



## ANNUAL FINANCIAL REPORT

# Benton County, Tennessee

*For the Year Ended June 30, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

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

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*LEE ANN WEST, CPA, CGFM*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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# ***Summary of Audit Findings***

Annual Financial Report  
Benton County, Tennessee  
For the Year Ended June 30, 2023

## ***Scope***

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

## ***Results***

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

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

## ***Findings***

The following is a summary of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The General and General Debt Service funds required material audit adjustments for proper financial statement presentation.
- ◆ Expenses for a high school sports field paid from the General Fund are of questionable legality.
- ◆ Accounting records were not closed and available for audit by August 31, 2023.
- ◆ The office had deficiencies in purchasing procedures.



# INTRODUCTORY SECTION

# Benton County Officials

## June 30, 2023

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### **Officials**

Mark Ward, County Mayor  
Barry Carter, Road Supervisor  
Mark Florence, Director of Schools  
Beverly Beal, Trustee  
Ryan Hall, Assessor of Property  
Wanda Malin, County Clerk  
Sam Rainwaters, Circuit and General Sessions Courts Clerk  
Timothy Burrus, Clerk and Master  
Sonya Volz, Register of Deeds  
Kenny Christopher, Sheriff

### **Board of County Commissioners**

Roseanne Ward, Chairman	Jimmy Kenniston
Keith Arnold	Terry Kiehn
Debbie Bain	Frank Lashlee, Jr.
Bret Burke	Kenneth Miller
Marty Douglas	Phil Melton
Dwayne Fowler	Mike Nunnery
Gary Furr	Rocky Presson
Sonny Hall	Jerry Price
Darrel Hicks	Stephen Stokes

### **Board of Education**

Joey Cooper, Chairman	Shanna Kennon
Judy Arnold	Robert Livingston
Betty Jo Douglas	Keith Peach
Mark Hargis	Robert Thompson
Brent Hedge	Justin Thornton
Tim Hyatt	Marko Winters

### **Audit Committee**

Sheri Hill, Chairman  
Dayna Ferguson  
Jennifer Hedge  
Lisa Holladay  
Kevin Stepp

# FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benton County, Tennessee, as of June 30, 2023, and the respective changes in financial position and, where applicable cash flows thereof, and the respective budgetary comparison for the General, Other 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 Benton County Electric System (a major enterprise fund), which represent 100 percent of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Internal School Fund of the Benton County School Department (a discretely presented component unit), which represent 1.8 percent, two percent, and 2.2 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Benton County Electric System and the Benton County School Department's Internal School Fund, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Benton 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 Benton County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Benton 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 Benton County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Benton County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Benton 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***

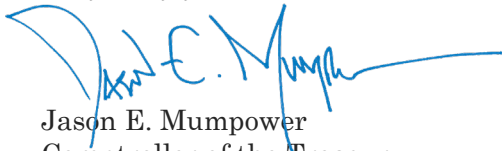
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 December 6, 2023, on our consideration of Benton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Benton 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 Benton County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

December 6, 2023

JEM/gc

# BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component
	Governmental	Business-	Total	Unit
				Benton
Activities	type		County	
				School
				Department
<u>ASSETS</u>				
Cash	\$ 1,431	\$ 4,875,871	\$ 4,877,302	\$ 626,325
Equity in Pooled Cash and Investments	19,950,651	0	19,950,651	11,786,109
Inventories	0	785,461	785,461	1,202
Accounts Receivable	92,069	2,292,364	2,384,433	0
Allowance for Uncollectibles	0	(9,801)	(9,801)	0
Due from Other Governments	990,207	0	990,207	1,055,685
Property Taxes Receivable	4,717,142	0	4,717,142	3,989,315
Allowance for Uncollectible Property Taxes	(108,762)	0	(108,762)	(91,982)
Prepaid Items	71,666	4,981,646	5,053,312	0
Other Restricted Assets	0	657,306	657,306	0
Deferred Charges - Debt Issuance Costs	0	80,071	80,071	0
Notes Receivable	0	34,842	34,842	0
Net Pension Asset - Agent Plan	297,501	137,745	435,246	116,396
Net Pension Asset - Teacher Retirement Plan	0	0	0	42,223
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	3,281,095
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	190,430
Capital Assets Not Depreciated:				
Land	1,465,223	164,652	1,629,875	507,205
Construction in Progress	0	405,766	405,766	54,354
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	7,929,496	0	7,929,496	10,117,831
Infrastructure	5,560,463	0	5,560,463	0
Other Capital Assets	1,501,692	26,807,938	28,309,630	3,033,370
Total Assets	\$ 42,468,779	\$ 41,213,861	\$ 83,682,640	\$ 34,709,558
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 34,191	\$ 0	\$ 34,191	\$ 0
Pension Changes in Experience	101,280	335,005	436,285	581,662
Pension Changes in Investment Earnings	53,082	834,960	888,042	90,182
Pension Changes in Assumptions	874,747	511,746	1,386,493	2,447,153
Pension Changes in Proportion	0	0	0	7,277
Pension Contributions After Measurement Date	361,044	450,732	811,776	920,651
OPEB Changes in Experience	468	120,524	120,992	143,401
OPEB Changes in Assumptions	3,953	370,656	374,609	560,856
OPEB Changes in Proportion	0	0	0	40,327
OPEB Contributions After Measurement Date	328	0	328	60,129
Total Deferred Outflows of Resources	\$ 1,429,093	\$ 2,623,623	\$ 4,052,716	\$ 4,851,638

