u>	<u>\$ 242,574</u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 849,343
Equity in Pooled Cash and Investments	230,000
Due from Other Governments	568,654
Taxes Receivable	1,601,243
Allowance for Uncollectible Taxes	<u>(58,655)</u>
Total Assets	<u>\$ 3,190,585</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 735,800
Due to Litigants, Heirs, and Others	<u>4,842</u>
Total Liabilities	<u>\$ 740,642</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,480,715</u>
Total Deferred Inflows of Resources	<u>\$ 1,480,715</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 969,228</u>
Total Net Position	<u><u>\$ 969,228</u></u>

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

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

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 2,175,010
Fines/Fees and Other Collections	4,948,964
SSD - Educational Funds Collected for Cities	449,681
ADA - Educational Funds Collected for Cities	2,046,339
Drug Task Force Collections	24,036
Total Additions	<u>\$ 9,644,030</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 2,175,010
Payments to City School Systems	2,496,020
Payments to State	2,992,640
Payments to Individuals and Others	1,876,765
Payment of Drug Task Force Expenses	2,204
Total Deductions	<u>\$ 9,542,639</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 101,391
Net Position, July 1, 2021	<u>867,837</u>
Net Position, June 30, 2022	<u>\$ 969,228</u>

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

SCOTT COUNTY, TENNESSEE
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SCOTT COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott 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 Scott County:

A. Reporting Entity

Scott County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Scott County (the primary government) and its component units. In addition, the financial statements of the Scott County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Unit – The Scott County Airport Authority was established by the Scott County Commission to provide oversight of the county's airport operations. The county commission appoints all members of the authority's board. All revenues generated by the authority's projects have been assigned to the county for payment of obligations of the airport authority, and most financial transactions are accounted for through the county's General Fund. Long-term debt of the authority was assumed by the county and refinanced as general obligation debt of the county. That debt is retired through the General Debt Service Fund.

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

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

The Scott County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Scott County, and the county commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Scott County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Scott County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Scott County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Scott County Emergency Communications District
P.O. Box 406
Huntsville, TN 37756

Related Organization – The Scott County Industrial Development Board is a related organization of Scott County. The county commission appoints the board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Scott County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Scott County reports the following major governmental funds:

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

Ambulance Service Fund – This special revenue fund accounts for the transactions of the Scott County Ambulance Service. Patient charges are the foundational revenues of this fund.

Other General Government Fund – This special revenue fund accounts for proceeds received from the American Rescue Plan Act.

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

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

Rural Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related cost for debt issued that benefit the areas of Scott County outside the Oneida Special School District.

Additionally, Scott County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used in the acquisition or construction of major capital projects and for the purchase of other capital outlay items, such as equipment.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Scott County, the city school system's share of educational revenues, and state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force.

The discretely presented Scott County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the school department. It is used to account for general operations of the school department.

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

Central Cafeteria Fund – This special revenue fund is used to account for cafeteria operations in the schools. Charges for services and federal assistance are the foundational revenues of this fund.

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 county's own legally issued bonds or notes.

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

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

the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year are referred to as due to/from other funds.

All ambulance and property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

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.

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

Most payables are disaggregated on the face of the financial statements. Due to Other Governments in the Other General Government Fund represents American Rescue Plan Act funds received in advance. Other current liabilities in the discretely presented Scott County School Department represent amounts due for health insurance premiums, which will be drawn by the insurance pool during July and August.

3. Inventories

Inventories of Scott County 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 Scott County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Scott County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Scott County School Department has not withdrawn any funds from the trust to pay pension

cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for 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. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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, deferred lease receivables, pension and OPEB changes in experience, pension and OPEB change and proportionate share, OPEB changes in assumptions, pension changes in investment earnings, 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 primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the county. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the primary government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

The discretely presented school department's policy allows employees to accumulate sick pay benefits but not vacation benefits nor compensatory time. The Scott County Board of Education has adopted policies allowing certified employees to receive \$80 for each unused sick day that they had accumulated at the time of retirement. All sick pay is accrued when incurred in the government-wide financial statements for the school department. A liability for sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee 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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position, Governmental Activities, reports \$7,494,866 of restricted net position, of which \$212,130 is restricted by enabling legislation.

As of June 30, 2022, Scott County had \$13,732,401 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the General Fund primarily represents amounts assigned for encumbrances (\$237,511). Assigned fund balance in the discretely presented school department’s General Purpose School Fund represents amounts assigned for encumbrances (\$13,445) and amounts appropriated for use in the 2022-23 budget (\$49,000).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Scott County’s participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Scott County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Scott County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension

Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Scott County. For this purpose, Scott County recognizes benefit payments when due and payable in accordance with benefit terms. Scott County's OPEB plan is not administered through a trust.

Discretely Presented Scott County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Scott County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Scott County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net changes 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 Scott County 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, and the primary government’s Education Capital Projects Fund (a nonmajor fund) because no amounts were planned to be expended from that fund. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 237,511
School Department:	
Major Funds:	
General Purpose School	13,445
School Federal Projects	394,851

B. Fund Deficit

The Other General Government Fund had a fund deficit of \$240,325 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL No. 21.027). The grant expenditures can only be reported in April of each year. Scott County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

C. Investigation

As disclosed in the single audit section of this report, the Comptroller's Division of Investigations is reviewing certain operations of the Scott County Sheriff's Department. Findings, if any, resulting from this review will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their

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

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored

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

Oher than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. The Scott County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Scott County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Scott County School Department had the following

investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 59,784
Developed Market International Equity	N/A	N/A	27,000
Emerging Market International Equity	N/A	N/A	7,714
U.S. Fixed Income	N/A	N/A	38,570
Real Estate	N/A	N/A	19,285
Short-term Securities	N/A	N/A	1,929
NAV - Private Equity and Strategic Lending	N/A	N/A	38,570
Total			\$ 192,852

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. Leases Receivable

Nursing Home

On January 19, 1998, Scott County began leasing its nursing home facility to Preferred Health Services of Tennessee, Inc. The current lease extends until fiscal year 2036, with no provision for cancellation. Lease payments over the term of the lease are scheduled to increase by 2.5% each year. The lease contains a provision that any beds added that would reside in the current building would increase the lease payment by \$120 for each bed, or the current inflation adjusted bed amount based on the year the new beds would be placed in service. Any beds added that would require new construction would reflect a lease payment change based on who incurred the construction cost. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the lease payments. During the fiscal year ended June 30, 2022, the county recognized lease revenue of \$62,140 and interest revenue of \$60,062 related to this agreement.

Minimum lease payments receivable over the next 14 years are as follows:

Year Ending June 30	Nursing Home		
	Principal	Interest	Total
2023	\$ 62,297	\$ 62,963	\$ 125,260
2024	68,356	60,036	128,392
2025	74,767	56,829	131,596
2026	81,566	53,326	134,892
2027	88,755	49,509	138,264
2028-2032	566,933	177,975	744,908
2033-2036	484,622	36,712	521,334
Total	<u>\$ 1,427,296</u>	<u>\$ 497,350</u>	<u>\$ 1,924,646</u>

Departments of Children’s & Human Services Building

In prior years, Scott County began leasing office space in a county owned building to the State of Tennessee Departments of Children’s & Human Services. The current agreement, effective July 1, 2021, is for a period of three years plus two renewal options of one year each. The State of Tennessee will pay the county \$93,500 per year for the lease and it is considered reasonably certain that the State of Tennessee will exercise the renewal provisions. The State of Tennessee may terminate the lease at any time by giving written notice to the county at least 180 days prior to the date the termination becomes effective. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the expected lease payments. During the fiscal year ended June 30, 2022, the county recognized lease revenue of \$76,256 and interest revenue of \$17,244 related to this agreement.

Expected lease payments over the next 4 years are as follows:

Year Ending June 30	Deapartments of Children's & Human Services Building		
	Principal	Interest	Total
2023	\$ 79,762	\$ 13,738	\$ 93,500
2024	83,425	10,075	93,500
2025	87,256	6,244	93,500
2026	91,241	2,259	93,500
Total	<u>\$ 341,684</u>	<u>\$ 32,316</u>	<u>\$ 374,000</u>

District Attorney Office Space

In prior years, Scott County began leasing space in the Scott County Justice Center to the District Attorneys General Conference to be used as office space for the District Attorney for the 8th Judicial District. The current agreement began September 1, 2014, and is for a period of eight years. At the expiration of the lease, both parties reserve the right to renegotiate and extend the lease for an additional eight-year term. The agreement provides for lease payments

of \$41,573 per year. The District Attorneys General Conference may terminate the lease at any time by giving written notice to the county at least 90 days prior to the date the termination becomes effective. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the lease payments. During the fiscal year ended June 30, 2022, the county recognized lease revenue of \$40,269 and interest revenue of \$1,304 related to this agreement.

Minimum lease payments receivable over the next year are as follows:

Year Ending June 30	District Attorney Office		
	Principal	Interest	Total
2023	\$ 6,895	\$ 33	\$ 6,928
Total	\$ 6,895	\$ 33	\$ 6,928

Aircraft Hangar and Office Space

In prior years, the Scott County Airport Authority (currently a blended component unit of Scott County) began leasing hangar and office space at the Scott County Airport to ATS Tennessee, Inc. for the operation of an aircraft maintenance business. The current lease agreement became effective April 1, 2009, and extended for 10 years with no provision for termination, plus four renewal options of five year terms. ATS has exercised the first five-year renewal option, and the county considers it reasonably certain that ATS will exercise the second five-year renewal option. The agreement provides for lease payments of \$2,650 per month. The Scott County airport was closed for renovations during the months of May 2022 through a portion of August 2022, therefore ATS did not remit lease payments during that time in accordance with the terms of the lease agreement. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the expected lease payments. During the fiscal year ended June 30, 2022, the county recognized lease revenue of \$18,773 and interest revenue of \$7,727 related to this agreement.

Expected lease payments over the next seven years are as follows:

Year Ending June 30	Scott County Airport Authority		
	Principal	Interest	Total
2023	\$ 19,775	\$ 7,805	\$ 27,580
2024	25,075	6,725	31,800
2025	26,227	5,573	31,800
2026	27,432	4,368	31,800
2027	28,692	3,108	31,800
2028-2029	53,419	2,231	55,650
Total	\$ 180,620	\$ 29,810	\$ 210,430

C. Capital Assets

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

Primary Government - Governmental Activities

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 2,124,770	\$ 200,000	\$ 0	\$ 2,324,770
Construction in Progress	1,261,941	1,375,098	(1,127,145)	1,509,894
Total Capital Assets Not Depreciated	\$ 3,386,711	\$ 1,575,098	\$ (1,127,145)	\$ 3,834,664
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,208,507	\$ 17,500	\$ 0	\$ 20,226,007
Infrastructure	4,662,432	1,467,385	0	6,129,817
Other Capital Assets	7,063,429	318,200	(282,764)	7,098,865
Total Capital Assets Depreciated	\$ 31,934,368	\$ 1,803,085	\$ (282,764)	\$ 33,454,689
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,853,994	\$ 483,009	\$ 0	\$ 9,337,003
Infrastructure	1,279,387	95,352	0	1,374,739
Other Capital Assets	5,016,555	404,044	(223,185)	5,197,414
Total Accumulated Depreciation	\$ 15,149,936	\$ 982,405	\$ (223,185)	\$ 15,909,156
Total Capital Assets Depreciated, Net	\$ 16,784,432	\$ 820,680	\$ (59,579)	\$ 17,545,533
Governmental Activities Capital Assets, Net	\$ 20,171,143	\$ 2,395,778	\$ (1,186,724)	\$ 21,380,197

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

Governmental Activities:

General Government	\$ 398,323
Administration of Justice	3,091
Public Safety	227,471
Public Health and Welfare	145,561
Highways	<u>207,959</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 982,405</u>

Net Investment in Capital Assets

Capital Assets	\$ 21,380,197
Less:	
Outstanding principal of capital debt and other capital borrowings	(6,659,301)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(685,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(16,916)</u>
Net Investment in Capital Assets	<u>\$ 14,018,980</u>

Discretely Presented Scott County School Department -

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 910,561	\$ 0	\$ 0	\$ 910,561
Construction in Progress	0	457,634	0	457,634
Total Capital Assets Not Depreciated	\$ 910,561	\$ 457,634	\$ 0	\$ 1,368,195
Capital Assets Depreciated:				
Buildings and Improvements	\$ 30,974,549	\$ 484,037	\$ 0	\$ 31,458,586
Infrastructure	257,625	0	0	257,625
Other Capital Assets	7,501,812	974,256	(203,509)	8,272,559
Total Capital Assets Depreciated	\$ 38,733,986	\$ 1,458,293	\$ (203,509)	\$ 39,988,770
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 15,776,297	\$ 797,088	\$ 0	\$ 16,573,385
Infrastructure	66,719	17,175	0	83,894
Other Capital Assets	5,299,360	381,569	(203,509)	5,477,420
Total Accumulated Depreciation	\$ 21,142,376	\$ 1,195,832	\$ (203,509)	\$ 22,134,699
Total Capital Assets Depreciated, Net	\$ 17,591,610	\$ 262,461	\$ 0	\$ 17,854,071
Governmental Activities Capital Assets, Net	\$ 18,502,171	\$ 720,095	\$ 0	\$ 19,222,266

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

Governmental Activities:

Instruction	\$ 27,908
Support Services	1,042,450
Operation of Non-instructional Services	<u>125,474</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,195,832</u>

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,692
Rural Debt Service	"	4,680
Nonmajor governmental	General	4,189

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

Interfund Transfers:

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

Discretely Presented Scott County School Department

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Purpose</u>
	<u>General Purpose School Fund</u>	<u>School Federal Projects Fund</u>	
School Federal Projects Fund	\$ 26,200	\$ 0	Indirect Costs
General Purpose School Fund	0	350,000	Cash Flow
Total	<u>\$ 26,200</u>	<u>\$ 350,000</u>	

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 the other funds in accordance with budgetary authorizations.

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Scott County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service and Rural Debt Service funds.

Direct Borrowing and Direct Placements – Scott County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to five years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes outstanding at June 30, 2022, will be retired from the Highway/Public Works Fund. All other loans included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-22</u>
General Obligation Bonds	3 to 4.5 %	6-1-28	\$ 1,250,000	\$ 560,000
General Obligation Bonds - Refunding	2 to 3.4	6-1-35	9,610,000	5,235,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	3.75	2-15-24	330,000	139,363
Other Loans	Variable	5-25-35	23,594,938	15,142,339

Scott County has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority (PBAs). These loan agreements provide for the PBAs to loan funds to Scott County for various renovation and construction projects on an as needed basis. These loans are 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 county pays various other fees (administrative, letter of credit, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2022:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-22	Interest Type	Interest Rates as of 6-30-22	Other Fees on Variable Rate Debt
<u>Montgomery County Public Building Authority</u>					
Justice Center	\$ 9,654,938 (1)	\$ 5,959,938	Variable	0.68 %	0.63 %
<u>City of Clarksville Public Building Authority</u>					
School Renovations and Improvements	13,940,000	<u>9,182,401</u>	Variable	0.95	0.63
Total		<u>\$ 15,142,339</u>			

(1) The total amount available for draws under this loan agreement was \$10,000,000. However, \$345,062 of that amount was never borrowed.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2022, including interest and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 615,000	\$ 176,314	\$ 791,314
2024	850,000	159,820	1,009,820
2025	885,000	136,871	1,021,871
2026	920,000	110,583	1,030,583
2027	970,000	82,226	1,052,226
2028-2032	1,445,000	98,272	1,543,272
2033-2035	110,000	7,650	117,650

Total \$ 5,795,000 \$ 771,736 \$ 6,566,736

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2023	\$ 68,382	\$ 5,225	\$ 73,607
2024	70,981	2,674	73,655

Total \$ 139,363 \$ 7,899 \$ 147,262

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2023	\$ 881,000	\$ 127,760	\$ 95,191	\$ 1,103,951
2024	925,000	120,352	89,652	1,135,004
2025	970,000	112,574	83,837	1,166,411
2026	1,019,000	104,418	77,738	1,201,156
2027	1,071,000	95,850	71,332	1,238,182
2028-2032	6,209,000	334,909	248,741	6,792,650
2033-2035	4,067,339	65,132	47,338	4,179,809

Total \$ 15,142,339 \$ 960,995 \$ 713,829 \$ 16,817,163

There is \$4,327,557 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$57, based on the 2020 federal census for residents living inside the Oneida Special School District and \$309 for residents living outside the Oneida Special School District. Debt per capita, including notes, bonds, other loans, and unamortized debt premiums, totaled \$758 for residents living inside the Oneida Special School District and \$1,011 for residents living outside the Oneida Special School District, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 6,375,000	\$ 303,708	\$ 15,981,339
Reductions	(580,000)	(164,345)	(839,000)
Balance, June 30, 2022	<u>\$ 5,795,000</u>	<u>\$ 139,363</u>	<u>\$ 15,142,339</u>
Balance Due Within One Year	<u>\$ 615,000</u>	<u>\$ 68,382</u>	<u>\$ 881,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 21,076,702
Less: Balance Due Within One Year - Debt	(1,564,382)
Add: Unamortized Premium on Debt	<u>46,150</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 19,558,470</u>
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During the year, the discretely presented Scott County School Department contributed \$393,729 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

F. 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	Landfill Closure/ Postclosure Care Costs	Other Post-employment Benefits
Balance, July 1, 2021	\$ 260,351	\$ 1,617,626	\$ 289,721
Additions	299,720	0	21,306
Reductions	(303,347)	(38,924)	(272,495)
Balance, June 30, 2022	\$ 256,724	\$ 1,578,702	\$ 38,532
Balance Due Within One Year	\$ 205,379	\$ 105,247	\$ 0

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 1,873,958
Less: Balance Due Within One Year - Other	<u>(310,626)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,563,332</u>

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

Discretely Presented Scott County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2021	\$ 259,307	\$ 3,667,492
Additions	71,824	509,634
Reductions	(88,962)	(377,816)
Balance, June 30, 2022	\$ 242,169	\$ 3,799,310
Balance Due Within One Year	\$ 193,736	\$ 0

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 4,041,479
Less: Balance Due Within One Year - Other	<u>(193,736)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,847,743</u>

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

G. Pledges of Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling \$30 for each motor-driven vehicle. The county pledged the tax collections to repay \$13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of Robbins Elementary, Burchfield Elementary, and Oneida schools. Upon payment and retirement of this debt, the tax will terminate. Future principal, estimated interest, and estimated fee requirements for the loans totaled \$10,285,100 payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were \$601,395 and \$634,868, respectively. Since March 2012, these pledged revenues have exceeded the debt service requirements on the loans by \$212,130.