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Benton County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 48,220	\$ 3,001,201	\$ 3,049,421	\$ 19,357
Accrued Payroll	0	37,776	37,776	0
Payroll Deductions Payable	47,533	0	47,533	0
Due to State of Tennessee	1,189	0	1,189	0
Accrued Interest Payable	32,059	9,459	41,518	0
Other Current Liabilities	0	38,507	38,507	0
Other Payables from Restricted Assets	4,000	0	4,000	0
Customer Deposits Payable	0	1,748,149	1,748,149	0
Noncurrent Liabilities:				
Due Within One Year - Debt	793,396	445,000	1,238,396	0
Due Within One Year - Other	8,016	277,427	285,443	0
Due in More Than One Year - Debt	7,654,878	3,473,012	11,127,890	0
Due in More Than One Year - Other	182,132	4,908,675	5,090,807	2,669,878
Total Liabilities	\$ 8,771,423	\$ 13,939,206	\$ 22,710,629	\$ 2,689,235
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,511,033	\$ 0	\$ 4,511,033	\$ 3,815,007
Pension Changes in Experience	156,899	72,646	229,545	641,445
Pension Changes in Proportion	0	0	0	73,361
OPEB Changes in Experience	16,523	228,747	0	115,740
OPEB Changes in Assumptions	20,575	97,869	0	350,014
OPEB Changes in Proportion	0	0	0	132,770
Total Deferred Inflows of Resources	\$ 4,705,030	\$ 399,262	\$ 5,104,292	\$ 5,128,337
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 11,337,953	\$ 23,460,344	\$ 34,798,297	\$ 13,712,760
Restricted for:				
General Government	3,080,409	0	3,080,409	0
Finance	84,862	0	84,862	0
Administration of Justice	159,636	0	159,636	0
Public Safety	806,094	0	806,094	0
Public Health and Welfare	139,143	0	139,143	0
Highway/Public Works	1,015,563	0	1,015,563	0
Debt Service	158,230	647,847	806,077	455,796
Capital Projects	1,324,250	0	1,324,250	0
Instruction	0	0	0	9,435
Education	0	0	0	622,658
Operation of Non-instructional Services	0	0	0	1,070,213
Hybrid Retirement Stabilization Funds	0	0	0	190,430
Pensions	297,501	137,745	435,246	3,439,714
Unrestricted	12,017,778	5,253,080	17,270,858	12,242,618
Total Net Position	\$ 30,421,419	\$ 29,499,016	\$ 59,920,435	\$ 31,743,624

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

Exhibit B

Benton County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component
	Expenses	Program Revenues			Primary Government			Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total	Benton County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 2,360,572	\$ 200,325	\$ 310,973	\$ 2,381,116	\$ 531,842	\$ 0	\$ 531,842	\$ 0
Finance	874,115	560,814	0	0	(313,301)	0	(313,301)	0
Administration of Justice	783,382	426,587	82,711	0	(274,084)	0	(274,084)	0
Public Safety	5,127,925	436,786	30,873	0	(4,660,266)	0	(4,660,266)	0
Public Health and Welfare	902,232	804,574	115,710	0	18,052	0	18,052	0
Social, Cultural, and Recreational Services	574,721	7,875	44,721	0	(522,125)	0	(522,125)	0
Agriculture and Natural Resources	310,561	0	35,924	0	(274,637)	0	(274,637)	0
Highways/Public Works	3,500,502	110,652	2,299,344	504,319	(586,187)	0	(586,187)	0
Instruction	200,750	0	0	0	(200,750)	0	(200,750)	0
Interest on Long-term Debt	200,070	44,587	0	0	(155,483)	0	(155,483)	0
Total Governmental Activities	\$ 14,834,830	\$ 2,592,200	\$ 2,920,256	\$ 2,885,435	\$ (6,436,939)	\$ 0	\$ (6,436,939)	\$ 0
Business-type Activities:								
Benton County Electric System	\$ 26,077,715	\$ 27,538,744	\$ 0	\$ 0	\$ 0	\$ 1,461,029	\$ 1,461,029	\$ 0
Total Primary Government	\$ 40,912,545	\$ 30,130,944	\$ 2,920,256	\$ 2,885,435	\$ (6,436,939)	\$ 1,461,029	\$ (4,975,910)	\$ 0
Component Unit:								
Benton County School Department	\$ 26,717,536	\$ 310,859	\$ 6,012,166	\$ 1,565,146	\$ 0	\$ 0	\$ 0	\$ (18,829,365)
Total Component Unit	\$ 26,717,536	\$ 310,859	\$ 6,012,166	\$ 1,565,146	\$ 0	\$ 0	\$ 0	\$ (18,829,365)

(Continued)

Exhibit B

Benton County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Component
		Program Revenues			Primary Government			Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total	Benton County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,609,879	\$ 0	\$ 4,609,879	\$ 3,911,901
Property Taxes Levied for Debt Service					852	0	852	0
Local Option Sales Taxes					1,200,483	0	1,200,483	3,499,812
Litigation Tax					153,473	0	153,473	0
Business Tax					200,930	0	200,930	0
Mineral Severance Tax					186,055	0	186,055	0
Wholesale Beer Tax					79,825	0	79,825	0
Other Local Taxes					128,084	0	128,084	6,003
Grants and Contributions Not Restricted to Specific Programs					2,858,591	0	2,858,591	13,481,574
Unrestricted Investment Income					648,877	159,353	808,230	32,042
Miscellaneous					31,901	0	31,901	733,298
Total General Revenues					\$ 10,098,950	\$ 159,353	\$ 10,258,303	\$ 21,664,630
Transfers					\$ 698,348	\$ (698,348)	\$ 0	\$ 0
Change in Net Position					\$ 4,360,359	\$ 922,034	\$ 5,282,393	\$ 2,835,265
Net Position, July 1, 2022					26,061,060	28,576,982	54,638,042	28,908,359
Net Position, June 30, 2023					\$ 30,421,419	\$ 29,499,016	\$ 59,920,435	\$ 31,743,624

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

Exhibit C-1

Benton County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Other General Government	Highway / Public Works	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,431	\$ 1,431
Equity in Pooled Cash and Investments	11,249,425	2,332,986	595,890	5,772,350	19,950,651
Accounts Receivable	71,256	0	110	20,703	92,069
Due from Other Governments	181,446	0	421,716	387,045	990,207
Due from Other Funds	12,134	0	0	0	12,134
Property Taxes Receivable	4,436,546	0	261,442	19,154	4,717,142
Allowance for Uncollectible Property Taxes	(102,294)	0	(6,028)	(440)	(108,762)
Prepaid Items	0	0	71,666	0	71,666
Total Assets	\$ 15,848,513	\$ 2,332,986	\$ 1,344,796	\$ 6,200,243	\$ 25,726,538
<u>LIABILITIES</u>					
Accounts Payable	\$ 31,922	\$ 0	\$ 13,656	\$ 2,642	\$ 48,220
Payroll Deductions Payable	44,152	0	3,381	0	47,533
Due to Other Funds	0	0	0	12,134	12,134
Due to State of Tennessee	1,189	0	0	0	1,189
Current Liabilities Payable From Restricted Assets	4,000	0	0	0	4,000
Total Liabilities	\$ 81,263	\$ 0	\$ 17,037	\$ 14,776	\$ 113,076
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,242,697	\$ 0	\$ 250,019	\$ 18,317	\$ 4,511,033
Deferred Delinquent Property Taxes	83,155	0	4,865	358	88,378
Other Deferred/Unavailable Revenue	99,512	0	190,001	142,686	432,199
Total Deferred Inflows of Resources	\$ 4,425,364	\$ 0	\$ 444,885	\$ 161,361	\$ 5,031,610

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Other General Government	Highway / Public Works	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 71,666	\$ 0	\$ 71,666
Restricted:					
Restricted for General Government	221,131	2,332,986	0	0	2,554,117
Restricted for Finance	84,862	0	0	0	84,862
Restricted for Administration of Justice	159,636	0	0	0	159,636
Restricted for Public Safety	773,039	0	0	33,055	806,094
Restricted for Public Health and Welfare	139,143	0	0	0	139,143
Restricted for Other Operations	0	0	0	501,769	501,769
Restricted for Capital Outlay	0	0	0	2,153,408	2,153,408
Restricted for Debt Service	0	0	0	38,229	38,229
Committed:					
Committed for Highways/Public Works	0	0	811,208	0	811,208
Committed for Capital Outlay	0	0	0	256,915	256,915
Committed for Debt Service	0	0	0	3,040,730	3,040,730
Unassigned	9,964,075	0	0	0	9,964,075
Total Fund Balances	\$ 11,341,886	\$ 2,332,986	\$ 882,874	\$ 6,024,106	\$ 20,581,852
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,848,513	\$ 2,332,986	\$ 1,344,796	\$ 6,200,243	\$ 25,726,538

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

Exhibit C-2

Benton County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
For the Year Ended June 30, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	20,581,852
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,465,223	
Add: buildings and improvements net of accumulated depreciation		7,929,496	
Add: infrastructure net of accumulated depreciation		5,560,463	
Add: other capital assets net of accumulated depreciation		<u>1,501,692</u>	16,456,874
(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	\$	(4,031,000)	
Less: other loan payable		(1,698,353)	
Less: bonds payable		(2,535,000)	
Add: deferred amount on refunding		34,191	
Less: compensated absences payable		(160,320)	
Less: net OPEB liability		(29,828)	
Less: accrued interest payable		(32,059)	
Less: unamortized premium on debt		<u>(183,921)</u>	(8,636,290)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,390,153	
Less: deferred inflows of resources related to pensions		(156,899)	
Add: deferred outflows of resources related to OPEB		4,749	
Less: deferred inflows of resources related to OPEB		<u>(37,098)</u>	1,200,905
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			297,501
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>520,577</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>30,421,419</u></u>

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

Exhibit C-3

Benton County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Other General Government	Highway/ Public Works	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,657,515	\$ 0	\$ 388,423	\$ 698,692	\$ 6,744,630
Licenses and Permits	20,824	0	0	0	20,824
Fines, Forfeitures, and Penalties	160,299	0	0	10,311	170,610
Charges for Current Services	841,396	0	0	2,610	844,006
Other Local Revenues	828,977	0	122,382	28,499	979,858
Fees Received From County Officials	908,464	0	0	0	908,464
State of Tennessee	2,848,811	0	2,854,387	303,077	6,006,275
Federal Government	16,966	2,381,116	6,533	0	2,404,615
Other Governments and Citizens Groups	201,378	0	0	165,972	367,350
<b>Total Revenues</b>	<b>\$ 11,484,630</b>	<b>\$ 2,381,116</b>	<b>\$ 3,371,725</b>	<b>\$ 1,209,161</b>	<b>\$ 18,446,632</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,556,321	\$ 0	\$ 0	\$ 0	\$ 1,556,321
Finance	792,103	0	0	0	792,103
Administration of Justice	666,506	0	0	2,610	669,116
Public Safety	4,217,679	0	0	26,895	4,244,574
Public Health and Welfare	837,883	0	0	0	837,883
Social, Cultural, and Recreational Services	459,407	0	0	0	459,407
Agriculture and Natural Resources	79,556	0	0	0	79,556
Other Operations	1,108,658	43,000	0	216,743	1,368,401
Highways	0	0	3,599,592	0	3,599,592
Debt Service:					
Principal on Debt	0	0	0	777,560	777,560
Interest on Debt	0	0	0	197,199	197,199
Other Debt Service	0	0	0	8,889	8,889

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Other General Government	Highway/ Public Works	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 200,000	\$ 0	\$ 0	\$ 900,687	\$ 1,100,687
Total Expenditures	\$ 9,918,113	\$ 43,000	\$ 3,599,592	\$ 2,130,583	\$ 15,691,288
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ 1,566,517	\$ 2,338,116	\$ (227,867)	\$ (921,422)	\$ 2,755,344
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 99,309	\$ 0	\$ 115	\$ 0	\$ 99,424
Transfers In	677,848	0	20,500	0	698,348
Total Other Financing Sources (Uses)	\$ 777,157	\$ 0	\$ 20,615	\$ 0	\$ 797,772
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2022	\$ 8,998,212	(5,130)	1,090,126	6,945,528	17,028,736
Fund Balance, June 30, 2023	\$ 11,341,886	\$ 2,332,986	\$ 882,874	\$ 6,024,106	\$ 20,581,852

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

Exhibit C-4

Benton County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,553,116
(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	\$ 1,469,663	
Less: current-year depreciation expense	<u>(1,585,227)</u>	(115,564)
(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, 2023	\$ 520,577	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(487,940)</u>	32,637
(3) 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 net effect of these differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	\$ 17,572	
Add: principal payments on notes	431,000	
Add: principal payments on other loan	121,560	
Add: principal payments on bonds	225,000	
Less: change in deferred amount on refunding debt	<u>(6,456)</u>	788,676
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,585	
Change in compensated absences payable	23,306	
Change in net pension asset	(2,035,742)	
Change in deferred outflows related to pensions	(108,354)	
Change in deferred inflows related to pensions	2,216,191	
Change in net OPEB liability	15,178	
Change in deferred outflows related to OPEB	(2,096)	
Change in deferred inflows related to OPEB	<u>(10,574)</u>	<u>101,494</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,360,359</u>