H. On-Behalf Payments – Discretely Presented Scott County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2022, were \$58,974 and \$34,227, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Scott County and the discretely presented Scott County 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 county and school department pay annual premiums to the TN-RMT for their 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.

Scott County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *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.

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

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease

components embedded in lease contracts (such as service agreements) and leases with related parties.

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

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other

employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

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

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. Management believes the outcome of any lawsuits not covered by insurance will not materially affect the financial statements of the primary government or the discretely presented Scott County School Department.

D. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Scott County closed its sanitary landfill in 2007. The \$1,578,702 reported as postclosure care liability at June 30, 2022, represents amounts based on what it would cost to perform all postclosure care in 2022. Actual cost may be different due to inflation, changes in technology, or changes in regulations.

E. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union 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 operation of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Scott County made no contributions to the DTF for the year ended June 30, 2022, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of the District Attorney General
Eighth Judicial District
P.O. Box 10
Huntsville, TN 37756

F. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2022.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.15 percent, the non-certified employees of the discretely presented school department comprise 35.85 percent of the plan based

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

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	258
Inactive Employees Entitled to But Not Yet Receiving Benefits	463
Active Employees	414
Total	1,135

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. Scott County elected to make employer contributions at a rate higher than 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 Scott County was \$580,924 based on a rate of five percent of covered payroll. The rate set by the Board of Trustees as determined by an actuarial valuation was .89 percent. By law, employer contributions are required to be paid. The TCRS may intercept Scott County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

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

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75

percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Scott County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 31,838,211	\$ 35,446,734	\$ (3,608,523)
Changes for the Year:			
Service Cost	\$ 939,963	\$ 0	\$ 939,963
Interest	2,323,199	0	2,323,199
Differences Between Expected and Actual Experience	(331,494)	0	(331,494)
Changes in Assumptions	2,901,741	0	2,901,741
Contributions-Employer	0	551,349	(551,349)
Contributions-Employees	0	557,283	(557,283)
Net Investment Income	0	9,093,043	(9,093,043)
Benefit Payments, Including Refunds of Employee Contributions	(1,468,104)	(1,468,104)	0
Administrative Expense	0	(36,790)	36,790
Net Changes	<u>\$ 4,365,305</u>	<u>\$ 8,696,781</u>	<u>\$ (4,331,476)</u>
Balance, June 30, 2021	<u>\$ 36,203,516</u>	<u>\$ 44,143,515</u>	<u>\$ (7,939,999)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	64.15%	\$ 23,224,556	\$ 28,318,065	\$ (5,093,509)
School Department	35.85%	<u>12,978,960</u>	<u>15,825,450</u>	<u>(2,846,490)</u>
Total		<u>\$ 36,203,516</u>	<u>\$ 44,143,515</u>	<u>\$ (7,939,999)</u>

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

(5.75%) or one percentage point higher (7.75%) than the current rate:

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

Net Pension Liability (Asset) \$ (2,830,807) \$ (7,939,999) \$ (12,117,309)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Scott County recognized pension expense (negative pension expense) of (\$973,955).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 875,730
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,850,861
Changes in Assumptions	2,321,393	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	580,924	N/A
Total	\$ 2,902,317	\$ 5,726,591

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,866,744	\$ 3,673,609
School Department	<u>1,035,573</u>	<u>2,052,982</u>
Total	<u>\$ 2,902,317</u>	<u>\$ 5,726,591</u>

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

Year Ending June 30	Amount
2023	\$ (1,008,754)
2024	(867,031)
2025	(735,953)
2026	(793,460)
2027	0
Thereafter	0

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

Discretely Presented Scott County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.15 percent and the non-certified employees of the discretely presented school department comprise 35.85 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were \$61,648, which is 2.01 percent of covered payroll. In addition, employer contributions of \$55,142, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$184,924) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .170718 percent. The proportion as of June 30, 2020, was .173877 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$21,660.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,217	\$ 33,837
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	106,447
Changes in Assumptions	66,700	0
Changes in Proportion of Net Pension Liability (Asset)	2,676	11,012
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	61,648	N/A
Total	<u>\$ 134,241</u>	<u>\$ 151,296</u>

The school department's employer contributions of \$61,648, 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	\$ (24,177)
2024	(23,595)
2025	(23,429)
2026	(26,107)
2027	2,285
Thereafter	16,320

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 63,572 \$ (184,924) \$ (368,199)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Scott County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$1,094,876, which is 10.28 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$13,726,075) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .318231 percent. The proportion measured at June 30, 2020, was .313808 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$2,154,999).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 46,127	\$ 1,144,799
Changes in Assumptions	3,667,378	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	10,946,238
Changes in Proportion of Net Pension Liability (Asset)	0	32,323
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	1,094,876	N/A
Total	<u>\$ 4,808,381</u>	<u>\$ 12,123,360</u>

The school department's employer contributions of \$1,094,876 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the 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	\$ (2,003,077)
2024	(1,898,660)
2025	(1,554,045)
2026	(2,954,073)
2027	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (2,442,780) \$ (13,726,075) \$ (23,116,028)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion.

H. Other Postemployment Benefits (OPEB)

Scott County and the discretely presented Scott County School Department provide OPEB benefits to their retirees through state administered public entity risk pools. For reporting purposes, the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Upon reaching Medicare eligibility, retirees of Scott County may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Certified and noncertified employees of the school department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare.

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

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%. TNM: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

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

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 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 experiences. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected

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

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

Local Government OPEB Plans and Tennessee Plans - Medicare (Primary Government)

In the prior year, Scott County reported Local Government Plans (LGPs) for the county, ambulance service, and highway department. The county no longer participates in these plans and the liability balances at the end of the previous year (county - \$155,260, ambulance- \$31,248, and highway - \$16,909) have been removed from the financial statements. In the prior year, Scott County also reported separate Tennessee Plans – Medicare for the ambulance service and the highway department. The county no longer participates in these plans and the liability balances at the end of the previous year (ambulance - \$11,503 and highway \$14,763) have been removed from the financial statements.

Closed Tennessee Plan – Medicare (Primary Government and Discretely Presented School Department)

Plan Description. Employees of Scott County and noncertified employees of the discretely presented Scott County School Department who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the Scott County Primary Government and noncertified employees of the school department. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit

provided to retirees. The TNM does not include pharmacy. In accordance with *TCA 8-27-209*, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA 8-27-201*, *8-27-301* and *8-27-701*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Scott County and the discretely presented school department provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	8
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	11
Active Employees Eligible for Benefits	31
 Total	 50

Employees of the primary government comprise 35.85 percent of the plan and employees of the discretely presented school department comprise 64.15 percent of the plan.

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA 8-27-201*, *8-27-301*, and *8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2022, the county paid \$4,455 (primary government - \$1,597, and school department - \$2,858) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Primary Government 35.85%	School Department 64.15%	Total OPEB Liability
Balance July 1, 2020	\$ 60,038	\$ 154,382	\$ 214,420
Changes for the Year:			
Service Cost	\$ 2,733	\$ 4,892	\$ 7,625
Interest	1,742	3,116	4,858
Difference between Expected and Actuarial Experience	(30,288)	(54,197)	(84,485)
Changes in Assumption and Other Inputs	(10,922)	(19,544)	(30,466)
Benefit Payments	(1,602)	(2,868)	(4,470)
Change in Proportionate Share	16,831	(16,831)	0
Net Changes	<u>\$ (21,506)</u>	<u>\$ (85,432)</u>	<u>\$ (106,938)</u>
Balance June 30, 2021	<u>\$ 38,532</u>	<u>\$ 68,950</u>	<u>\$ 107,482</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized negative OPEB expense of \$41,640 (primary government – negative \$14,928, and school department – negative \$26,712). At June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 105,119
Changes of Assumptions/Inputs	11,075	17,784
Benefits Paid After the Measurement Date of June 30, 2021	1,597	0
Total	<u>\$ 12,672</u>	<u>\$ 122,903</u>

Discretely Presented School Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 188,101
Changes of Assumptions/Inputs	19,819	31,823
Benefits Paid After the Measurement Date of June 30, 2021	<u>2,858</u>	<u>0</u>
Total	<u>\$ 22,677</u>	<u>\$ 219,924</u>

The amounts shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the subsequent fiscal 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	Primary Government 35.85%	School Department 64.15%	Total Amount
2023	\$ (19,403)	\$ (34,720)	\$ (54,123)
2024	(19,403)	(34,720)	(54,123)
2025	(19,403)	(34,720)	(54,123)
2026	(19,403)	(34,720)	(54,123)
2027	(17,507)	(31,326)	(48,833)
Thereafter	(16,709)	(29,899)	(46,608)

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

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

<u>Discount Rate</u>		Current		
		1% Decrease	Discount Rate	1% Increase
		1.16%	2.16%	3.16%
Primary Government	35.85%	\$ 43,379	\$ 38,532	\$ 34,452
School Department	64.15%	77,621	68,950	61,648
Total OPEB Liability		\$ 121,000	\$ 107,482	\$ 96,100

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

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

Benefits Provided. The Scott County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees including teachers, support staff, and disabled participants. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Scott County provided a direct subsidy of \$288 per month toward the cost of the insurance plan selected by eligible retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	<u>296</u>
Total	<u><u>314</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$107,494 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Scott County School Department</u> 65.8201%	<u>State of TN</u> 34.1799%	<u>Total LEP Plan OPEB Liability</u>
Balance July 1, 2020	\$ 3,210,983	\$ 1,459,912	\$ 4,670,895
Changes for the Year:			
Service Cost	\$ 164,765	\$ 85,561	\$ 250,326
Interest	70,501	36,611	107,112
Difference between Expected and Actuarial Experience	57,483	29,851	87,334
Changes in Assumption and Other Inputs	167,452	86,956	254,408
Benefit Payments	(98,670)	(51,238)	(149,908)
Change in Proportionate Share	(136,595)	136,595	0
Net Changes	<u>\$ 224,936</u>	<u>\$ 324,336</u>	<u>\$ 549,272</u>
Balance June 30, 2021	<u>\$ 3,435,919</u>	<u>\$ 1,784,248</u>	<u>\$ 5,220,167</u>

The Scott County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees

participating in the LEP. The Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$215,728 in revenues for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees for the nonemployer share of the collective OPEB expense.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability was 65.8201% and the State of Tennessee's share was 34.1799%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$488,856, which includes the state share of expenses. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 701,472	\$ 271,478
Changes of Assumptions/Inputs	461,059	249,638
Changes in Proportion	45,770	377,272
Benefits Paid After the Measurement Date of June 30, 2021	107,494	0
Total	<u>\$ 1,315,795</u>	<u>\$ 898,388</u>

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

Year Ending June 30	School Department
2023	\$ 37,863
2024	37,863
2025	37,863
2026	37,863
2027	37,863
Thereafter	120,598

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,689,183	\$ 3,435,919	\$ 3,192,400
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,042,618	\$ 3,435,919	\$ 3,899,312
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Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Certified and noncertified employees of the discretely presented Scott County School Department who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to certified employees of

the discretely presented Scott County School Department. Noncertified employees participate in the Primary Government plan discussed previously. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The discretely presented Scott County School Department provided a direct subsidy of \$25 to \$50 per month for eligible retirees based on years of service.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	77
Inactive Employees Entitled to But Not Yet Receiving Benefits	28
Active Employees Eligible for Benefits	<u>322</u>
Total	<u><u>427</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2022, the discretely presented Scott County School Department paid \$10,130 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability for TNM Plan

	Share of Collective Liability		Total Teacher TNM Plan OPEB Liability
	Scott County School Department 22.8373%	State of TN 77.1627%	
Balance July 1, 2020	\$ 302,125	\$ 1,126,443	\$ 1,428,568
Changes for the Year:			
Service Cost	\$ 9,984	\$ 33,736	\$ 43,720
Interest	7,321	24,734	32,055
Difference between Expected and Actuarial Experience	(1,705)	(5,761)	(7,466)
Changes in Assumption and Other Inputs	(37,376)	(126,288)	(163,664)
Benefit Payments	(10,028)	(33,884)	(43,912)
Change in Proportion	24,121	(24,121)	
Net Changes	\$ (7,683)	\$ (131,584)	\$ (139,267)
Balance June 30, 2021	\$ 294,442	\$ 994,859	\$ 1,289,301

The Scott County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$195,337 in revenue for subsidies provided by the nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability for the teacher plan was 22.8373 percent and the State of Tennessee's share was 77.1627 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized TNM Plan OPEB expense of \$83,298, which includes the state's share of expenses. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 8,828	\$ 16,629
Changes of Assumptions/Inputs	78,779	55,075
Changes in Proportion	163,931	642,822
Benefits Paid After the Measurement Date of June 30, 2021	10,130	0
Total	<u>\$ 261,668</u>	<u>\$ 714,526</u>

The amounts shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the subsequent fiscal 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	\$ (129,343)
2024	(129,343)
2025	(129,343)
2026	(129,339)
2027	39,407
Thereafter	14,973

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 total OPEB liability of the school department’s proportionate share calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
Proportionate Share of the Collective Total OPEB Liability	\$ 340,540	\$ 294,442	\$ 256,673

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plans are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Scott County. All purchase orders are issued by the finance department. On June 20, 2022, the Scott County Commission approved to raise the threshold for purchases that require competitive bidding from \$10,000 to \$25,000. Purchases exceeding \$10,000 for the Office of Director of Schools were required to be competitively bid as of June 30, 2022.

K. Subsequent Events

On July 14, 2022, the Scott County Board of Education approved to raise the threshold for purchases requiring competitive bidding to \$25,000.

On August 15, 2022, the Scott County Commission approved an amendment to its nursing home lease agreement discussed in Note IV.B., which extended the lease an additional ten years.

On August 31, 2022, Jeff Tibbals left the Office of County Mayor and was succeeded by Jerried Jeffers, Jimmy Byrd left the Office of Trustee and was succeeded by Rena Erwin, and Ronnie Phillips left the Office of Sheriff and was succeeded by Brian Keeton.

On September 19, 2022, the Scott County Commission approved an eight year lease of county property to the state for office space for the district attorney.