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

Exhibit C-5

Benton County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,657,515	\$ 5,847,836	\$ 5,847,836	\$ (190,321)
Licenses and Permits	20,824	21,968	21,968	(1,144)
Fines, Forfeitures, and Penalties	160,299	119,885	119,885	40,414
Charges for Current Services	841,396	910,367	913,817	(72,421)
Other Local Revenues	828,977	180,528	191,799	637,178
Fees Received From County Officials	908,464	767,492	772,915	135,549
State of Tennessee	2,848,811	2,365,932	2,385,932	462,879
Federal Government	16,966	18,000	18,000	(1,034)
Other Governments and Citizens Groups	201,378	42,000	60,000	141,378
<b>Total Revenues</b>	<b>\$ 11,484,630</b>	<b>\$ 10,274,008</b>	<b>\$ 10,332,152</b>	<b>\$ 1,152,478</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 53,497	\$ 54,555	\$ 56,555	\$ 3,058
Board of Equalization	1,830	2,260	2,260	430
Beer Board	0	423	423	423
Other Boards and Committees	2,423	2,938	6,822	4,399
County Mayor/Executive	362,413	348,162	392,751	30,338
County Attorney	30,152	30,000	30,000	(152)
Election Commission	173,465	203,004	203,004	29,539
Register of Deeds	187,442	196,079	196,079	8,637
County Buildings	431,274	383,467	508,833	77,559
Other General Administration	313,825	306,125	320,001	6,176
<u>Finance</u>				
Property Assessor's Office	215,368	228,611	229,111	13,743
Reappraisal Program	3,889	4,750	4,750	861
County Trustee's Office	259,931	250,331	265,945	6,014
County Clerk's Office	312,915	320,265	349,266	36,351
<u>Administration of Justice</u>				
Circuit Court	273,628	305,044	308,323	34,695
General Sessions Judge	154,996	158,952	158,952	3,956
Chancery Court	196,955	200,356	203,136	6,181
Juvenile Court	40,927	41,923	41,973	1,046
<u>Public Safety</u>				
Sheriff's Department	2,010,451	2,075,788	2,136,657	126,206
Administration of the Sexual Offender Registry	1,360	2,500	5,950	4,590
Jail	1,767,520	1,675,896	1,818,861	51,341
Juvenile Services	77,682	100,290	102,163	24,481
Fire Prevention and Control	2,000	2,000	2,000	0
Rural Fire Protection	183,000	183,000	183,000	0
Rescue Squad	16,500	16,500	16,500	0
Other Emergency Management	62,633	93,772	93,772	31,139
Inspection and Regulation	0	1,500	1,500	1,500
County Coroner/Medical Examiner	96,533	71,761	103,543	7,010
<u>Public Health and Welfare</u>				
Local Health Center	43,057	51,128	51,128	8,071
Rabies and Animal Control	151,209	167,077	167,377	16,168
Ambulance/Emergency Medical Services	582,000	582,000	582,000	0

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Alcohol and Drug Programs	\$ 2,250	\$ 2,250	\$ 2,250	\$ 0
Regional Mental Health Center	0	10,000	10,000	10,000
Appropriation to State	0	15,506	15,506	15,506
Sanitation Management	45,909	35,689	55,689	9,780
Sanitation Education/Information	13,458	45,243	45,243	31,785
Other Public Health and Welfare	0	45,570	45,570	45,570
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	160,385	159,187	172,230	11,845
Libraries	273,747	282,929	298,960	25,213
Parks and Fair Boards	8,325	25,824	25,824	17,499
Other Social, Cultural, and Recreational	16,950	10,476	24,402	7,452
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	69,556	85,880	85,880	16,324
Soil Conservation	10,000	10,000	10,000	0
<u>Other Operations</u>				
Tourism	28,000	28,000	28,000	0
Industrial Development	1,000	30,000	30,000	29,000
Other Economic and Community Development	63,576	64,816	67,216	3,640
Airport	115,744	134,757	162,757	47,013
Veterans' Services	31,363	39,818	36,018	4,655
Other Charges	183,406	175,110	205,034	21,628
Contributions to Other Agencies	103,041	103,298	103,298	257
Employee Benefits	582,528	651,800	651,800	69,272
Miscellaneous	0	300,000	100,000	100,000
<u>Capital Projects</u>				
Education Capital Projects	200,000	0	200,000	0
Total Expenditures	\$ 9,918,113	\$ 10,316,610	\$ 10,918,312	\$ 1,000,199
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,566,517	\$ (42,602)	\$ (586,160)	\$ 2,152,677
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 99,309	\$ 0	\$ 80,321	\$ 18,988
Transfers In	677,848	100,000	100,000	577,848
Total Other Financing Sources	\$ 777,157	\$ 100,000	\$ 180,321	\$ 596,836
Net Change in Fund Balance				
Fund Balance, July 1, 2022	\$ 8,998,212	\$ 7,435,416	\$ 7,435,416	\$ 1,562,796
Fund Balance, June 30, 2023	\$ 11,341,886	\$ 7,492,814	\$ 7,029,577	\$ 4,312,309

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

Exhibit C-6

Benton County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other General Government Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,381,116	\$ 1,569,445	\$ 1,569,445	\$ 811,671
Total Revenues	\$ 2,381,116	\$ 1,569,445	\$ 1,569,445	\$ 811,671
<u>Expenditures</u>				
<u>Other Operations</u>				
American Rescue Plan Act Grant #1	\$ 43,000	\$ 2,359,116	\$ 2,359,116	\$ 2,316,116
Total Expenditures	\$ 43,000	\$ 2,359,116	\$ 2,359,116	\$ 2,316,116
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,338,116	\$ (789,671)	\$ (789,671)	\$ 3,127,787
Net Change in Fund Balance	\$ 2,338,116	\$ (789,671)	\$ (789,671)	\$ 3,127,787
Fund Balance, July 1, 2022	(5,130)	803,171	803,171	(808,301)
Fund Balance, June 30, 2023	\$ 2,332,986	\$ 13,500	\$ 13,500	\$ 2,319,486