On November 1, 2022, Scott County issued a capital outlay note in the amount of \$850,547 to provide funds for the purchase of equipment for the highway department.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 707,578	\$ 761,122	\$ 798,442	\$ 796,601	\$ 860,123	\$ 877,670	\$ 942,166	\$ 939,963
Interest	1,788,261	1,833,841	1,930,160	2,006,895	2,075,246	2,162,521	2,237,926	2,323,199
Differences Between Actual and Expected Experience	(858,120)	(170,820)	(488,496)	(412,439)	(397,742)	(592,987)	(489,647)	(331,494)
Changes in Assumptions	0	0	0	674,274	0	0	0	2,901,741
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)	(1,387,229)	(1,556,033)	(1,468,104)
Net Change in Total Pension Liability	\$ 606,025	\$ 1,288,774	\$ 1,021,069	\$ 1,854,097	\$ 1,222,111	\$ 1,059,975	\$ 1,134,412	\$ 4,365,305
Total Pension Liability, Beginning	23,651,748	24,257,773	25,546,547	26,567,616	28,421,713	29,643,824	30,703,799	31,838,211
Total Pension Liability, Ending (a)	\$ 24,257,773	\$ 25,546,547	\$ 26,567,616	\$ 28,421,713	\$ 29,643,824	\$ 30,703,799	\$ 31,838,211	\$ 36,203,516
Plan Fiduciary Net Position								
Contributions - Employer	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599	\$ 701,289	\$ 717,019	\$ 551,349
Contributions - Employee	437,771	458,184	473,281	491,666	488,744	512,637	524,143	557,283
Net Investment Income	3,621,707	783,535	692,957	3,026,444	2,456,199	2,371,243	1,683,373	9,093,043
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)	(1,387,229)	(1,556,033)	(1,468,104)
Administrative Expense	(14,181)	(19,101)	(28,324)	(32,874)	(35,604)	(34,586)	(35,086)	(36,790)
Net Change in Plan Fiduciary Net Position	\$ 3,613,518	\$ 714,955	\$ 559,405	\$ 2,938,653	\$ 2,262,422	\$ 2,163,354	\$ 1,333,416	\$ 8,696,781
Plan Fiduciary Net Position, Beginning	21,861,011	25,474,529	26,189,484	26,748,889	29,687,542	31,949,964	34,113,318	35,446,734
Plan Fiduciary Net Position, Ending (b)	\$ 25,474,529	\$ 26,189,484	\$ 26,748,889	\$ 29,687,542	\$ 31,949,964	\$ 34,113,318	\$ 35,446,734	\$ 44,143,515
Net Pension Liability (Asset), Ending (a - b)	\$ (1,216,756)	\$ (642,937)	\$ (181,273)	\$ (1,265,829)	\$ (2,306,140)	\$ (3,409,519)	\$ (3,608,523)	\$ (7,939,999)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	102.52%	100.68%	104.45%	107.78%	111.10%	111.33%	121.93%
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854	\$ 10,252,776	\$ 10,482,751	\$ 11,040,692
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.85%)	(7.02%)	(1.94%)	(13.05%)	(23.59%)	(33.25%)	(34.42%)	(71.92%)

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

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

Exhibit E-2

Scott 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	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599	\$ 701,289	\$ 533,571	\$ 433,361	\$ 103,403
Less: Contributions in Relation to the Actuarially Determined Contribution	(599,915)	(627,706)	(640,528)	(664,651)	(668,599)	(701,289)	(717,019)	(551,349)	(580,924)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(183,448)	(117,988)	(477,521)
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854	\$ 10,252,776	\$ 10,482,751	\$ 11,040,692	\$ 11,618,354
Contributions as a Percentage of Covered Payroll	6.83%	6.85%	6.85%	6.85%	6.84%	6.84%	6.84%	4.99%	5.00%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 10,385	\$ 26,542	\$ 38,549	\$ 50,845	\$ 36,021	\$ 44,542	\$ 49,770	\$ 61,648
Less: Contributions in Relation to the Contractually Required Contribution	(10,385)	(26,542)	(38,549)	(50,845)	(36,021)	(44,542)	(49,770)	(61,648)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709	\$ 1,271,106	\$ 1,856,751	\$ 2,194,189	\$ 2,463,824	\$ 3,051,906
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 E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 971,075	\$ 978,048	\$ 974,896	\$ 965,129	\$ 956,139	\$ 1,084,794	\$ 1,110,234	\$ 1,072,690	\$ 1,094,876
Less: Contributions in Relation to the Contractually Required Contribution	(971,075)	(978,048)	(974,896)	(965,129)	(956,139)	(1,084,794)	(1,110,234)	(1,072,690)	(1,094,876)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145	\$ 10,370,866	\$ 10,437,877	\$ 10,445,063	\$ 10,649,864
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.64%	10.27%	10.28%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.122379%	0.150805%	0.146833%	0.145457%	0.175463%	0.173877%	0.170718%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,028)	\$ (15,699)	\$ (38,740)	\$ (65,969)	\$ (99,046)	\$ (98,874)	\$ (184,924)
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709	\$ 1,271,106	\$ 1,856,751	\$ 2,194,189	\$ 2,463,824
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(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 E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.278613%	0.289010%	0.298749%	0.302019%	0.300718%	0.309288%	0.313808%	0.318231%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (45,273)	\$ 118,387	\$ 1,867,018	\$ (98,816)	\$ (1,058,201)	\$ (3,180,040)	\$ (2,393,020)	\$ (13,726,075)
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145	\$ 10,370,866	\$ 10,437,877	\$ 10,445,063
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.41%	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.93%)	(131.41%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Exhibit E-7

Scott County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare
Primary Government and the Discretely Presented Scott County School Department
For the Fiscal Year Ended June 30

Scott County Plan (Includes noncertified employees of the discretely presented school department)

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 22,393	\$ 19,132	\$ 17,411	\$ 7,374	\$ 7,625
Interest	14,089	16,480	14,861	8,201	4,858
Differences Between Actual and Expected Experience	0	(76,784)	(197,645)	(61,576)	(84,485)
Changes in Assumptions or Other Inputs	(47,594)	(3,685)	4,729	37,472	(30,466)
Benefit Payments	(4,500)	(5,900)	(5,813)	(6,588)	(4,470)
Net Change in Total OPEB Liability	\$ (15,612)	\$ (50,757)	\$ (166,457)	\$ (15,117)	\$ (106,938)
Total OPEB Liability, Beginning	462,363	446,751	395,994	229,537	214,420
Total OPEB Liability, Ending	\$ 446,751	\$ 395,994	\$ 229,537	\$ 214,420	\$ 107,482
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Scott County Proportion of Total OPEB Liability	\$ 125,091	\$ 110,878	\$ 64,270	\$ 60,038	\$ 38,532
Scott County School Department Proportion of Total OPEB Liability	321,660	285,116	165,267	154,382	68,950

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	3.51%
2021	2.21%
2022	2.16%

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

Exhibit E-8

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 453,311	\$ 419,647	\$ 213,655	\$ 188,035	\$ 250,326
Interest	205,071	253,202	150,465	142,871	107,112
Changes in Benefit Terms	0	(2,682,544)	(1,367,507)	2,841	0
Differences Between Actual and Expected Experience	0	(666,270)	1,414,498	30,725	87,334
Changes in Assumptions or Other Inputs	(333,097)	123,883	(300,496)	508,446	254,408
Benefit Payments	(181,827)	(222,517)	(174,740)	(167,322)	(149,908)
Net Change in Total OPEB Liability	\$ 143,458	\$ (2,774,599)	\$ (64,125)	\$ 705,596	\$ 549,272
Total OPEB Liability, Beginning	6,660,565	6,804,023	4,029,424	3,965,299	4,670,895
Total OPEB Liability, Ending	\$ 6,804,023	\$ 4,029,424	\$ 3,965,299	\$ 4,670,895	\$ 5,220,167
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,792,384	\$ 1,289,222	\$ 1,311,950	\$ 1,459,912	\$ 1,784,248
Employer Proportionate Share of the Total OPEB Liability	5,011,639	2,740,202	2,653,349	3,210,983	3,435,919
Covered Employee Payroll	\$ 15,396,919	\$ 15,540,075	\$ 16,234,921	\$ 16,665,829	\$ 17,647,052
Net OPEB Liability as a Percentage of Covered Employee Payroll	32.55%	17.63%	16.34%	19.27%	19.47%

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

Note 2: Changes in assumptions.

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

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

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

For the 2019 plan year - from 5.4% to 6.75%.

For the 2020 plan year - from 6.75% to 6.03%.

For the 2020 plan year - from 6.03% to 9.02%.

For the 2021 plan year - from 9.02% to 7.36%.

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

Exhibit E-9

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

	2019	2020	2021
Total OPEB Liability			
Service Cost	\$ 15,379	\$ 30,045	\$ 43,720
Interest	31,268	41,738	32,055
Differences Between Actual and Expected Experience	60,578	(28,734)	(7,466)
Changes in Assumptions or Other Inputs	244,517	247,690	(163,664)
Benefit Payments	(39,977)	(42,124)	(43,912)
Net Change in Total OPEB Liability	\$ 311,765	\$ 248,615	\$ (139,267)
Total OPEB Liability, Beginning	868,188	1,179,953	1,428,568
Total OPEB Liability, Ending	\$ 1,179,953	\$ 1,428,568	\$ 1,289,301
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 946,815	\$ 1,126,443	\$ 994,859
Employer Proportionate Share of the Total OPEB Liability	233,138	302,125	294,442
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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

Note 2: Changes in assumptions.

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

2019	3.51%
2020	2.21%
2021	2.16%

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

SCOTT 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 2022 were calculated based on the July 1, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions associated with the operations of the county’s convenience centers.

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

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

Capital Projects Funds

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for capital expenditures made on behalf of the Scott County School Department.

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional - Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,600	\$ 1,600	\$ 0
Equity in Pooled Cash and Investments	744,572	85,563	0	830,135	318,319
Accounts Receivable	0	0	92	92	1,376
Due from Other Governments	26,215	0	0	26,215	0
Due from Other Funds	4,189	0	0	4,189	0
Property Taxes Receivable	0	0	0	0	54,016
Allowance for Uncollectible Property Taxes	0	0	0	0	(2,007)
Total Assets	<u>\$ 774,976</u>	<u>\$ 85,563</u>	<u>\$ 1,692</u>	<u>\$ 862,231</u>	<u>\$ 371,704</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 4,471	\$ 620	\$ 0	\$ 5,091	\$ 0
Accrued Payroll	1,238	0	0	1,238	0
Payroll Deductions Payable	1,338	0	0	1,338	0
Due to Other Funds	0	0	1,692	1,692	0
Due to Litigants, Heirs, and Others	0	30,840	0	30,840	0
Total Liabilities	<u>\$ 7,047</u>	<u>\$ 31,460</u>	<u>\$ 1,692</u>	<u>\$ 40,199</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,939
Deferred Delinquent Property Taxes	0	0	0	0	1,809
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,748</u>

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 54,103	\$ 0	\$ 54,103	\$ 0
Restricted for Public Health and Welfare	767,929	0	0	767,929	0
Restricted for Capital Projects	0	0	0	0	2,378
Committed:					
Committed for General Government	0	0	0	0	317,578
Total Fund Balances	<u>\$ 767,929</u>	<u>\$ 54,103</u>	<u>\$ 0</u>	<u>\$ 822,032</u>	<u>\$ 319,956</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 774,976</u>	<u>\$ 85,563</u>	<u>\$ 1,692</u>	<u>\$ 862,231</u>	<u>\$ 371,704</u>

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Education Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 1,600
Equity in Pooled Cash and Investments	93,296	411,615	1,241,750
Accounts Receivable	0	1,376	1,468
Due from Other Governments	0	0	26,215
Due from Other Funds	0	0	4,189
Property Taxes Receivable	0	54,016	54,016
Allowance for Uncollectible Property Taxes	0	(2,007)	(2,007)
	<hr/>		
Total Assets	\$ 93,296	\$ 465,000	\$ 1,327,231
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 5,091
Accrued Payroll	0	0	1,238
Payroll Deductions Payable	0	0	1,338
Due to Other Funds	4,680	4,680	6,372
Due to Litigants, Heirs, and Others	0	0	30,840
Total Liabilities	\$ 4,680	\$ 4,680	\$ 44,879
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 49,939	\$ 49,939
Deferred Delinquent Property Taxes	0	1,809	1,809
Total Deferred Inflows of Resources	\$ 0	\$ 51,748	\$ 51,748

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Projects

Committed:

 Committed for General Government

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total
Education Capital Projects	Total		Nonmajor Governmental Funds
\$ 0	\$ 0	\$	54,103
0	0		767,929
88,616	90,994		90,994
0	317,578		317,578
<u>\$ 88,616</u>	<u>\$ 408,572</u>	<u>\$</u>	<u>1,230,604</u>
<u>\$ 93,296</u>	<u>\$ 465,000</u>	<u>\$</u>	<u>1,327,231</u>

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional - Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	51,809
Fines, Forfeitures, and Penalties	0	15,466	0	15,466	0
Charges for Current Services	232,114	0	15,913	248,027	0
Other Local Revenues	44,702	0	0	44,702	0
State of Tennessee	59,747	0	0	59,747	0
Federal Government	0	0	0	0	6,175
Total Revenues	<u>\$ 336,563</u>	<u>\$ 15,466</u>	<u>\$ 15,913</u>	<u>\$ 367,942</u>	<u>\$ 57,984</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	48,078
Finance	0	0	637	637	0
Administration of Justice	0	0	15,276	15,276	0
Public Safety	0	8,898	0	8,898	0
Public Health and Welfare	261,508	0	0	261,508	0
Social, Cultural, and Recreational Services	0	0	0	0	6,499
Highways	26,837	0	0	26,837	1,029
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 288,345</u>	<u>\$ 8,898</u>	<u>\$ 15,913</u>	<u>\$ 313,156</u>	<u>\$ 55,606</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,218</u>	<u>\$ 6,568</u>	<u>\$ 0</u>	<u>\$ 54,786</u>	<u>\$ 2,378</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	\$ 48,218	\$ 6,568	\$ 0	\$ 54,786	\$ 2,378
Fund Balance, July 1, 2021	719,711	47,535	0	767,246	317,578
Fund Balance, June 30, 2022	\$ 767,929	\$ 54,103	\$ 0	\$ 822,032	\$ 319,956

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 142	\$ 51,951	\$ 51,951
Fines, Forfeitures, and Penalties	0	0	15,466
Charges for Current Services	0	0	248,027
Other Local Revenues	0	0	44,702
State of Tennessee	0	0	59,747
Federal Government	0	6,175	6,175
Total Revenues	<u>\$ 142</u>	<u>\$ 58,126</u>	<u>\$ 426,068</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 48,078	\$ 48,078
Finance	0	0	637
Administration of Justice	0	0	15,276
Public Safety	0	0	8,898
Public Health and Welfare	0	0	261,508
Social, Cultural, and Recreational Services	0	6,499	6,499
Highways	0	1,029	27,866
Capital Projects	27	27	27
Total Expenditures	<u>\$ 27</u>	<u>\$ 55,633</u>	<u>\$ 368,789</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 115</u>	<u>\$ 2,493</u>	<u>\$ 57,279</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Education Capital Projects	Total	Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 115	\$ 2,493	\$ 57,279
Fund Balance, July 1, 2021	88,501	406,079	1,173,325
Fund Balance, June 30, 2022	\$ 88,616	\$ 408,572	\$ 1,230,604

Exhibit F-3

Scott 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 232,114	\$ 224,000	\$ 235,361	\$ (3,247)
Other Local Revenues	44,702	10,500	31,484	13,218
State of Tennessee	59,747	59,200	59,200	547
Total Revenues	<u>\$ 336,563</u>	<u>\$ 293,700</u>	<u>\$ 326,045</u>	<u>\$ 10,518</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 244,793	\$ 255,621	\$ 333,440	\$ 88,647
Postclosure Care Costs	16,715	22,500	22,500	5,785
<u>Highways</u>				
Litter and Trash Collection	26,837	15,000	27,000	163
Total Expenditures	<u>\$ 288,345</u>	<u>\$ 293,121</u>	<u>\$ 382,940</u>	<u>\$ 94,595</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,218</u>	<u>\$ 579</u>	<u>\$ (56,895)</u>	<u>\$ 105,113</u>
Net Change in Fund Balance	\$ 48,218	\$ 579	\$ (56,895)	\$ 105,113
Fund Balance, July 1, 2021	<u>719,711</u>	<u>705,242</u>	<u>705,242</u>	<u>14,469</u>
Fund Balance, June 30, 2022	<u>\$ 767,929</u>	<u>\$ 705,821</u>	<u>\$ 648,347</u>	<u>\$ 119,582</u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,466	\$ 15,000	\$ 15,000	\$ 466
Total Revenues	\$ 15,466	\$ 15,000	\$ 15,000	\$ 466
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 8,898	\$ 15,000	\$ 15,000	\$ 6,102
Total Expenditures	\$ 8,898	\$ 15,000	\$ 15,000	\$ 6,102
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,568	\$ 0	\$ 0	\$ 6,568
Net Change in Fund Balance	\$ 6,568	\$ 0	\$ 0	\$ 6,568
Fund Balance, July 1, 2021	47,535	42,128	42,128	5,407
Fund Balance, June 30, 2022	\$ 54,103	\$ 42,128	\$ 42,128	\$ 11,975

Exhibit F-5

Scott 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 51,809	\$ 44,742	\$ 44,742	\$ 7,067
Federal Government	6,175	0	6,499	(324)
Total Revenues	<u>\$ 57,984</u>	<u>\$ 44,742</u>	<u>\$ 51,241</u>	<u>\$ 6,743</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 48,078	\$ 0	\$ 49,778	\$ 1,700
<u>Administration of Justice</u>				
Chancery Court	0	3,000	3,000	3,000
<u>Public Safety</u>				
Civil Defense	0	2,000	2,000	2,000
<u>Social, Cultural, and Recreational Services</u>				
Libraries	6,499	0	6,499	0
<u>Highways</u>				
Capital Outlay	1,029	1,200	1,200	171
Total Expenditures	<u>\$ 55,606</u>	<u>\$ 6,200</u>	<u>\$ 62,477</u>	<u>\$ 6,871</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,378</u>	<u>\$ 38,542</u>	<u>\$ (11,236)</u>	<u>\$ 13,614</u>
Net Change in Fund Balance	\$ 2,378	\$ 38,542	\$ (11,236)	\$ 13,614
Fund Balance, July 1, 2021	<u>317,578</u>	<u>332,173</u>	<u>332,173</u>	<u>(14,595)</u>
Fund Balance, June 30, 2022	<u>\$ 319,956</u>	<u>\$ 370,715</u>	<u>\$ 320,937</u>	<u>\$ (981)</u>

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for debt issued that benefit the areas of Scott County outside the Oneida Special School District.

Exhibit G-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,395,021	\$ 1,387,937	\$ 1,387,937	\$ 7,084
Licenses and Permits	998	800	800	198
Other Local Revenues	201,396	151,372	151,372	50,024
Total Revenues	<u>\$ 1,597,415</u>	<u>\$ 1,540,109</u>	<u>\$ 1,540,109</u>	<u>\$ 57,306</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 974,000	\$ 974,000	\$ 974,000	\$ 0
<u>Interest on Debt</u>				
General Government	108,944	391,702	391,702	282,758
<u>Other Debt Service</u>				
General Government	129,275	174,407	174,407	45,132
Total Expenditures	<u>\$ 1,212,219</u>	<u>\$ 1,540,109</u>	<u>\$ 1,540,109</u>	<u>\$ 327,890</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 385,196</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 385,196</u>
Net Change in Fund Balance	\$ 385,196	\$ 0	\$ 0	\$ 385,196
Fund Balance, July 1, 2021	<u>1,465,411</u>	<u>1,349,460</u>	<u>1,349,460</u>	<u>115,951</u>
Fund Balance, June 30, 2022	<u>\$ 1,850,607</u>	<u>\$ 1,349,460</u>	<u>\$ 1,349,460</u>	<u>\$ 501,147</u>

Exhibit G-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 827,148	\$ 796,420	\$ 796,420	\$ 30,728
Other Governments and Citizens Groups	393,729	393,729	393,729	0
Total Revenues	<u>\$ 1,220,877</u>	<u>\$ 1,190,149</u>	<u>\$ 1,190,149</u>	<u>\$ 30,728</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 445,000	\$ 445,000	\$ 445,000	\$ 0
<u>Interest on Debt</u>				
Education	139,531	139,531	139,531	0
<u>Other Debt Service</u>				
Education	17,155	27,200	27,200	10,045
Total Expenditures	<u>\$ 601,686</u>	<u>\$ 611,731</u>	<u>\$ 611,731</u>	<u>\$ 10,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 619,191</u>	<u>\$ 578,418</u>	<u>\$ 578,418</u>	<u>\$ 40,773</u>
Net Change in Fund Balance	\$ 619,191	\$ 578,418	\$ 578,418	\$ 40,773
Fund Balance, July 1, 2021	<u>1,857,759</u>	<u>1,859,587</u>	<u>1,859,587</u>	<u>(1,828)</u>
Fund Balance, June 30, 2022	<u>\$ 2,476,950</u>	<u>\$ 2,438,005</u>	<u>\$ 2,438,005</u>	<u>\$ 38,945</u>

Custodial Funds

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

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

Special School District Fund – The Special School District Fund is used to account for the tax levy for the Oneida Special School District. These revenues are received by Scott County and remitted to the Oneida Special School District on a monthly basis.

City School ADA - Oneida Fund – The City School ADA - Oneida Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for amounts held in a custodial capacity for the Eighth Judicial District Drug Task Force.

Exhibit H-1

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

	Custodial Funds					
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu- tional Officers - Custodial	Judicial District Drug	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 849,343	\$ 0	\$ 849,343
Equity in Pooled Cash and Investments	0	4,784	101,627	0	123,589	230,000
Due from Other Governments	388,447	0	179,069	0	1,138	568,654
Property Taxes Receivable	0	488,535	1,112,708	0	0	1,601,243
Allowance for Uncollectible Property Taxes	0	(17,308)	(41,347)	0	0	(58,655)
Total Assets	\$ 388,447	\$ 476,011	\$ 1,352,057	\$ 849,343	\$ 124,727	\$ 3,190,585
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 388,447	\$ 24,017	\$ 323,336	\$ 0	\$ 0	\$ 735,800
Due to Litigants, Heirs, and Others	0	0	0	0	4,842	4,842
Total Liabilities	\$ 388,447	\$ 24,017	\$ 323,336	\$ 0	\$ 4,842	\$ 740,642
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 451,994	\$ 1,028,721	\$ 0	\$ 0	\$ 1,480,715
Total Deferred Inflows of Resources	\$ 0	\$ 451,994	\$ 1,028,721	\$ 0	\$ 0	\$ 1,480,715
<u>NET POSITION</u>						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 849,343	\$ 119,885	\$ 969,228
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 849,343	\$ 119,885	\$ 969,228

Exhibit H-2

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

	Custodial Funds					Total
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu - tional Officers - Custodial	Judicial District Drug	
<u>Additions</u>						
Sales Tax Collections for Other Governments	\$ 2,175,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,175,010
SSD - Educational Funds Collected for Cities	0	449,681	0	0	0	449,681
ADA- Education Funds Collected for Cities	0	0	2,046,339	0	0	2,046,339
Fines/Fees and Other Collections	0	0	0	4,948,964	0	4,948,964
Drug Task Force Collections	0	0	0	0	24,036	24,036
Total Additions	\$ 2,175,010	\$ 449,681	\$ 2,046,339	\$ 4,948,964	\$ 24,036	\$ 9,644,030
<u>Deductions</u>						
Payment of Sales Tax Collections for Other Governments	\$ 2,175,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,175,010
Payments to City School Systems	0	449,681	2,046,339	0	0	2,496,020
Payments to State	0	0	0	2,992,640	0	2,992,640
Payments to Individuals and Others	0	0	0	1,876,765	0	1,876,765
Payment of Drug Task Force Expenses	0	0	0	0	2,204	2,204
Total Deductions	\$ 2,175,010	\$ 449,681	\$ 2,046,339	\$ 4,869,405	\$ 2,204	\$ 9,542,639
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 79,559	\$ 21,832	\$ 101,391
Net Position July 1, 2021	0	0	0	769,784	98,053	867,837
Net Position June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 849,343	\$ 119,885	\$ 969,228

Scott County School Department

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

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

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for 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 I-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 16,199,875	\$ 15,553	\$ 4,697,217	\$ (11,487,105)
Support Services	10,355,711	0	1,392,971	(8,962,740)
Operation of Non-instructional Services	3,343,719	79,393	3,755,930	491,604
Total Governmental Activities	\$ 29,899,305	\$ 94,946	\$ 9,846,118	\$ (19,958,241)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,937,965
Local Option Sales Taxes				1,845,035
Other Local Taxes				646
Grants and Contributions Not Restricted to Specific Programs				20,277,988
Miscellaneous				5,333
Total General Revenues				\$ 24,066,967
Change in Net Position				\$ 4,108,726
Net Position, July 1, 2021				26,733,518
Net Position, June 30, 2022				\$ 30,842,244

Exhibit I-2

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

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Internal School	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 7,997	\$ 641,204	\$ 649,201
Equity in Pooled Cash and Investments	6,745,836	998,111	1,405,675	0	9,149,622
Accounts Receivable	5,453	0	474	0	5,927
Due from Other Governments	1,447,295	469,545	17,905	0	1,934,745
Property Taxes Receivable	2,082,893	0	0	0	2,082,893
Allowance for Uncollectible Property Taxes	(77,399)	0	0	0	(77,399)
Restricted Assets	192,852	0	0	0	192,852
Total Assets	<u>\$ 10,396,930</u>	<u>\$ 1,467,656</u>	<u>\$ 1,432,051</u>	<u>\$ 641,204</u>	<u>\$ 13,937,841</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 49,562	\$ 6,991	\$ 0	\$ 0	\$ 56,553
Accrued Payroll	3,314,604	399,231	96,903	0	3,810,738
Payroll Deductions Payable	214,913	25,471	6,633	0	247,017
Due to State of Tennessee	1,005	394	284	0	1,683
Other Current Liabilities	353,597	46,329	10,139	0	410,065
Total Liabilities	<u>\$ 3,933,681</u>	<u>\$ 478,416</u>	<u>\$ 113,959</u>	<u>\$ 0</u>	<u>\$ 4,526,056</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,925,676	\$ 0	\$ 0	\$ 0	\$ 1,925,676
Deferred Delinquent Property Taxes	69,190	0	0	0	69,190
Other Deferred/Unavailable Revenue	160,871	0	0	0	160,871
Total Deferred Inflows of Resources	<u>\$ 2,155,737</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,155,737</u>

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Internal School	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 14,519	\$ 1,318,092	\$ 641,204	\$ 1,973,815
Restricted for Hybrid Retirement Stabilization Funds	192,852	0	0	0	192,852
Committed:					
Committed for Education	0	974,721	0	0	974,721
Assigned:					
Assigned for Education	62,445	0	0	0	62,445
Unassigned	4,052,215	0	0	0	4,052,215
Total Fund Balances	<u>\$ 4,307,512</u>	<u>\$ 989,240</u>	<u>\$ 1,318,092</u>	<u>\$ 641,204</u>	<u>\$ 7,256,048</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,396,930</u>	<u>\$ 1,467,656</u>	<u>\$ 1,432,051</u>	<u>\$ 641,204</u>	<u>\$ 13,937,841</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 7,256,048
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 910,561	
Add: construction in progress	457,634	
Add: building and improvements net of accumulated depreciation	14,885,201	
Add: infrastructure net of accumulated depreciation	173,731	
Add: other capital assets net of accumulated depreciation	<u>2,795,139</u>	19,222,266
(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 (OPEB)	\$ (3,799,310)	
Less: compensated absences payable	<u>(242,169)</u>	(4,041,479)
(3) Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,978,195	
Less: deferred inflows of resources related to pensions	(14,327,638)	
Add: deferred outflows of resources related to OPEB	1,600,140	
Less: deferred inflows of resources related to OPEB	<u>(1,832,838)</u>	(8,582,141)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - agent plan	\$ 2,846,490	
Add: net pension assets - teacher retirement plan	184,924	
Add: net pension assets - teacher legacy pension plan	<u>13,726,075</u>	16,757,489
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>230,061</u>
Net position of governmental activities (Exhibit A)		<u>\$ 30,842,244</u>

Exhibit I-4

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

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 3,763,260	\$ 0	\$ 0	\$ 0	\$ 3,763,260
Licenses and Permits	646	0	0	0	646
Charges for Current Services	25,137	0	54,256	0	79,393
Other Local Revenues	40,077	0	12,546	674,225	726,848
State of Tennessee	21,019,220	0	18,608	0	21,037,828
Federal Government	155,674	5,824,060	2,073,782	0	8,053,516
Total Revenues	\$ 25,004,014	\$ 5,824,060	\$ 2,159,192	\$ 674,225	\$ 33,661,491
<u>Expenditures</u>					
Current:					
Instruction	\$ 15,322,395	\$ 3,771,151	\$ 0	\$ 0	\$ 19,093,546
Support Services	8,194,229	1,072,268	0	0	9,266,497
Operation of Non-Instructional Services	1,018,934	2,253	1,822,037	621,355	3,464,579
Capital Outlay	1,052,123	952,191	0	0	2,004,314
Debt Service:					
Other Debt Service	393,729	0	0	0	393,729
Total Expenditures	\$ 25,981,410	\$ 5,797,863	\$ 1,822,037	\$ 621,355	\$ 34,222,665
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (977,396)	\$ 26,197	\$ 337,155	\$ 52,870	\$ (561,174)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 8,935	\$ 0	\$ 0	\$ 0	\$ 8,935
Transfers In	26,200	350,000	0	0	376,200
Transfers Out	(350,000)	(26,200)	0	0	(376,200)
Total Other Financing Sources (Uses)	\$ (314,865)	\$ 323,800	\$ 0	\$ 0	\$ 8,935

(Continued)

Exhibit I-4

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

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Internal School	
Net Change in Fund Balances	\$ (1,292,261)	\$ 349,997	\$ 337,155	\$ 52,870	\$ (552,239)
Fund Balance, July 1, 2021	5,599,773	639,243	980,937	588,334	7,808,287
Fund Balance, June 30, 2022	\$ 4,307,512	\$ 989,240	\$ 1,318,092	\$ 641,204	\$ 7,256,048

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (552,239)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,915,927	
Less: current-year depreciation expense	<u>(1,195,832)</u>	720,095
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 230,061	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(210,321)</u>	19,740
(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 compensated absences	\$ 17,138	
Change in net pension asset/liability	13,010,551	
Change in deferred outflows related to pensions	3,651,477	
Change in deferred inflows related to pensions	(12,780,335)	
Change in OPEB liability	(131,818)	
Change in deferred outflows related to OPEB	(14,594)	
Change in deferred inflows related to OPEB	<u>168,711</u>	<u>3,921,130</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,108,726</u>

Exhibit I-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,763,260	\$ 0	\$ 3,763,260	\$ 3,329,780	\$ 3,329,780	\$ 433,480
Licenses and Permits	646	0	646	500	500	146
Charges for Current Services	25,137	0	25,137	57,000	57,000	(31,863)
Other Local Revenues	40,077	0	40,077	0	12,731	27,346
State of Tennessee	21,019,220	0	21,019,220	20,248,911	21,407,743	(388,523)
Federal Government	155,674	0	155,674	5,500	146,500	9,174
Total Revenues	\$ 25,004,014	\$ 0	\$ 25,004,014	\$ 23,641,691	\$ 24,954,254	\$ 49,760
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 13,128,538	\$ 0	\$ 13,128,538	\$ 13,089,060	\$ 13,790,546	\$ 662,008
Alternative Instruction Program	88,781	0	88,781	97,939	93,579	4,798
Special Education Program	1,357,717	0	1,357,717	1,502,109	1,470,354	112,637
Career and Technical Education Program	747,359	0	747,359	729,370	780,830	33,471
<u>Support Services</u>						
Attendance	112,538	0	112,538	98,940	119,295	6,757
Health Services	286,702	0	286,702	244,051	307,055	20,353
Other Student Support	528,050	0	528,050	344,974	592,073	64,023
Regular Instruction Program	1,026,613	0	1,026,613	702,816	1,112,851	86,238
Special Education Program	237,261	0	237,261	208,119	248,089	10,828
Career and Technical Education Program	92,333	0	92,333	87,705	93,205	872
Technology	386,619	6,450	393,069	387,083	440,644	47,575
Other Programs	93,201	0	93,201	0	93,201	0
Board of Education	453,348	0	453,348	461,237	464,727	11,379
Director of Schools	293,294	0	293,294	258,044	321,944	28,650