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

Exhibit C-7

Benton County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 388,423	\$ 400,032	\$ 400,032	\$ (11,609)
Other Local Revenues	122,382	60,000	91,675	30,707
State of Tennessee	2,854,387	3,361,898	3,361,898	(507,511)
Federal Government	6,533	0	0	6,533
Total Revenues	\$ 3,371,725	\$ 3,821,930	\$ 3,853,605	\$ (481,880)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 222,149	\$ 240,267	\$ 251,917	\$ 29,768
Highway and Bridge Maintenance	1,759,789	2,413,357	2,401,707	641,918
Operation and Maintenance of Equipment	407,489	408,930	495,649	88,160
Other Charges	80,234	87,000	87,000	6,766
Employee Benefits	385,410	422,381	422,381	36,971
Capital Outlay	744,521	1,240,000	1,259,956	515,435
Total Expenditures	\$ 3,599,592	\$ 4,811,935	\$ 4,918,610	\$ 1,319,018
Excess (Deficiency) of Revenues Over Expenditures	\$ (227,867)	\$ (990,005)	\$ (1,065,005)	\$ 837,138
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 115	\$ 0	\$ 0	\$ 115
Transfers In	20,500	20,500	20,500	0
Total Other Financing Sources	\$ 20,615	\$ 20,500	\$ 20,500	\$ 115
Net Change in Fund Balance	\$ (207,252)	\$ (969,505)	\$ (1,044,505)	\$ 837,253
Fund Balance, July 1, 2022	1,090,126	1,251,384	1,251,384	(161,258)
Fund Balance, June 30, 2023	\$ 882,874	\$ 281,879	\$ 206,879	\$ 675,995

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

Exhibit D-1

Benton County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2023

Business-type  
 Activities -  
Major Fund  
Benton County  
Electric System

ASSETS

Current Assets:	
Cash	\$ 4,875,871
Inventories	785,461
Accounts Receivable	2,292,364
Allowance for Uncollectibles	(9,801)
Prepaid Items	4,981,646
Total Current Assets	<u>\$ 12,925,541</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents, and Investments on Deposit	\$ 657,306
Deferred Charges - Debt Issuance Costs	80,071
Notes Receivable	34,842
Net Pension Asset - Agent Plan - Tennessee Consolidated Retirement System Plan	137,745
Capital Assets:	
Assets Not Depreciated:	
Land	164,652
Construction in Progress	405,766
Assets Net of Accumulated Depreciation:	
Other Capital Assets	26,807,938
Total Noncurrent Assets	<u>\$ 28,288,320</u>
Total Assets	<u>\$ 41,213,861</u>

DEFERRED OUTFLOWS

Pension Changes in Experience - Central Service Association Plan	\$ 288,112
Pension Changes in Experience - Tennessee Consolidated Retirement System Plan	46,893
Pension Changes in Investment Earnings - Central Service Association Plan	810,383
Pension Changes in Investment Earnings - Tennessee Consolidated Retirement System Plan	24,577
Pension Changes in Assumptions - Central Service Association Plan	106,731
Pension Changes in Assumptions - Tennessee Consolidated Retirement System Plan	405,015
Pension Contributions After Measurement Date - Central Service Association Plan	254,704
Pension Contributions After Measurement Date - Tennessee Consolidated Retirement System Plan	196,028
OPEB Changes in Experience	120,524
OPEB Changes in Assumptions	370,656
Total Deferred Outflows	<u>\$ 2,623,623</u>

(Continued)

Exhibit D-1

Benton County, Tennessee  
Statement of Net Position  
Proprietary Fund (Cont.)

	Business-type Activities - Major Fund
	<u>Benton County Electric System</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 3,001,201
Accrued Payroll	37,776
Accrued Leave - Current	277,427
Other Current Liabilities	38,507
Customer Deposits Payable	1,748,149
Current Liabilities Payable from Restricted Assets:	
Accrued Interest Payable	9,459
Revenue Bonds Payable - Current	445,000
Total Current Liabilities	<u>\$ 5,557,519</u>
Noncurrent Liabilities:	
Advances from Home Insulation Program	\$ 37,970
Accrued Leave - Long-term	832,280
Debt Premium	8,012
Revenue Bonds Payable - Long-term	3,465,000
Net OPEB Liability	1,202,225
Net Pension Liability - Central Service Association Plan	2,836,200
Total Noncurrent Liabilities	<u>\$ 8,381,687</u>
Total Liabilities	<u>\$ 13,939,206</u>
<u>DEFERRED INFLOWS</u>	
Pension Changes in Experience - Tennessee Consolidated Retirement System Plan	\$ 72,646
OPEB Changes in Experience	228,747
OPEB Changes in Assumptions	97,869
Total Deferred Inflows	<u>\$ 399,262</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 23,460,344
Restricted for Debt Service	647,847
Restricted for Pensions	137,745
Unrestricted	<u>5,253,080</u>
Total Net Position	<u>\$ 29,499,016</u>

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

Exhibit D-2

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

	Business-type Activities - Major Fund
	<u>Benton County Electric System</u>
<u>Operating Revenues</u>	
Sale of Electric Energy	\$ 26,488,592
Forfeited Discounts	131,026
Rent from Electric Property	573,486
Other Electric Revenue	236,833
Miscellaneous Service Revenue	108,807
Total Operating Revenues	<u>\$ 27,538,744</u>
<u>Operating Expenses</u>	
Purchased Power	\$ 18,321,006
Distribution Expense:	
Station Expense	30,844
Overhead Line Expense	247,432
Street Lighting and Signal System	9,628
Meter Expense	161,510
Security Lighting	1,900
Miscellaneous	305,788
Rents	15,945
Customer Accounts Expense:	
Meter Reading Expense	41,944
Customer Records and Collection	582,580
Sales Expenses:	
Customer Assistance Expense	28,639
Demonstration and Selling Expense	31,311
Administrative Expenses:	
Salaries	496,593
Office Supplies and Expense	195,516
Outside Services Employed	102,012
Insurance	51,083
Injuries and Damages	273,241
Employee Pension and Benefits	1,186,881
General Advertising	12,639
Miscellaneous	89,288

(Continued)

Exhibit D-2

Benton County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund (Cont.)