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Office of the Principal	\$ 1,097,552	\$ 0	\$ 1,097,552	\$ 989,767	\$ 1,139,458	\$ 41,906
Operation of Plant	1,707,002	0	1,707,002	1,616,848	1,810,319	103,317
Maintenance of Plant	475,753	6,995	482,748	292,263	518,623	35,875
Transportation	1,403,963	0	1,403,963	1,202,729	1,490,920	86,957
<u>Operation of Non-Instructional Services</u>						
Food Service	33,118	0	33,118	0	35,766	2,648
Community Services	61,153	0	61,153	57,598	61,648	495
Early Childhood Education	924,663	0	924,663	956,309	956,309	31,646
<u>Capital Outlay</u>						
Regular Capital Outlay	1,052,123	0	1,052,123	0	1,078,037	25,914
<u>Principal on Debt</u>						
Education	0	0	0	175,000	0	0
<u>Interest on Debt</u>						
Education	0	0	0	32,957	1	1
<u>Other Debt Service</u>						
Education	393,729	0	393,729	185,773	393,729	0
Total Expenditures	<u>\$ 25,981,410</u>	<u>\$ 13,445</u>	<u>\$ 25,994,855</u>	<u>\$ 23,720,691</u>	<u>\$ 27,413,203</u>	<u>\$ 1,418,348</u>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (977,396)	\$ (13,445)	\$ (990,841)	\$ (79,000)	\$ (2,458,949)	\$ 1,468,108
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 8,935	\$ 0	\$ 8,935	\$ 0	\$ 0	\$ 8,935
Transfers In	26,200	0	26,200	40,000	40,000	(13,800)

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ (350,000)	\$ 0	\$ (350,000)	\$ 0	\$ (350,000)	\$ 0
Total Other Financing Sources	\$ (314,865)	\$ 0	\$ (314,865)	\$ 40,000	\$ (310,000)	\$ (4,865)
Net Change in Fund Balance	\$ (1,292,261)	\$ (13,445)	\$ (1,305,706)	\$ (39,000)	\$ (2,768,949)	\$ 1,463,243
Fund Balance, July 1, 2021	5,599,773	0	5,599,773	4,779,951	4,779,951	819,822
Fund Balance, June 30, 2022	\$ 4,307,512	\$ (13,445)	\$ 4,294,067	\$ 4,740,951	\$ 2,011,002	\$ 2,283,065

Exhibit I-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 5,824,060	\$ 0	\$ 5,824,060	\$ 2,298,548	\$ 15,590,867	\$ (9,766,807)
Total Revenues	\$ 5,824,060	\$ 0	\$ 5,824,060	\$ 2,298,548	\$ 15,590,867	\$ (9,766,807)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,061,923	\$ 0	\$ 3,061,923	\$ 1,264,018	\$ 6,109,733	\$ 3,047,810
Special Education Program	636,280	0	636,280	573,088	1,130,176	493,896
Career and Technical Education Program	72,948	0	72,948	58,857	72,955	7
<u>Support Services</u>						
Health Services	254,247	0	254,247	0	449,250	195,003
Other Student Support	264,213	0	264,213	44,936	760,263	496,050
Regular Instruction Program	318,905	0	318,905	190,367	608,506	289,601
Special Education Program	78,609	0	78,609	98,682	183,100	104,491
Career and Technical Education Program	4,577	0	4,577	5,000	4,586	9
Technology	78,907	0	78,907	0	88,500	9,593
Office of the Principal	13,096	0	13,096	0	13,620	524
Operation of Plant	19,060	0	19,060	0	64,334	45,274
Transportation	40,654	0	40,654	39,900	43,292	2,638
<u>Operation of Non-Instructional Services</u>						
Food Service	2,253	0	2,253	0	3,841	1,588
<u>Capital Outlay</u>						
Regular Capital Outlay	952,191	394,851	1,347,042	0	5,731,414	4,384,372
Total Expenditures	\$ 5,797,863	\$ 394,851	\$ 6,192,714	\$ 2,274,848	\$ 15,263,570	\$ 9,070,856

(Continued)

Exhibit I-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,197	\$ (394,851)	\$ (368,654)	\$ 23,700	\$ 327,297	\$ (695,951)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 350,000	\$ 0	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Transfers Out	(26,200)	0	(26,200)	(23,700)	(341,639)	315,439
Total Other Financing Sources	\$ 323,800	\$ 0	\$ 323,800	\$ (23,700)	\$ 8,361	\$ 315,439
Net Change in Fund Balance	\$ 349,997	\$ (394,851)	\$ (44,854)	\$ 0	\$ 335,658	\$ (380,512)
Fund Balance, July 1, 2021	639,243	0	639,243	0	0	639,243
Fund Balance, June 30, 2022	\$ 989,240	\$ (394,851)	\$ 594,389	\$ 0	\$ 335,658	\$ 258,731

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 54,256	\$ 178,000	\$ 178,000	\$ (123,744)
Other Local Revenues	12,546	21,000	21,000	(8,454)
State of Tennessee	18,608	20,000	20,000	(1,392)
Federal Government	2,073,782	2,108,687	2,111,750	(37,968)
Total Revenues	<u>\$ 2,159,192</u>	<u>\$ 2,327,687</u>	<u>\$ 2,330,750</u>	<u>\$ (171,558)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,822,037	\$ 2,327,687	\$ 2,330,750	\$ 508,713
Total Expenditures	<u>\$ 1,822,037</u>	<u>\$ 2,327,687</u>	<u>\$ 2,330,750</u>	<u>\$ 508,713</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 337,155</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 337,155</u>
Net Change in Fund Balance	\$ 337,155	\$ 0	\$ 0	\$ 337,155
Fund Balance, July 1, 2021	<u>980,937</u>	<u>907,771</u>	<u>907,771</u>	<u>73,166</u>
Fund Balance, June 30, 2022	<u><u>\$ 1,318,092</u></u>	<u><u>\$ 907,771</u></u>	<u><u>\$ 907,771</u></u>	<u><u>\$ 410,321</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
<u>GOVERNMENTAL ACTIVITIES</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through Highway/Public Works Fund</u>							
Capital Outlay	\$ 500,000	3.59 %	5-8-17	2-8-22	\$ 98,481	\$ 98,481	\$ 0
Heavy Equipment	330,000	3.75	2-15-19	2-15-24	205,227	65,864	139,363
Total Notes Payable					<u>\$ 303,708</u>	<u>\$ 164,345</u>	<u>\$ 139,363</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Public Building Authority Loan Agreement</u>							
<u>Payable through General Debt Service Fund</u>							
Justice Center and Highway Projects	9,654,938	Variable	2-27-07	5-25-34	\$ 6,298,938	\$ 339,000	\$ 5,959,938
School Renovations and Improvements	13,940,000	Variable	12-15-09	5-25-35	9,682,401	500,000	9,182,401
Total Other Loans Payable					<u>\$ 15,981,339</u>	<u>\$ 839,000</u>	<u>\$ 15,142,339</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Bonds, Series 2008	1,250,000	3 to 4.5	2-14-08	6-1-28	\$ 635,000	\$ 75,000	\$ 560,000
Refunding Bonds, Series 2014A	1,490,000	2 to 3.4	6-30-14	6-1-35	745,000	60,000	685,000
Total Payable through General Debt Service Fund					<u>\$ 1,380,000</u>	<u>\$ 135,000</u>	<u>\$ 1,245,000</u>
<u>Payable through Rural Debt Service Fund</u>							
Rural School Refunding Bonds, Series 2014B	8,120,000	2 to 3.25	6-30-14	6-1-29	\$ 4,995,000	\$ 445,000	\$ 4,550,000
Total Payable through Rural Debt Service Fund					<u>\$ 4,995,000</u>	<u>\$ 445,000</u>	<u>\$ 4,550,000</u>
Total Bonds Payable					<u>\$ 6,375,000</u>	<u>\$ 580,000</u>	<u>\$ 5,795,000</u>

(1) The total amount approved for draws under this loan agreement was \$10 million, of which \$345,062 has not been drawn. The county has notified the Public Building Authority that no further draws under this loan agreement will be necessary.

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		Total
	Principal	Interest	
2023	\$ 68,382	\$ 5,225	\$ 73,607
2024	70,981	2,674	73,655
Total	\$ 139,363	\$ 7,899	\$ 147,262

Year Ending June 30	Other Loans - Direct Placement			Total
	Principal	Interest	Other Fees	
2023	\$ 881,000	\$ 127,760	\$ 95,191	\$ 1,103,951
2024	925,000	120,352	89,652	1,135,004
2025	970,000	112,574	83,837	1,166,411
2026	1,019,000	104,418	77,738	1,201,156
2027	1,071,000	95,850	71,332	1,238,182
2028	1,123,000	86,844	64,599	1,274,443
2029	1,180,000	77,402	57,539	1,314,941
2030	1,239,000	67,479	50,120	1,356,599
2031	1,301,000	57,062	42,331	1,400,393
2032	1,366,000	46,122	34,152	1,446,274
2033	1,434,000	34,636	25,564	1,494,200
2034	1,506,000	22,579	16,549	1,545,128
2035	1,127,339	7,917	5,225	1,140,481
Total	\$ 15,142,339	\$ 960,995	\$ 713,829	\$ 16,817,163

Ending June 30	Bonds		Total
	Principal	Interest	
2023	\$ 615,000	\$ 176,314	\$ 791,314
2024	850,000	159,820	1,009,820
2025	885,000	136,871	1,021,871
2026	920,000	110,583	1,030,583
2027	970,000	82,226	1,052,226
2028	700,000	51,439	751,439
2029	625,000	28,133	653,133
2030	55,000	7,820	62,820
2031	30,000	5,950	35,950
2032	35,000	4,930	39,930
2033	35,000	3,740	38,740
2034	35,000	2,550	37,550
2035	40,000	1,360	41,360
Total	\$ 5,795,000	\$ 771,736	\$ 6,566,736

Exhibit J-3

Scott County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2022

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Restated Balance 7-1-21	Additions	Deductions	Balance 6-30-22
<u>PRIMARY GOVERNMENT</u>									
<u>General Fund</u>									
Nursing Home	Preferred Health Services of Tennessee, Inc.	\$ 1,489,436	(1) 1-19-98	8-31-35	4.50 %	\$ 1,489,436	\$ 0	\$ 62,140	\$ 1,427,296
Total General Fund Leases Receivable						<u>\$ 1,489,436</u>	<u>\$ 0</u>	<u>\$ 62,140</u>	<u>\$ 1,427,296</u>
<u>General Debt Service Fund</u>									
District Attorney Office Space	Tennessee District Attorney General Conference	47,164	(1) 9-1-14	8-31-22	4.50	\$ 47,164	\$ 0	\$ 40,269	\$ 6,895
DHS/DCS Building	State of Tennessee	417,940	7-1-21	6-30-26	4.50	0	417,940	76,256	341,684
Aircraft Hangar and Office Space	ATS Tennessee, Inc.	199,393	(1) 4-1-09	3-31-29	4.50	199,393	0	18,773	180,620
Total General Debt Service Fund Leases Receivable						<u>\$ 246,557</u>	<u>\$ 417,940</u>	<u>\$ 135,298</u>	<u>\$ 529,199</u>
Total Leases Receivable						<u>\$ 1,735,993</u>	<u>\$ 417,940</u>	<u>\$ 197,438</u>	<u>\$ 1,956,495</u>

(1) Original amount of lease was unavailable. Amount reflected is as of 7-1-21.

Exhibit J-4

Scott County, Tennessee
Schedule of Transfers
Discretely Presented Scott County School Department
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 26,200
General Purpose School	School Federal Projects	Cash Flow	<u>350,000</u>
Total Transfers Discretely Presented Scott County School Department			<u>\$ 376,200</u>

Exhibit J-5

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

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 94,589	\$ 100,000	RLI Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	90,889	100,000	"
Director of Schools	State Board of Education and County Board of Education	97,153 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	81,895	983,916	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	81,895	50,300	"
County Clerk	Section 8-24-102, <i>TCA</i>	81,895	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	81,895	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	81,895 (2)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	81,895	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	91,547 (3)	100,000	"
Director of Finance	County Commission	81,894	100,000	"
Employee Blanket Bonds:				
Primary Government			400,000	Tennessee Risk Management Trust
School Department			400,000	"

(1) Includes a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$15,276.

(3) Includes law enforcement training supplement of \$800.

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,653,609	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Discount on Property Taxes	(40,982)	0	0	0	0	0
Trustee's Collections - Prior Year	135,456	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	136,149	0	0	0	0	0
Interest and Penalty	20,808	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	90	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	211,465	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	609,005	0	0	0	0	0
Hotel/Motel Tax	151,652	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	19,479	0	0	0	0	0
Litigation Tax - Special Purpose	69,730	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	681	0	0	0	0	0
Business Tax	220,062	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	93,821	0	0	0	0	0
Wholesale Beer Tax	68,294	0	0	0	0	0
Total Local Taxes	\$ 5,349,319	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	32,627	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 594	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 33,221	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 12,609	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,207	0	0	0	0	0
Drug Control Fines	0	0	0	9,695	0	0
Data Entry Fee - Circuit Court	436	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	475	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	75,106	0	0	0	0	0
Officers Costs	5,584	0	0	0	0	0
Game and Fish Fines	101	0	0	0	0	0
Drug Control Fines	0	0	0	5,771	0	0
Drug Court Fees	2,231	0	0	0	0	0
Jail Fees	1,009	0	0	0	0	0
Data Entry Fee - General Sessions Court	2,930	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,792	0	0	0	0	0
Data Entry Fee - Chancery Court	2,502	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 110,982	\$ 0	\$ 0	\$ 15,466	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 3,753	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	228,361	0	0	0	0
Patient Charges	0	0	1,388,199	0	0	0
Other General Service Charges	2,565	0	0	0	0	0
<u>Fees</u>						
Airport Fees	370,947	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	637
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	15,276
Data Processing Fee - Register	7,102	0	0	0	0	0
Probation Fees	1,011	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,700	0	0	0	0	0
Data Processing Fee - County Clerk	2,280	0	0	0	0	0
Vehicle Registration Reinstatement Fees	580	0	0	0	0	0
Total Charges for Current Services	\$ 390,185	\$ 232,114	\$ 1,388,199	\$ 0	\$ 0	\$ 15,913
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 151,660	\$ 0	\$ 0	\$ 0	\$ 4,482	\$ 0
Lease/Rentals	202,707	0	0	0	0	0
Lease Interest	60,062	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	31,278	0	0	0	0	0
Sale of Maps	150	0	0	0	0	0
Sale of Recycled Materials	0	38,795	0	0	0	0
E-Rate Funding	2,832	0	0	0	0	0
Miscellaneous Refunds	72,019	5,907	18,574	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Contributions and Gifts	\$ 184,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 705,304	\$ 44,702	\$ 18,574	\$ 0	\$ 4,482	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 283,167	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	40,275	0	0	0	0	0
General Sessions Court Clerk	66,756	0	0	0	0	0
Clerk and Master	62,426	0	0	0	0	0
Register	96,952	0	0	0	0	0
Sheriff	11,488	0	0	0	0	0
Trustee	332,718	0	0	0	0	0
Total Fees Received From County Officials	\$ 893,782	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	23,200	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	41,297	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	15,911	0	0	0	0	0
Beer Tax	24,061	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 94,997	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	558,889	0	0	0	0	0
State Revenue Sharing - Telecommunications	98,700	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	15,579	0	0	0	0	0
Contracted Prisoner Boarding	1,070,720	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
Other State Grants	827,131	18,450	0	0	0	0
Other State Revenues	144,560	0	0	0	0	0
Total State of Tennessee	\$ 2,897,912	\$ 59,747	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 19,119	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #1	0	0	0	0	466,448	0
Other Federal through State	590,056	0	0	0	0	0
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	0	0	0	0	0	0
Total Federal Government	\$ 609,175	\$ 0	\$ 0	\$ 0	\$ 466,448	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 10,989,880	\$ 336,563	\$ 1,406,773	\$ 15,466	\$ 470,930	\$ 15,913

(Continued)

Exhibit J-6

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

	Special	Debt Service Funds		Capital Projects Funds		Total
	Revenue Fund	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 619,999	\$ 764,457	\$ 46,137	\$ 0	\$ 5,084,202
Discount on Property Taxes	0	(6,955)	(8,618)	(519)	0	(57,074)
Trustee's Collections - Prior Year	0	20,847	38,991	4,164	119	199,577
Circuit Clerk/Clerk and Master Collections - Prior Years	0	22,708	26,754	1,758	0	187,369
Interest and Penalty	0	3,554	5,564	269	23	30,218
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	90
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	211,465
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	100,000	0	0	0	709,005
Hotel/Motel Tax	0	0	0	0	0	151,652
Wheel Tax	0	634,868	0	0	0	634,868
Litigation Tax - General	0	0	0	0	0	19,479
Litigation Tax - Special Purpose	0	0	0	0	0	69,730
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	681
Business Tax	235	0	0	0	0	220,297
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	93,821
Wholesale Beer Tax	0	0	0	0	0	68,294
Total Local Taxes	\$ 235	\$ 1,395,021	\$ 827,148	\$ 51,809	\$ 142	\$ 7,623,674
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 998	\$ 0	\$ 0	\$ 0	\$ 998
Cable TV Franchise	0	0	0	0	0	32,627

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 594
Total Licenses and Permits	\$ 0	\$ 998	\$ 0	\$ 0	\$ 0	\$ 34,219
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,609
Officers Costs	0	0	0	0	0	3,207
Drug Control Fines	0	0	0	0	0	9,695
Data Entry Fee - Circuit Court	0	0	0	0	0	436
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	475
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	75,106
Officers Costs	0	0	0	0	0	5,584
Game and Fish Fines	0	0	0	0	0	101
Drug Control Fines	0	0	0	0	0	5,771
Drug Court Fees	0	0	0	0	0	2,231
Jail Fees	0	0	0	0	0	1,009
Data Entry Fee - General Sessions Court	0	0	0	0	0	2,930
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	4,792
Data Entry Fee - Chancery Court	0	0	0	0	0	2,502
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 126,448

(Continued)

Exhibit J-6

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

	Special Revenue Fund		Debt Service Funds		Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,753
Surcharge - Host Agency	0	0	0	0	0	0	228,361
Patient Charges	0	0	0	0	0	0	1,388,199
Other General Service Charges	0	0	0	0	0	0	2,565
<u>Fees</u>							
Airport Fees	0	0	0	0	0	0	370,947
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	637
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	15,276
Data Processing Fee - Register	0	0	0	0	0	0	7,102
Probation Fees	0	0	0	0	0	0	1,011
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	5,700
Data Processing Fee - County Clerk	0	0	0	0	0	0	2,280
Vehicle Registration Reinstatement Fees	0	0	0	0	0	0	580
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,026,411
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	156,142
Lease/Rentals	0	175,122	0	0	0	0	377,829
Lease Interest	0	26,274	0	0	0	0	86,336
Sale of Materials and Supplies	4,781	0	0	0	0	0	4,781
Commissary Sales	0	0	0	0	0	0	31,278
Sale of Maps	0	0	0	0	0	0	150
Sale of Recycled Materials	0	0	0	0	0	0	38,795
E-Rate Funding	0	0	0	0	0	0	2,832
Miscellaneous Refunds	4,565	0	0	0	0	0	101,065

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,596
Total Other Local Revenues	\$ 9,346	\$ 201,396	\$ 0	\$ 0	\$ 0	\$ 983,804
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 283,167
Circuit Court Clerk	0	0	0	0	0	40,275
General Sessions Court Clerk	0	0	0	0	0	66,756
Clerk and Master	0	0	0	0	0	62,426
Register	0	0	0	0	0	96,952
Sheriff	0	0	0	0	0	11,488
Trustee	0	0	0	0	0	332,718
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 893,782
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	23,200
<u>Public Works Grants</u>						
Bridge Program	2,015,430	0	0	0	0	2,015,430
Litter Program	0	0	0	0	0	41,297
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	15,911
Beer Tax	0	0	0	0	0	24,061

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	94,997
State Revenue Sharing - T.V.A.	0	0	0	0	0	558,889
State Revenue Sharing - Telecommunications	0	0	0	0	0	98,700
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	15,579
Contracted Prisoner Boarding	0	0	0	0	0	1,070,720
Gasoline and Motor Fuel Tax	2,590,510	0	0	0	0	2,590,510
Petroleum Special Tax	14,738	0	0	0	0	14,738
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	845,581
Other State Revenues	58,375	0	0	0	0	202,935
Total State of Tennessee	\$ 4,679,053	\$ 0	\$ 0	\$ 0	\$ 0	7,636,712
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	19,119
American Rescue Plan Act Grant #1	0	0	0	0	0	466,448
Other Federal through State	464,327	0	0	0	0	1,054,383
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	0	0	0	6,175	0	6,175
Total Federal Government	\$ 464,327	\$ 0	\$ 0	\$ 6,175	\$ 0	1,546,125
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 393,729	\$ 0	\$ 0	393,729
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 393,729	\$ 0	\$ 0	393,729
Total	\$ 5,152,961	\$ 1,597,415	\$ 1,220,877	\$ 57,984	\$ 142	\$ 21,264,904

Exhibit J-7

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,778,965	\$ 0	\$ 0	\$ 0	\$ 1,778,965	
Discount on Property Taxes	(21,116)	0	0	0	(21,116)	
Trustee's Collections - Prior Year	78,907	0	0	0	78,907	
Circuit Clerk/Clerk and Master Collections - Prior Years	71,255	0	0	0	71,255	
Interest and Penalty	10,214	0	0	0	10,214	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,844,592	0	0	0	1,844,592	
Mixed Drink Tax	443	0	0	0	443	
Total Local Taxes	<u>\$ 3,763,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,763,260</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 646	\$ 0	\$ 0	\$ 0	\$ 646	
Total Licenses and Permits	<u>\$ 646</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 646</u>	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 15,304	\$ 0	\$ 15,304	
Lunch Payments - Adults	0	0	24,960	0	24,960	
Income from Breakfast	0	0	108	0	108	
Special Milk Sales	0	0	5,798	0	5,798	
Other Charges for Services	25,137	0	8,086	0	33,223	
Total Charges for Current Services	<u>\$ 25,137</u>	<u>\$ 0</u>	<u>\$ 54,256</u>	<u>\$ 0</u>	<u>\$ 79,393</u>	

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (8,909)	\$ 0	\$ 3,233	\$ 0	\$ (5,676)	
Miscellaneous Refunds	1,696	0	9,313	0	11,009	
<u>Nonrecurring Items</u>						
Contributions and Gifts	47,224	0	0	0	47,224	
<u>Other Local Revenues</u>						
Other Local Revenues	66	0	0	674,225	674,291	
Total Other Local Revenues	\$ 40,077	\$ 0	\$ 12,546	\$ 674,225	\$ 726,848	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 93,201	\$ 0	\$ 0	\$ 0	\$ 93,201	
<u>State Education Funds</u>						
Basic Education Program	18,624,513	0	0	0	18,624,513	
Early Childhood Education	925,023	0	0	0	925,023	
School Food Service	0	0	18,608	0	18,608	
Driver Education	15,553	0	0	0	15,553	
Other State Education Funds	766,454	0	0	0	766,454	
Coordinated School Health	99,871	0	0	0	99,871	
Career Ladder Program	69,481	0	0	0	69,481	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	104,000	0	0	0	104,000	
Other State Grants	104,494	0	0	0	104,494	
Safe Schools	216,630	0	0	0	216,630	
Total State of Tennessee	\$ 21,019,220	\$ 0	\$ 18,608	\$ 0	\$ 21,037,828	

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,335,220	\$ 0	\$ 1,335,220	
USDA - Commodities	0	0	150,836	0	150,836	
Breakfast	0	0	525,615	0	525,615	
USDA - Other	0	0	62,111	0	62,111	
Vocational Education - Basic Grants to States	0	84,526	0	0	84,526	
Title I Grants to Local Education Agencies	0	1,192,748	0	0	1,192,748	
Special Education - Grants to States	0	640,147	0	0	640,147	
Special Education Preschool Grants	0	29,145	0	0	29,145	
Rural Education	0	163,343	0	0	163,343	
Eisenhower Professional Development State Grants	0	112,173	0	0	112,173	
COVID-19 Grant #1	0	145,334	0	0	145,334	
COVID-19 Grant B	0	2,152,922	0	0	2,152,922	
COVID-19 Grant D	0	40,000	0	0	40,000	
American Rescue Plan Act Grant #1	0	745,491	0	0	745,491	
American Rescue Plan Act Grant #2	0	57,905	0	0	57,905	
American Rescue Plan Act Grant #3	0	2,936	0	0	2,936	
American Rescue Plan Act Grant #4	0	7,149	0	0	7,149	
Other Federal through State	155,674	450,241	0	0	605,915	
Total Federal Government	\$ 155,674	\$ 5,824,060	\$ 2,073,782	\$ 0	\$ 8,053,516	
Total	\$ 25,004,014	\$ 5,824,060	\$ 2,159,192	\$ 674,225	\$ 33,661,491	

Exhibit J-8

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

General Fund

General Government

County Commission

Part-time Personnel	\$	7,602	
Board and Committee Members Fees		90,205	
Social Security		6,064	
Pensions		2,859	
Employer Medicare		1,418	
Audit Services		8,959	
Dues and Memberships		7,813	
Other Contracted Services		25,300	
Other Supplies and Materials		277	
Premiums on Corporate Surety Bonds		2,090	
Other Charges		902	
Total County Commission			\$ 153,489

County Mayor/Executive

County Official/Administrative Officer	\$	94,589	
Secretary(ies)		35,813	
Clerical Personnel		30,508	
Part-time Personnel		13,586	
Social Security		10,482	
Pensions		8,046	
Employer Medicare		2,451	
Communication		6,497	
Legal Notices, Recording, and Court Costs		1,199	
Travel		890	
Office Supplies		1,828	
Other Charges		92	
Total County Mayor/Executive			205,981

County Attorney

County Official/Administrative Officer	\$	52,308	
Other Salaries and Wages		10,615	
Social Security		3,901	
Pensions		2,615	
Employer Medicare		912	
Communication		2,468	
Dues and Memberships		1,270	
Total County Attorney			74,089

Election Commission

County Official/Administrative Officer	\$	73,706
Deputy(ies)		35,187
Other Salaries and Wages		6,390
Election Commission		17,400
Social Security		7,407
Pensions		5,662
Employer Medicare		1,732
Communication		3,336

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Services	\$	15,802	
Legal Notices, Recording, and Court Costs		746	
Maintenance and Repair Services - Office Equipment		2,133	
Postal Charges		2,948	
Printing, Stationery, and Forms		194	
Travel		119	
Office Supplies		13,982	
Other Charges		24,541	
Total Election Commission			\$ 211,285

Register of Deeds

County Official/Administrative Officer	\$	81,895	
Deputy(ies)		33,005	
Other Salaries and Wages		51,374	
Social Security		9,940	
Pensions		8,314	
Employer Medicare		2,325	
Communication		3,220	
Dues and Memberships		687	
Printing, Stationery, and Forms		2,798	
Other Contracted Services		2,000	
Office Supplies		9,536	
Other Supplies and Materials		6,850	
Total Register of Deeds			211,944

County Buildings

Mechanic(s)	\$	35,313	
Custodial Personnel		28,473	
Other Salaries and Wages		30,068	
Social Security		5,185	
Pensions		4,693	
Employer Medicare		1,213	
Maintenance and Repair Services - Buildings		115,862	
Maintenance and Repair Services - Equipment		23,156	
Maintenance and Repair Services - Office Equipment		1,793	
Maintenance and Repair Services - Vehicles		2,729	
Other Contracted Services		10,025	
Custodial Supplies		8,356	
Electricity		117,967	
Gasoline		4,418	
Natural Gas		49,650	
Road Signs		1,949	
Water and Sewer		114,081	
Other Supplies and Materials		8,615	
Other Charges		3,850	
Building Improvements		24,270	
Data Processing Equipment		720	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Heating and Air Conditioning Equipment	\$	8,775	
Land		100,000	
Motor Vehicles		101,643	
Health Equipment		1,146	
Total County Buildings			\$ 803,950

Finance

Accounting and Budgeting

Supervisor/Director	\$	81,894	
Data Processing Personnel		175,625	
Social Security		14,817	
Pensions		12,855	
Employer Medicare		3,465	
Communication		4,263	
Data Processing Services		21,550	
Travel		303	
Office Supplies		14,131	
Total Accounting and Budgeting			328,903

Property Assessor's Office

County Official/Administrative Officer	\$	81,895	
Assistant(s)		50,831	
Deputy(ies)		34,560	
Part-time Personnel		8,356	
Board and Committee Members Fees		4,150	
Social Security		10,757	
Pensions		8,364	
Employer Medicare		2,516	
Communication		2,409	
Data Processing Services		15,369	
Dues and Memberships		1,450	
Maintenance and Repair Services - Vehicles		48	
Travel		1,175	
Other Contracted Services		12,580	
Office Supplies		2,229	
Other Supplies and Materials		964	
Total Property Assessor's Office			237,653

County Trustee's Office

County Official/Administrative Officer	\$	81,895
Deputy(ies)		31,563
Other Salaries and Wages		28,846
Social Security		8,177
Pensions		7,115
Employer Medicare		1,912
Communication		1,903
Contracts with Other Public Agencies		3,098

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Data Processing Services	\$	11,492	
Dues and Memberships		937	
Travel		1,760	
Office Supplies		2,013	
Total County Trustee's Office			\$ 180,711

County Clerk's Office

County Official/Administrative Officer	\$	81,895	
Assistant(s)		43,855	
Deputy(ies)		28,688	
Temporary Personnel		25,938	
Other Salaries and Wages		54,938	
Social Security		13,855	
Pensions		11,766	
Employer Medicare		3,240	
Communication		3,908	
Dues and Memberships		687	
Printing, Stationery, and Forms		610	
Other Contracted Services		12,723	
Office Supplies		11,285	
Total County Clerk's Office			293,388

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	81,895	
Assistant(s)		121,596	
Deputy(ies)		34,561	
Part-time Personnel		11,797	
Other Salaries and Wages		39,442	
Jury and Witness Expense		12,185	
Social Security		17,090	
Pensions		13,950	
Life Insurance		6	
Medical Insurance		8,634	
Employer Medicare		3,997	
Communication		4,713	
Data Processing Services		20,082	
Dues and Memberships		587	
Travel		82	
Office Supplies		10,209	
Workers' Compensation Insurance		86	
Other Charges		3,350	
Data Processing Equipment		1,093	
Total Circuit Court			385,355

General Sessions Court

Judge(s)	\$	123,617	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Assistant(s)	\$	62,056	
Salary Supplements		10,666	
Secretary(ies)		24,670	
Clerical Personnel		30,349	
Part-time Personnel		11,832	
Other Salaries and Wages		130,665	
Board and Committee Members Fees		6,231	
Social Security		24,031	
Pensions		19,101	
Medical Insurance		12,940	
Employer Medicare		5,620	
Communication		4,710	
Travel		5,494	
Other Contracted Services		4,800	
Office Supplies		22,943	
Other Supplies and Materials		8,558	
Total General Sessions Court			\$ 508,283

Chancery Court

County Official/Administrative Officer	\$	81,895	
Deputy(ies)		34,561	
Other Salaries and Wages		28,772	
Social Security		8,772	
Pensions		7,261	
Employer Medicare		2,052	
Communication		2,171	
Data Processing Services		6,084	
Dues and Memberships		587	
Office Supplies		5,493	
Total Chancery Court			177,648

District Attorney General

Other Salaries and Wages	\$	37,783	
Social Security		2,176	
Pensions		1,889	
Life Insurance		25	
Medical Insurance		3,498	
Employer Medicare		509	
Travel		732	
Other Contracted Services		8,127	
Other Supplies and Materials		16,857	
Workers' Compensation Insurance		85	
Total District Attorney General			71,681

Office of Public Defender

Other Supplies and Materials	\$	12,000	
Total Office of Public Defender			12,000

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,747	
Deputy(ies)		1,161,524	
Salary Supplements		23,200	
Secretary(ies)		31,547	
Social Security		77,160	
Pensions		64,191	
Life Insurance		151	
Medical Insurance		3,488	
Employer Medicare		18,045	
Communication		28,886	
Dues and Memberships		1,500	
Maintenance and Repair Services - Buildings		1,895	
Maintenance and Repair Services - Equipment		1,960	
Maintenance and Repair Services - Vehicles		70,201	
Towing Services		1,279	
Travel		2,952	
Tuition		20,423	
Other Contracted Services		3,716	
Gasoline		118,519	
Law Enforcement Supplies		6,000	
Office Supplies		11,182	
Tires and Tubes		15,288	
Uniforms		4,794	
Other Supplies and Materials		9,098	
Liability Insurance		69,315	
Workers' Compensation Insurance		91,368	
Other Charges		4,869	
Motor Vehicles		33,531	
Other Equipment		8,519	
Total Sheriff's Department			\$ 1,975,348

Administration of the Sexual Offender Registry

Other Charges	\$	1,500	
Administration Equipment		1,864	
Total Administration of the Sexual Offender Registry			3,364