	Business-type Activities - Major Fund
	<u>Benton County Electric System</u>
<u>Operating Expenses (Cont.)</u>	
Maintenance Expenses:	
Station Equipment	\$ 54,870
Overhead Lines	1,354,092
Underground Lines	7,413
Line Transformers	33,429
Street Lights and Signal System	20,357
Meters	65,739
Security Lighting	73,827
General Plant and Equipment	133,348
Depreciation and Amortization	1,707,574
Taxes and Tax Equivalentents	298,407
Total Operating Expenses	<u>\$ 25,934,836</u>
Operating Income	<u>\$ 1,603,908</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 159,353
Donations	(12,381)
Interest Expense	(120,391)
Amortization of Debt Expense	(10,107)
Total Nonoperating Revenues (Expenses)	<u>\$ 16,474</u>
Income (Loss) Before Transfers	\$ 1,620,382
Transfers Out	<u>(698,348)</u>
Change in Net Position	\$ 922,034
Net Position, July 1, 2022	<u>28,576,982</u>
Net Position, June 30, 2023	<u><u>\$ 29,499,016</u></u>

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

Exhibit D-3

Benton County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2023

	<u>Business-type Activities - Major Fund Benton County Electric System</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 27,733,613
Payments to Suppliers	(25,760,348)
Payments to Employees and for Employee Benefits	(1,683,474)
Payments for in-Lieu-of Tax Payments	(298,407)
Customer Deposits Received	268,473
Customer Deposits Refunded	(158,886)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 100,971</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Construction and Acquisition of Plant	\$ (2,529,178)
Plant Removal Cost	(122,698)
Materials Salvaged from Retirements	42,147
Principal Paid on Bonds	(430,000)
Interest Paid on Bonds	(120,783)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (3,160,512)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Repayment of TVA Advances	\$ (37,020)
Donations	(12,382)
Transfers to Other Funds	(698,348)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (747,750)</u>
<u>Cash Flows from Investing Activities</u>	
Collection of Notes Receivable	\$ 36,082
Interest Earned	159,353
Net Cash Provided By (Used In) Investing Activities	<u>\$ 195,435</u>
Net Increase (Decrease) in Cash	\$ (3,611,856)
Cash, July 1, 2022	<u>9,145,033</u>
Cash, June 30, 2023	<u>\$ 5,533,177</u>

(Continued)

Exhibit D-3

Benton County, Tennessee  
Statement of Cash Flows  
Proprietary Fund (Cont.)

	<u>Business-type Activities - Major Fund Benton County Electric System</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 1,603,908
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Pension and OPEB Related Deferred Inflows and Outflows	(2,520,547)
Depreciation Expense	1,707,574
Changes in Assets and Liabilities:	
(Increase) Decrease in Inventories	(86,475)
(Increase) Decrease in Accounts Receivable	194,869
(Increase) Decrease in Prepaid Items	(3,312,002)
Increase (Decrease) in Accounts Payable and Other Current Liabilities	(170,943)
Increase (Decrease) in Customer Deposits	109,587
(Increase) Decrease in Net Pension Asset	830,049
Increase (Decrease) in Net Pension Liability	1,347,163
Increase (Decrease) in Net OPEB Liability	<u>397,788</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 100,971</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 4,875,871
Other Restricted Assets Per Net Position	<u>657,306</u>
Cash, June 30, 2023	<u>\$ 5,533,177</u>

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

Exhibit E-1

Benton County, Tennessee  
Statement of Net Position  
Fiduciary Funds  
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 784,662
Equity in Pooled Cash and Investments	109,180
Accounts Receivable	73
Due from Other Governments	<u>415,492</u>
Total Assets	<u>\$ 1,309,407</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 522,238</u>
Total Liabilities	<u>\$ 522,238</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 787,169</u>
Total Net Position	<u><u>\$ 787,169</u></u>

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

Exhibit E-2

Benton County, Tennessee  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 2,104,128
Fines/Fees and Other Collections	<u>3,761,198</u>
Total Additions	<u>\$ 5,865,326</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 2,104,128
Payments to State	2,116,126
Payments to Cities, Individuals, and Others	<u>1,750,337</u>
Total Deductions	<u>\$ 5,970,591</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (105,265)
Net Position, July 1, 2022	<u>892,434</u>
Net Position, June 30, 2023	<u><u>\$ 787,169</u></u>

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

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**BENTON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**BENTON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Benton 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 Benton County:

**A. Reporting Entity**

Benton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Benton County (the primary government) and its component units. The financial statements of the Benton County Emergency Communications District and the Industrial Development Board of the County of Benton, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Benton County School Department operates the public school system in the county, and the voters of Benton 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 Benton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Benton County, and the Benton 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 Benton County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Development Board of the County of Benton was formed as an operating agency and instrumentality of Benton County for the purpose of acquiring and developing land for industrial development in the county. The Benton County Commission appoints five members of the nine-member board. The other members are permanent members and consist of the county mayor, the chairman of the Chamber of Commerce, and the mayors of the cities of Big Sandy and Camden. The financial statements of the Industrial Development Board of the County of Benton were not material to the component units' opinion unit and therefore have been omitted from this report.

The Benton 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 Benton County Emergency Communications District and the Industrial Development Board of the County of Benton can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Benton County Emergency  
Communications District  
P.O. Box 755  
Camden, TN 38320

Industrial Development Board of  
the County of Benton  
11035 New Hope Road  
Big Sandy, TN 38221

**B. Government-wide and Fund Financial Statements**

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

Benton County issues all debt for the discretely presented Benton County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

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

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

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

Fund financial statements of Benton 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 outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Benton County reports one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary 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. Benton County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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.

Benton County reports the following major governmental funds:

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

**Other General Government Fund** – This special revenue fund accounts for the 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.

Benton County reports the following major proprietary fund:

**Benton County Electric System Fund** – This fund accounts for the operations of the electric system.

Additionally, Benton County reports the following fund types:

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

**Capital Projects Funds** – These funds account for the financial resources to be used for the acquisition or construction of major capital projects.

**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 Benton County, and assets held in custody for a rural fire department.

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) 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 (excluding the Benton County Electric System Fund, enterprise fund) and the discretely presented Benton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Benton County (excluding the Benton County Electric System Fund, enterprise fund) 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. Benton County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

## **2. Receivables and Payables**

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.19 percent of total taxes levied.

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

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

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the

following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

**3. Prepaid Items**

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

**4. Restricted Assets**

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Benton 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 Benton County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Benton 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Benton County Electric System Fund, enterprise fund) as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Benton County Electric System Fund, enterprise fund) 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>
Building and Improvements	7 - 40
Land Improvements	20 - 30
Vehicles	5 - 10
Other Capital Assets	5 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

**6. Deferred Outflows/Inflows of Resources**

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

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

pension and OPEB changes in experience, pension and OPEB changes in proportionate share, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Compensated Absences**

It is the policy of the Benton County general government (excluding the highway department, which does not provide for employees to accumulate vacation or sick leave days beyond the end of the fiscal year, and excluding the Benton County Electric System Fund, enterprise fund), to permit full-time employees to accumulate a limited amount of earned but unused vacation benefits that will be paid to employees upon separation from service. A liability for vacation benefits is reported in governmental funds only if the amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual or recording.