Jail

Deputy(ies)	\$	726,142	
Dispatchers/Radio Operators		316,059	
Social Security		61,111	
Pensions		52,097	
Employer Medicare		14,292	
Medical and Dental Services		642,207	
Travel		6,088	
Other Contracted Services		3,223	
Food Supplies		246,629	
Law Enforcement Supplies		3,998	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Office Supplies	\$	3,807	
Uniforms		1,652	
Other Supplies and Materials		87,586	
Office Equipment		6,890	
Total Jail			\$ 2,171,781

Juvenile Services

Supervisor/Director	\$	35,685	
Deputy(ies)		116,967	
Youth Service Officer(s)		8,404	
Part-time Personnel		40,656	
Social Security		12,344	
Pensions		8,264	
Employer Medicare		2,887	
Communication		5,783	
Maintenance and Repair Services - Buildings		260	
Travel		1,692	
Other Contracted Services		515	
Food Supplies		12,472	
Office Supplies		501	
Other Supplies and Materials		7,560	
Workers' Compensation Insurance		2,401	
Total Juvenile Services			256,391

Fire Prevention and Control

Contributions	\$	2,000	
Total Fire Prevention and Control			2,000

Civil Defense

Supervisor/Director	\$	19,413	
Social Security		1,124	
Pensions		971	
Employer Medicare		263	
Communication		1,162	
Dues and Memberships		55	
Travel		608	
Electricity		10,742	
Natural Gas		2,035	
Office Supplies		478	
Water and Sewer		759	
Total Civil Defense			37,610

Rescue Squad

Contributions	\$	8,000	
Total Rescue Squad			8,000

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,231	
Social Security		386	
Employer Medicare		90	
Other Charges		20,579	
Total County Coroner/Medical Examiner	\$		27,286

Public Health and Welfare

Local Health Center

Social Security	\$	2,017	
Pensions		1,141	
Employer Medicare		472	
Contributions		51,520	
Total Local Health Center			55,150

Other Local Health Services

Medical Personnel	\$	223,825	
Social Security		12,236	
Pensions		11,191	
Medical Insurance		35,027	
Employer Medicare		2,862	
Travel		3,617	
Workers' Compensation Insurance		1,149	
Total Other Local Health Services			289,907

General Welfare Assistance

Contributions	\$	893	
Total General Welfare Assistance			893

Other Local Welfare Services

Pauper Burials	\$	201	
Total Other Local Welfare Services			201

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Deputy(ies)	\$	33,609	
Part-time Personnel		13,640	
Social Security		2,929	
Pensions		1,680	
Employer Medicare		685	
Communication		2,191	
Contributions		7,000	
Maintenance and Repair Services - Vehicles		530	
Travel		3,965	
Utilities		8,482	
Other Supplies and Materials		380	
Other Charges		854	
Total Senior Citizens Assistance			75,945

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Part-time Personnel	\$	30,504	
Social Security		1,891	
Pensions		483	
Employer Medicare		446	
Communication		3,807	
Postal Charges		75	
Library Books/Media		10,595	
Office Supplies		3,640	
Periodicals		485	
Utilities		4,437	
Workers' Compensation Insurance		44	
Other Charges		497	
Total Libraries			\$ 56,904

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	19,307	
Supervisor/Director		8,718	
Secretary(ies)		7,806	
Social Security		2,093	
Pensions		5,457	
Medical Insurance		9,065	
Employer Medicare		489	
Communication		2,245	
Dues and Memberships		310	
Travel		1,934	
Other Charges		1,224	
Total Agricultural Extension Service			58,648

Other Operations

Tourism

Supervisor/Director	\$	34,560	
Clerical Personnel		11,707	
Social Security		2,869	
Pensions		2,151	
Employer Medicare		671	
Contributions		14,072	
Total Tourism			66,030

Airport

Supervisor/Director	\$	34,571
Temporary Personnel		28,577
Part-time Personnel		2,782
Social Security		3,572
Pensions		3,157
Medical Insurance		11,774
Employer Medicare		835

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Communication	\$	4,759	
Maintenance and Repair Services - Buildings		244	
Maintenance and Repair Services - Equipment		1,815	
Maintenance and Repair Services - Vehicles		2,781	
Travel		1,749	
Other Contracted Services		7,629	
Diesel Fuel		204,321	
Electricity		17,456	
Gasoline		82,400	
Natural Gas		133	
Office Supplies		104	
Water and Sewer		1,320	
Other Supplies and Materials		18,408	
Liability Insurance		3,955	
Workers' Compensation Insurance		4,547	
Other Charges		148,885	
Motor Vehicles		19,675	
Total Airport			\$ 605,449

Veterans' Services

Supervisor/Director	\$	43,926	
Social Security		2,723	
Pensions		2,196	
Employer Medicare		637	
Contracts with Other Public Agencies		449	
Travel		1,385	
Other Supplies and Materials		252	
Total Veterans' Services			51,568

Contributions to Other Agencies

Contributions	\$	107,828	
Total Contributions to Other Agencies			107,828

Miscellaneous

Bonus Payments	\$	86,400	
Social Security		5,357	
Pensions		4,000	
Life Insurance		3,602	
Medical Insurance		388,421	
Unemployment Compensation		24	
Employer Medicare		1,253	
Other Fringe Benefits		2,612	
Postal Charges		27,189	
Other Supplies and Materials		24,250	
Liability Insurance		95,488	
Trustee's Commission		106,118	
Workers' Compensation Insurance		6,244	
Total Miscellaneous			750,958

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Highways

Highway and Bridge Maintenance

Transfers to Other Funds	\$ 235	
Total Highway and Bridge Maintenance		\$ 235

Total General Fund \$ 10,457,856

Solid Waste/Sanitation Fund

Public Health and Welfare

Recycling Center

Laborers	\$ 107,190	
Bonus Payments	2,400	
Other Salaries and Wages	12,554	
Social Security	7,211	
Pensions	6,084	
Life Insurance	101	
Medical Insurance	12,908	
Employer Medicare	1,686	
Communication	2,140	
Dues and Memberships	100	
Maintenance and Repair Services - Equipment	4	
Maintenance and Repair Services - Vehicles	2,084	
Towing Services	65	
Other Contracted Services	25,803	
Diesel Fuel	8,992	
Electricity	4,826	
Equipment and Machinery Parts	1,053	
Gasoline	6,145	
Natural Gas	393	
Tires and Tubes	1,824	
Uniforms	6,767	
Water and Sewer	597	
Other Supplies and Materials	7,352	
Trustee's Commission	2,740	
Vehicle and Equipment Insurance	2,170	
Workers' Compensation Insurance	8,101	
Other Charges	13,503	
Total Recycling Center		\$ 244,793

Postclosure Care Costs

Other Contracted Services	\$ 16,715	
Total Postclosure Care Costs		16,715

Highways

Litter and Trash Collection

Other Supplies and Materials	\$ 26,837	
Total Litter and Trash Collection		26,837

Total Solid Waste/Sanitation Fund 288,345

(Continued)

Exhibit J-8

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

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,300	
Medical Personnel		539,228	
Part-time Personnel		6,000	
Overtime Pay		320,000	
Bonus Payments		11,900	
Other Salaries and Wages		10,735	
Social Security		57,265	
Pensions		46,556	
Life Insurance		447	
Medical Insurance		45,150	
Unemployment Compensation		538	
Employer Medicare		13,393	
Communication		9,671	
Contracts with Other Public Agencies		82,938	
Dues and Memberships		495	
Licenses		2,000	
Maintenance and Repair Services - Vehicles		22,922	
Postal Charges		72	
Towing Services		2,175	
Travel		359	
Tuition		18,225	
Disposal Fees		1,648	
Other Contracted Services		955	
Custodial Supplies		1,816	
Diesel Fuel		9,155	
Drugs and Medical Supplies		77,656	
Electricity		3,376	
Equipment and Machinery Parts		3,660	
Gasoline		36,272	
Natural Gas		3,534	
Office Supplies		3,343	
Propane Gas		6,733	
Tires and Tubes		8,854	
Uniforms		6,159	
Water and Sewer		1,539	
Other Supplies and Materials		6,698	
Refunds		3,573	
Trustee's Commission		13,494	
Vehicle and Equipment Insurance		51,695	
Workers' Compensation Insurance		63,167	
Other Charges		24,176	
Motor Vehicles		118,277	
Total Ambulance/Emergency Medical Services			\$ 1,691,149

Other Operations

COVID-19 Grant #1

Drugs and Medical Supplies	\$	62,611	
Total COVID-19 Grant #1			<u>62,611</u>

Total Ambulance Service Fund \$ 1,753,760

(Continued)

Exhibit J-8

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

Drug Control Fund

Public Safety

Other Public Safety

Maintenance and Repair Services - Vehicles	\$	4,470	
Veterinary Services		775	
Animal Food and Supplies		896	
Other Supplies and Materials		2,594	
Trustee's Commission		163	
Total Other Public Safety		<u>163</u>	\$ 8,898

Total Drug Control Fund \$ 8,898

Other General Government Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #1

Bonus Payments	\$	285,000	
Social Security		17,670	
Pensions		13,406	
Employer Medicare		4,132	
Other Contracted Services		<u>11,800</u>	
Total American Rescue Plan Act Grant #1			\$ 332,008

Highways

American Rescue Plan Act Grant #1

Asphalt - Hot Mix	\$	143,189	
Bridge Construction		<u>229,798</u>	
Total American Rescue Plan Act Grant #1			372,987

Capital Projects

American Rescue Plan Act Grant #1

Building Construction	\$	<u>6,466</u>	
Total American Rescue Plan Act Grant #1			<u>6,466</u>

Total Other General Government Special Revenue Fund 711,461

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>637</u>	
Total County Trustee's Office			\$ 637

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>15,276</u>	
Total Chancery Court			<u>15,276</u>

Total Constitutional Officers - Fees Fund 15,913

(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	90,889	
Clerical Personnel		34,786	
Overtime Pay		1,238	
Bonus Payments		600	
Social Security		7,451	
Pensions		6,455	
Unemployment Compensation		210	
Employer Medicare		1,712	
Dues and Memberships		3,438	
Travel		732	
Office Supplies		1,007	
Uniforms		11,982	
Total Administration			\$ 160,500

Highway and Bridge Maintenance

Mechanic(s)	\$	35,731	
Equipment Operators		208,357	
Truck Drivers		203,904	
Laborers		100,308	
Overtime Pay		36,197	
Bonus Payments		9,600	
Social Security		35,669	
Pensions		29,879	
Unemployment Compensation		4,311	
Employer Medicare		8,342	
Rentals		3,033	
Asphalt - Cold Mix		400,587	
Asphalt - Hot Mix		909,741	
Crushed Stone		176,253	
Other Road Materials		31,290	
Pipe - Metal		94,377	
Road Signs		5,982	
Wood Products		329	
Bridge Construction		1,566,896	
Total Highway and Bridge Maintenance			3,860,786

Operation and Maintenance of Equipment

Foremen	\$	103,690	
Mechanic(s)		35,737	
Overtime Pay		3,255	
Bonus Payments		1,800	
Social Security		9,123	
Pensions		7,484	
Unemployment Compensation		641	
Employer Medicare		2,049	
Maintenance and Repair Services - Equipment		4,427	
Towing Services		1,125	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Other Contracted Services	\$	1,045	
Diesel Fuel		110,000	
Equipment and Machinery Parts		79,482	
Gasoline		32,885	
Lubricants		8,421	
Propane Gas		2,559	
Tires and Tubes		29,122	
Other Supplies and Materials		50,399	
Highway Equipment		46,068	
Total Operation and Maintenance of Equipment			\$ 529,312

Other Charges

Communication	\$	3,879	
Electricity		5,700	
Natural Gas		5,151	
Water and Sewer		445	
Trustee's Commission		26,647	
Vehicle and Equipment Insurance		23,871	
Workers' Compensation Insurance		45,074	
Other Charges		16,848	
Highway Equipment		17,871	
Total Other Charges			145,486

Employee Benefits

Employee and Dependent Insurance	\$	61,250	
Life Insurance		568	
Total Employee Benefits			61,818

Principal on Debt

Highways and Streets

Principal on Notes	\$	164,345	
Total Highways and Streets			164,345

Interest on Debt

Highways and Streets

Interest on Notes	\$	9,392	
Total Highways and Streets			9,392

Total Highway/Public Works Fund \$ 4,931,639

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	135,000	
Principal on Other Loans		839,000	
Total General Government			\$ 974,000

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 51,670	
Interest on Other Loans	<u>57,274</u>	
Total General Government		\$ 108,944

Other Debt Service

General Government

Trustee's Commission	\$ 21,055	
Other Debt Service	<u>108,220</u>	
Total General Government		<u>129,275</u>

Total General Debt Service Fund \$ 1,212,219

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 445,000	
Total Education		\$ 445,000

Interest on Debt

Education

Interest on Bonds	\$ 139,531	
Total Education		139,531

Other Debt Service

Education

Trustee's Commission	\$ 16,502	
Other Debt Service	<u>653</u>	
Total Education		<u>17,155</u>

Total Rural Debt Service Fund 601,686

General Capital Projects Fund

General Government

County Buildings

Building Improvements	\$ 48,078	
Total County Buildings		\$ 48,078

Social, Cultural, and Recreational Services

Libraries

Other Charges	\$ 6,499	
Total Libraries		6,499

Highways

Capital Outlay

Trustee's Commission	\$ 1,029	
Total Capital Outlay		<u>1,029</u>

Total General Capital Projects Fund 55,606

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Trustee's Commission	\$ <u>27</u>	
Total Education Capital Projects		\$ <u>27</u>
Total Education Capital Projects Fund		\$ <u>27</u>
Total Governmental Funds - Primary Government		\$ <u>20,037,410</u>

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	8,064,197	
Career Ladder Program		36,952	
Homebound Teachers		70,116	
Educational Assistants		445,597	
Other Salaries and Wages		605,157	
Certified Substitute Teachers		115,572	
Social Security		549,812	
Pensions		810,500	
Life Insurance		9,248	
Medical Insurance		1,585,478	
Unemployment Compensation		4,705	
Employer Medicare		127,884	
Retirement - Hybrid Stabilization		6,542	
Other Fringe Benefits		5,475	
Instructional Supplies and Materials		200,635	
Textbooks - Bound		318,978	
Software		37,633	
Other Supplies and Materials		1,339	
Other Charges		11,365	
Regular Instruction Equipment		121,353	
Total Regular Instruction Program			\$ 13,128,538

Alternative Instruction Program

Teachers	\$	52,116	
Educational Assistants		12,278	
Social Security		3,419	
Pensions		5,682	
Medical Insurance		14,451	
Unemployment Compensation		35	
Employer Medicare		800	
Total Alternative Instruction Program			88,781

Special Education Program

Teachers	\$	839,959	
Career Ladder Program		3,042	
Homebound Teachers		52,804	
Educational Assistants		124,441	
Certified Substitute Teachers		12,122	
Social Security		62,303	
Pensions		85,552	
Medical Insurance		123,617	
Unemployment Compensation		682	
Employer Medicare		14,545	
Contracts with Private Agencies		9,844	
Instructional Supplies and Materials		5,899	
Other Supplies and Materials		20,510	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Charges	\$ 761	
Special Education Equipment	1,636	
Total Special Education Program	\$ 1,357,717	\$ 1,357,717

Career and Technical Education Program

Teachers	\$ 509,453	
Career Ladder Program	1,000	
Educational Assistants	51,885	
Social Security	33,047	
Pensions	48,074	
Medical Insurance	73,955	
Unemployment Compensation	318	
Employer Medicare	7,729	
Other Supplies and Materials	21,898	
Total Career and Technical Education Program	747,359	747,359

Support Services

Attendance

Supervisor/Director	\$ 86,641	
Career Ladder Program	917	
Other Salaries and Wages	2,400	
Social Security	5,580	
Pensions	7,482	
Medical Insurance	6,992	
Unemployment Compensation	19	
Employer Medicare	1,305	
Travel	1,002	
Other Charges	200	
Total Attendance	112,538	112,538

Health Services

Supervisor/Director	\$ 71,208	
Medical Personnel	61,000	
Other Salaries and Wages	61,176	
Social Security	10,903	
Pensions	15,988	
Medical Insurance	32,630	
Unemployment Compensation	87	
Employer Medicare	2,550	
Travel	8,447	
Other Supplies and Materials	18,055	
Other Charges	4,658	
Total Health Services	286,702	286,702

Other Student Support

Career Ladder Program	\$ 2,000	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Guidance Personnel	\$	250,030	
Secretary(ies)		24,075	
School Resource Officer		135,549	
Social Security		23,928	
Pensions		29,764	
Life Insurance		120	
Medical Insurance		41,506	
Unemployment Compensation		108	
Employer Medicare		5,596	
Other Fringe Benefits		5,934	
Evaluation and Testing		9,419	
Travel		21	
Total Other Student Support			\$ 528,050