The general policy of the school department permits the unlimited accumulation of unused sick leave days for professional personnel (teachers). The granting of sick leave has no guaranteed payment attached, and therefore, requires no accrual or recording. There is no provision for accumulating vacation days.

**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 and the net OPEB liability, 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 and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

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

The government-wide Statement of Net Position reports \$7,065,688 of restricted net position, in governmental activities for the primary government, of which \$1,084,718 is restricted by enabling legislation.

As of June 30, 2023, Benton County had \$3,329,353 of outstanding debt for capital purposes for the discretely presented Benton County School Department. This debt is a liability of Benton County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Benton County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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

## **E. Pension Plans**

### **Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Benton County's

participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Benton 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 Benton 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 – Benton County Highway 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 Benton County Highway Department. For this purpose, the highway department recognizes benefit payments when due and payable in accordance with benefit terms. The highway department's OPEB plan is not administered through a trust.

**Discretely Presented Benton 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 Benton 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 Benton 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 change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

**Discretely Presented Benton 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**

**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 Community Development/Industrial Park, Capital Projects Public Improvement, and Other Capital Projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Other Boards and Committees, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2023, the Benton County School Department had outstanding encumbrances in the General Purpose School Fund totaling \$194,250.

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

##### **Deposits**

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

the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

### **Investments**

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

make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool, the State Treasurer’s Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer’s Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer’s Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2023, Benton County had the following investments carried at amortized cost using a stable net asset value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Benton County (excluding the Benton County Electric System Fund, enterprise fund) and the discretely presented Benton County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	1 to 46	\$ 4,787,248

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Benton County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain

investments as previously explained. Benton County has no investment policy that would further limit its investment choices. As of June 30, 2023, Benton County’s investment in the State Treasurer’s Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer’s Investment Pool and the State Treasurer’s Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfm-ar.html>.

**TCRS Stabilization Trust**

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

On June 30, 2023, the Benton 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	\$ 59,030
Developed Market International Equity	N/A	N/A	26,661
Emerging Market International Equity	N/A	N/A	7,617
U.S. Fixed Income	N/A	N/A	38,087
Real Estate	N/A	N/A	19,044
Short-term Securities	N/A	N/A	1,904
NAV - Private Equity and Strategic Lending	N/A	N/A	38,087
Total			\$ 190,430

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

**B. Capital Assets**

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

**Primary Government - Governmental Activities:**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,465,223	\$ 0	\$ 0	\$ 1,465,223
Construction in Progress	34,291	0	(34,291)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,499,514</b>	<b>\$ 0</b>	<b>\$ (34,291)</b>	<b>\$ 1,465,223</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,687,470	\$ 687,080	\$ 0	\$ 16,374,550
Infrastructure	21,006,188	455,344	0	21,461,532
Other Capital Assets	10,113,386	361,530	(108,483)	10,366,433
<b>Total Capital Assets Depreciated</b>	<b>\$ 46,807,044</b>	<b>\$ 1,503,954</b>	<b>\$ (108,483)</b>	<b>\$ 48,202,515</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,881,225	\$ 563,829	\$ 0	\$ 8,445,054
Infrastructure	15,310,620	590,449	0	15,901,069
Other Capital Assets	8,542,275	430,949	(108,483)	8,864,741
<b>Total Accumulated Depreciation</b>	<b>\$ 31,734,120</b>	<b>\$ 1,585,227</b>	<b>\$ (108,483)</b>	<b>\$ 33,210,864</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 15,072,924</b>	<b>\$ (81,273)</b>	<b>\$ 0</b>	<b>\$ 14,991,651</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 16,572,438</b>	<b>\$ (81,273)</b>	<b>\$ (34,291)</b>	<b>\$ 16,456,874</b>

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

**Governmental Activities:**

General Administration	\$ 400,731
Finance	2,240
Administration of Justice	28,187
Public Safety	493,192
Public Health and Welfare	36,159
Social, Cultural, and Recreational Services	53,268
Highways/Public Works	<u>571,450</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,585,227</u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 16,456,874
Less:	
Outstanding principal of capital debt and other capital borrowings	(4,935,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(183,921)</u>
Net Investment in Capital Assets	<u>\$ 11,337,953</u>

**Discretely Presented Benton County School  
Department - Governmental Activities:**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 507,205	\$ 0	\$ 0	\$ 507,205
Construction in Progress	2,713,570	54,354	(2,713,570)	54,354
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 3,220,775</b>	<b>\$ 54,354</b>	<b>\$ (2,713,570)</b>	<b>\$ 561,559</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,655,142	\$ 3,218,591	\$ 0	\$ 24,873,733
Other Capital Assets	3,776,603	2,005,605	(122,162)	5,660,046
<b>Total Capital Assets Depreciated</b>	<b>\$ 25,431,745</b>	<b>\$ 5,224,196</b>	<b>\$ (122,162)</b>	<b>\$ 30,533,779</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,187,465	\$ 568,437	\$ 0	\$ 14,755,902
Other Capital Assets	2,512,747	231,449	(117,520)	2,626,676
<b>Total Accumulated Depreciation</b>	<b>\$ 16,700,212</b>	<b>\$ 799,886</b>	<b>\$ (117,520)</b>	<b>\$ 17,382,578</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 8,731,533</b>	<b>\$ 4,424,310</b>	<b>\$ (4,642)</b>	<b>\$ 13,151,201</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 11,952,308</b>	<b>\$ 4,478,664</b>	<b>\$ (2,718,212)</b>	<b>\$ 13,712,760</b>

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

**Governmental Activities:**

Instruction	\$ 591,348
Support Services	199,864
Operation of Non-instructional Services	<u>8,674</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 799,886</u></b>

**C. Construction Commitments**

At June 30, 2023, the Highway/Public Works Fund had uncompleted construction contracts of \$668,431 for bridge construction. Funding is expected to be received from state grants.