Regular Instruction Program

Supervisor/Director	\$	87,000	
Career Ladder Program		8,917	
Librarians		393,236	
Secretary(ies)		15,877	
Social Security		29,010	
Pensions		44,476	
Medical Insurance		48,657	
Unemployment Compensation		173	
Employer Medicare		6,784	
Travel		10,311	
Library Books/Media		22,509	
Software		3,870	
In Service/Staff Development		34,621	
Other Charges		76,900	
Other Equipment		55,898	
Other Capital Outlay		188,374	
Total Regular Instruction Program			1,026,613

Special Education Program

Supervisor/Director	\$	75,500	
Career Ladder Program		1,000	
Psychological Personnel		71,516	
Secretary(ies)		27,746	
Social Security		10,136	
Pensions		14,526	
Medical Insurance		18,073	
Unemployment Compensation		63	
Employer Medicare		2,371	
Travel		6,134	
Other Contracted Services		10,046	
In Service/Staff Development		150	
Total Special Education Program			237,261

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	68,772	
Social Security		3,656	
Pensions		6,449	
Medical Insurance		12,581	
Unemployment Compensation		21	
Employer Medicare		854	
Total Career and Technical Education Program			\$ 92,333

Technology

Supervisor/Director	\$	53,866	
Other Salaries and Wages		190,638	
Social Security		14,741	
Pensions		12,236	
Medical Insurance		28,680	
Unemployment Compensation		131	
Employer Medicare		3,448	
Internet Connectivity		44,647	
Cabling		5,998	
Software		13,243	
Other Equipment		18,991	
Total Technology			386,619

Other Programs

On-behalf Payments to OPEB	\$	93,201	
Total Other Programs			93,201

Board of Education

Secretary to Board	\$	38,262	
Board and Committee Members Fees		39,900	
Social Security		5,088	
Pensions		2,487	
Medical Insurance		8,129	
Unemployment Compensation		183	
Employer Medicare		1,190	
Audit Services		5,000	
Dues and Memberships		16,826	
Legal Services		2,000	
Travel		15,115	
Other Contracted Services		25,000	
Other Supplies and Materials		3,682	
Trustee's Commission		97,309	
Workers' Compensation Insurance		163,721	
Other Charges		29,456	
Total Board of Education			453,348

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	96,153	
Assistant(s)		5,238	
Career Ladder Program		1,000	
Secretary(ies)		25,139	
Social Security		7,878	
Pensions		10,200	
Medical Insurance		20,188	
Unemployment Compensation		57	
Employer Medicare		1,852	
Communication		109,878	
Postal Charges		991	
Travel		4,855	
Office Supplies		5,537	
Other Charges		4,328	
Total Director of Schools			\$ 293,294

Office of the Principal

Principals	\$	573,156	
Career Ladder Program		4,000	
Assistant Principals		133,074	
Secretary(ies)		168,488	
Social Security		51,879	
Pensions		79,061	
Medical Insurance		56,676	
Unemployment Compensation		318	
Employer Medicare		12,062	
Communication		18,838	
Total Office of the Principal			1,097,552

Operation of Plant

Supervisor/Director	\$	35,933	
Custodial Personnel		365,923	
Social Security		24,513	
Pensions		19,624	
Medical Insurance		38,799	
Unemployment Compensation		486	
Employer Medicare		5,733	
Disposal Fees		26,061	
Other Contracted Services		31,596	
Electricity		623,894	
Natural Gas		91,919	
Water and Sewer		72,986	
Other Supplies and Materials		177,272	
Building and Contents Insurance		184,951	
Other Charges		7,312	
Total Operation of Plant			1,707,002

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Maintenance Personnel	\$	171,700	
Social Security		10,944	
Pensions		8,226	
Medical Insurance		25,466	
Unemployment Compensation		174	
Employer Medicare		2,559	
Other Supplies and Materials		252,873	
Other Charges		3,811	
Total Maintenance of Plant			\$ 475,753

Transportation

Supervisor/Director	\$	48,783	
Mechanic(s)		61,521	
Bus Drivers		834,714	
Social Security		58,917	
Pensions		39,233	
Medical Insurance		5,786	
Unemployment Compensation		842	
Employer Medicare		13,787	
Maintenance and Repair Services - Vehicles		2,349	
Diesel Fuel		167,275	
Gasoline		20,789	
Tires and Tubes		22,206	
Vehicle Parts		51,602	
Other Supplies and Materials		51,404	
Other Charges		24,755	
Total Transportation			1,403,963

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	4,500	
Cafeteria Personnel		24,875	
Social Security		1,821	
Pensions		1,485	
Unemployment Compensation		11	
Employer Medicare		426	
Total Food Service			33,118

Community Services

Supervisor/Director	\$	38,500	
Social Security		2,379	
Pensions		3,966	
Medical Insurance		6,992	
Unemployment Compensation		10	
Employer Medicare		556	
Travel		2,928	
Other Charges		5,822	
Total Community Services			61,153

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	38,500	
Teachers		419,518	
Educational Assistants		161,520	
Other Salaries and Wages		21,192	
Certified Substitute Teachers		18,485	
Social Security		39,540	
Pensions		54,887	
Medical Insurance		76,112	
Unemployment Compensation		500	
Employer Medicare		9,169	
Travel		2,919	
Instructional Supplies and Materials		81,797	
In Service/Staff Development		524	
Total Early Childhood Education			\$ 924,663

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	157,002	
Land		100,000	
Motor Vehicles		795,121	
Total Regular Capital Outlay			1,052,123

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	393,729	
Total Education			393,729

Total General Purpose School Fund \$ 25,981,410

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	724,619	
Educational Assistants		301,748	
Non-certified Substitute Teachers		19,512	
Social Security		61,972	
Pensions		82,338	
Medical Insurance		129,384	
Unemployment Compensation		833	
Employer Medicare		14,462	
Instructional Supplies and Materials		236,819	
Software		111,354	
Other Supplies and Materials		165,471	
Other Charges		75	
Regular Instruction Equipment		1,213,336	
Total Regular Instruction Program			\$ 3,061,923

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	119,942	
Educational Assistants		302,019	
Other Salaries and Wages		718	
Non-certified Substitute Teachers		11,200	
Social Security		25,434	
Pensions		24,978	
Medical Insurance		58,756	
Unemployment Compensation		599	
Employer Medicare		5,948	
Contracts with Private Agencies		65,547	
Instructional Supplies and Materials		20,708	
Other Supplies and Materials		431	
Total Special Education Program			\$ 636,280

Career and Technical Education Program

Instructional Supplies and Materials	\$	17,272	
Other Supplies and Materials		2,825	
Vocational Instruction Equipment		52,851	
Total Career and Technical Education Program			72,948

Support Services

Health Services

Medical Personnel	\$	90,658	
Bonus Payments		9,000	
Social Security		6,126	
Pensions		5,089	
Medical Insurance		11,004	
Unemployment Compensation		116	
Employer Medicare		1,433	
Contracts with Private Agencies		31,680	
Travel		210	
Health Equipment		98,931	
Total Health Services			254,247

Other Student Support

Supervisor/Director	\$	26,900	
Guidance Personnel		78,338	
Social Workers		70,471	
Other Salaries and Wages		2,060	
Social Security		10,606	
Pensions		15,425	
Medical Insurance		22,283	
Unemployment Compensation		132	
Employer Medicare		2,480	
Communication		916	
Travel		2,535	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Office Supplies	\$	1,175	
Other Supplies and Materials		5,019	
In Service/Staff Development		15,519	
Other Charges		3,205	
Other Equipment		7,149	
Total Other Student Support			\$ 264,213

Regular Instruction Program

Supervisor/Director	\$	72,000	
Secretary(ies)		16,377	
Other Salaries and Wages		68,024	
Social Security		9,697	
Pensions		15,058	
Unemployment Compensation		48	
Employer Medicare		2,268	
Travel		59	
Other Contracted Services		40,000	
Other Supplies and Materials		1,729	
In Service/Staff Development		93,645	
Total Regular Instruction Program			318,905

Special Education Program

Psychological Personnel	\$	30,305	
Social Security		1,801	
Pensions		2,138	
Medical Insurance		8,126	
Unemployment Compensation		42	
Employer Medicare		421	
Contracts with Private Agencies		27,625	
Travel		85	
Other Supplies and Materials		3,466	
In Service/Staff Development		4,600	
Total Special Education Program			78,609

Career and Technical Education Program

In Service/Staff Development	\$	4,577	
Total Career and Technical Education Program			4,577

Technology

Instructional Computer Personnel	\$	58,428	
Other Salaries and Wages		660	
Social Security		3,377	
Pensions		5,934	
Medical Insurance		9,697	
Unemployment Compensation		22	
Employer Medicare		789	
Total Technology			78,907

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	8,625	
Secretary(ies)		3,000	
Social Security		721	
Pensions		581	
Employer Medicare		169	
Total Office of the Principal			\$ 13,096

Operation of Plant

Pensions	\$	21	
Other Supplies and Materials		19,039	
Total Operation of Plant			19,060

Transportation

Bus Drivers	\$	36,253	
Social Security		2,136	
Pensions		1,723	
Unemployment Compensation		42	
Employer Medicare		500	
Total Transportation			40,654

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	1,500	
Other Salaries and Wages		500	
Social Security		124	
Pensions		100	
Employer Medicare		29	
Total Food Service			2,253

Capital Outlay

Regular Capital Outlay

Architects	\$	35,131	
Building Improvements		917,060	
Total Regular Capital Outlay			952,191

Total School Federal Projects Fund \$ 5,797,863

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	77,010	
Cafeteria Personnel		527,643	
Other Salaries and Wages		80,020	
In-service Training		12,623	
Social Security		41,472	
Pensions		36,638	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Medical Insurance	\$	57,044	
Unemployment Compensation		817	
Employer Medicare		9,699	
Travel		7,374	
Food Supplies		654,612	
USDA - Commodities		150,836	
Other Supplies and Materials		137,345	
Other Charges		28,904	
Total Food Service			\$ 1,822,037

Total Central Cafeteria Fund \$ 1,822,037

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	621,355	
Total Community Services			\$ 621,355

Total Internal School Fund 621,355

Total Governmental Funds - Scott County School Department \$ 34,222,665

Exhibit J-10

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

	Cities - Sales Tax Fund	Special School District Fund	City School ADA - Oneida Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 440,516	\$ 993,048	\$ 1,433,564
Discounts on Property Taxes	0	(4,896)	(9,656)	(14,552)
Trustee's Collections - Prior Years	0	0	10,105	10,105
Circuit/Clerk and Master Collections - Prior Years	0	14,061	32,724	46,785
Interest and Penalty	0	0	5,443	5,443
Mixed Drink Tax	0	0	196	196
Local Option Sales Tax	2,175,010	0	1,014,062	3,189,072
Marriage Licenses	0	0	347	347
Other Local Revenues	0	0	70	70
Total Additions	\$ 2,175,010	\$ 449,681	\$ 2,046,339	\$ 4,671,030
<u>Deductions</u>				
Remittance of Revenue Collected	\$ 2,153,260	\$ 440,791	\$ 2,016,793	\$ 4,610,844
Trustee's Commission	21,750	8,890	29,546	60,186
Total Deductions	\$ 2,175,010	\$ 449,681	\$ 2,046,339	\$ 4,671,030
Excess of Additions Over (Under)				
Deductions	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	0	0	0	0
Net Position, June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 0

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 4, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Scott County School Department, as described in our report on Scott County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

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 Scott County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 4, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scott County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Scott County's major federal programs for the year ended June 30, 2022. Scott County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated January 4, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 4, 2023

JEM/tg

Scott County, Tennessee, and the Scott County School Department
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
 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:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 288,282
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	464,022
National School Lunch Program	10.555	N/A	1,178,756 (6)
Fresh Fruit and Vegetable Program	10.582	N/A	20,552
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	150,836 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	4,808 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,063
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children			
	10.557	GG-22-70790	63,509
Total U.S. Department of Agriculture			\$ 2,173,828
Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 160,688
Total Bureau of Land Management, Department of the Interior			\$ 160,688
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(4)	\$ 201,801
Violence Against Women Formula Grants	16.588	(4)	100,003
Total U.S. Department of Justice			\$ 301,804
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 161,116
Alcohol Open Container Requirements	20.607	(4)	4,000
Total U.S. Department of Transportation			\$ 165,116
U.S. Department of the Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 466,448
Total U.S. Department of the Treasury			\$ 466,448
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
COVID 19 - Grants to States	45.310	(4)	\$ 6,175
Total U.S. Institute of Museum and Library Services			\$ 6,175
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,160,009
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	640,147 (6)
COVID 19 - Special Education - Grants to States	84.027	84.027X	57,905 (6)
Special Education - Preschool Grants	84.173	N/A	29,145 (6)
COVID 19 - Special Education - Preschool Grants	84.173	84.173X	2,936 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	84,526
Rural Education	84.358	N/A	164,216
Improving Teacher Quality State Grants	84.367	N/A	143,602
Student Support and Academic Enrichment Program	84.424	N/A	21,211
COVID 19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund - Project Aware			
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	145,334 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Early Literacy Network Grant (ESSER II)	84.425D	N/A	40,000 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,152,922 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER II)	84.425D	N/A	96,891 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	648,600 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	7,149 (6)
Total U.S. Department of Education			\$ 5,538,711

(Continued)

Scott County, Tennessee, and the Scott County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (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	N/A	\$ 285,349
Temporary Assistance for Needy Families	93.558	N/A	161,204
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-70790	914
Family Planning Services	93.217	GG-22-70790	17,171
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-22-70790	16,616
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70790	24,926
Total U.S. Department of Health and Human Services			<u>\$ 506,180</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(4)	\$ 176,044
Emergency Management Performance Grants	97.042	(4)	19,119
Total U.S. Department of Homeland Security			<u>\$ 195,163</u>
Total Expenditures of Federal Grants			<u>\$ 9,514,113</u>

State Grants		Contract Number	
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(4)	41,297
Drug Control Grant - State Office of Criminal Justice Programs	N/A	(4)	43,997
Health Department Programs - State Department of Health	N/A	GG-22-70790	146,459
Drivers Education - State Department of Education	N/A	(4)	15,553
Coordinated School Health - State Department of Education	N/A	(4)	99,871
Family Resource Center - State Department of Education	N/A	(4)	29,612
State Direct Appropriation Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	127,779
Learning Camp Transportation - State Department of Education	N/A	(4)	47,130
Safe Schools - State Department of Education	N/A	(4)	67,710
School Resource Officer Grant - State Department of Education	N/A	(4)	148,920
Stream Mini Camp - State Department of Education	N/A	(4)	27,224
Summer Learning Camp - State Department of Education	N/A	(4)	76,879
Bridge Camp - State Department of Transportation	N/A	(4)	42,452
Early Childhood Education - State Department of Education	N/A	(4)	925,023
Total State Grants			<u>\$ 1,848,906</u>

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) Scott County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$1,818,974; Special Education Cluster total \$730,133; Medicaid Cluster total \$16,616.
- (6) FAL No. Totals: FAL No. 10.555, \$1,334,400; FAL No. 84.027, \$698,052; FAL No. 84.173, \$32,081; FAL No. 84.425, \$3,235,014.
- (7) CONSOLIDATED ADMINISTRATION
The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 71,676
Improving Teacher Quality State Grants	84.367	31,430
Rural Education	84.358	873
Student Support and Academic Enrichment Program	84.424	437
		<u>\$ 104,416</u>

Scott 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 uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Scott County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF DIRECTOR OF FINANCE

2021	210	2021-001	The office failed to make a timely payment on variable rate loans.	N/A	Corrected
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OFFICE OF SHERIFF

2021	211	2021-002	Operations of the sheriff's department are currently under investigation.	N/A	Not Completed - Investigation ongoing
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Prior-year Federal Awards Findings

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

SCOTT 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 Scott County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiencies identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553, 10.555, and 10.582 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Fresh Fruit and Vegetable Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, is presented below. We reviewed this finding and recommendation 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 SHERIFF

FINDING 2022-001

OPERATIONS OF THE SHERIFF'S DEPARTMENT ARE CURRENTLY UNDER INVESTIGATION

(Noncompliance under *Government Auditing Standards*)

An investigation of certain operations in the Scott County Sheriff's Department by the Comptroller's Division of Investigations is ongoing. Findings, if any, resulting from the investigation will be included in a subsequent report.

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.

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

The audit of Scott County did not report any findings which required corrective action by management at this time. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).