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 12,134

This balance 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, 2023, consisted of the following amounts:

**Primary Government**

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Purpose</u>
	General Fund	Highway/ Public Works Fund	
Benton County Electric System Fund	\$ 677,848	\$ 20,500	Payment in-lieu-of taxes
Total	<u>\$ 677,848</u>	<u>\$ 20,500</u>	

**Discretely Presented Benton County School Department**

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Purpose</u>
	General Purpose School Fund		
School Federal Projects Fund	\$ 35,267		Indirect costs
"	<u>312,227</u>		ESSER funds
Total	<u>\$ 347,494</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 Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**E. Long-term Debt**

**Primary Government (Excluding the Benton County Electric System Fund, Enterprise Fund)**

**General Obligation Bonds, Notes, and Other Loans**

General Obligation Bonds - Benton County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Benton 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 the other loan outstanding were issued for original terms of up to 12 years for notes and 17 years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes and the other loan included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and the other loan outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds -				
Refunding	2 to 2.75	% 9-1-32	\$ 3,615,000	\$ 2,535,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.3867 to 2.489	6-1-34	5,200,000	4,031,000
Other Loans - Fixed rate	1.5	2-1-36	1,989,061	1,698,353

During the 2019-20 year, Benton County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the authority made \$1,989,061 available to loan to Benton County to fund a project to increase energy efficiency in the Benton County school system. The loan is payable at an interest rate of 1.5 percent.

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2023, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 230,000	\$ 56,412	\$ 286,412
2025	235,000	51,763	286,763
2026	240,000	47,013	287,013
2027	245,000	42,010	287,010
2028	250,000	36,594	286,594
2029-2033	1,335,000	89,097	1,424,097
Total	\$ 2,535,000	\$ 322,889	\$ 2,857,889

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 440,000	\$ 97,777	\$ 537,777
2025	449,000	85,602	534,602
2026	463,000	73,085	536,085
2027	472,000	60,226	532,226
2028	485,000	47,026	532,026
2029-2033	1,532,000	89,107	1,621,107
2034	190,000	2,850	192,850
Total	\$ 4,031,000	\$ 455,673	\$ 4,486,673

Year Ending June 30	Other Loan - Direct Placement		
	Principal	Interest	Total
2024	\$ 123,396	\$ 24,588	\$ 147,984
2025	125,256	22,728	147,984
2026	127,152	20,832	147,984
2027	129,072	18,912	147,984
2028	131,016	16,968	147,984
2029-2033	685,368	54,552	739,920
2034-2036	377,093	7,569	384,662
Total	\$ 1,698,353	\$ 166,149	\$ 1,864,502

There is \$3,078,959 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$160, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loan, and unamortized debt premiums, totaled \$533 based on the 2020 federal census.

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

School Department:

Description of Debt	Outstanding 6-30-23
<u>Other Loan Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient School Initiative	\$ 1,698,353
Total	\$ 1,698,353

Changes in Long-term Debt

Long-term debt activity for the primary government (excluding the Benton County Electric System Fund, enterprise fund) for the year ended June 30, 2023, was as follows:

<b>Governmental Activities:</b>	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2022	\$ 2,760,000	\$ 4,462,000	\$ 1,819,913
Reductions	(225,000)	(431,000)	(121,560)
Balance, June 30, 2023	<u>\$ 2,535,000</u>	<u>\$ 4,031,000</u>	<u>\$ 1,698,353</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 8,264,353
Add: Unamortized Premium on Debt	183,921
Less: Balance Due Within One Year - Debt	<u>(793,396)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,654,878</u>

**F. Long-term Obligations**

Changes in Long-term Obligations

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

<b>Governmental Activities:</b>	Compensated Absences	Net OPEB Liability
Balance, July 1, 2022	\$ 183,626	\$ 45,006
Additions	312,437	8,167
Reductions	<u>(335,743)</u>	<u>(23,345)</u>
Balance, June 30, 2023	<u>\$ 160,320</u>	<u>\$ 29,828</u>
Balance Due Within One Year	<u>\$ 8,016</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 190,148
Less: Balance Due Within One Year - Other	<u>(8,016)</u>

Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 182,132</u>
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Compensated absences will be paid from the General Fund and the net OPEB liability will be paid from Highway/Public Works Fund.

**Discretely Presented Benton County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Benton County School Department for the year ended June 30, 2023, was as follows:

<b>Governmental Activities:</b>	<u>Net OPEB Liability</u>
Balance, July 1, 2022	\$ 2,794,195
Additions	274,972
Reductions	<u>(399,289)</u>
Balance, June 30, 2023	<u>\$ 2,669,878</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 2,669,878
Less: Balance Due Within One Year - Other	<u>0</u>

Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,669,878</u>
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The net OPEB liability will be paid from the General Purpose School and School Federal Projects funds.

**G. On-Behalf Payments – Discretely Presented Benton County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of Benton County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$41,664. 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**

**Employee Health Insurance**

**Primary Government (Excluding the Benton County Electric System Fund, Enterprise Fund)**

Benton County (except for the highway and school departments) carries commercial insurance for active employee's health insurance. Pre-65 age retirees are not allowed to remain in the program. Settled claims have not exceeded this commercial insurance coverage in any of the past three fiscal years. In addition to the commercial coverage, Benton County also chose to become self-insured and established a Health Reimbursement Account (HRA) to provide coverage to each employee for the unreimbursed deductible amounts under the commercial insurance policy.

This activity is currently being accounted for in the General Fund. All full-time employees of Benton County (except for the highway and school departments) are eligible to participate in the HRA. Pre-65 age retirees are not allowed to remain in the program. The county contributes \$133 monthly per employee to the HRA to be used by the administrator of the county's employee insurance plan to reimburse employees for the out-of-pocket costs of their deductible. This amount is based on the total deductible cost per employee and the maximum that an employee can draw from the HRA is \$1,000 per year. The county has no risks beyond the amounts paid into the HRA. Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-End
2021-22	\$ 0	\$ 88,576	\$ 88,576	\$ 0
2022-23	0	113,430	113,430	0

The Benton County Highway Department participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Benton County School Department

The discretely presented Benton 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, *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.

**Liability, Property, Casualty, and Workers’ Compensation Insurance**

Benton County (excluding the Benton County Electric System Fund, enterprise fund) and the discretely presented 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 government pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers’ compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

**B. Accounting Changes**

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

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

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

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**C. Contingent Liabilities**

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

Benton County is contingently liable for a state revolving fund loan of the Benton-Decatur Special Sewer District. During the 2017-18 year, Benton County became liable for this loan and the interest thereon due to default by the sewer district; however, during the year, the sewer district resumed payments on the loan. In the event of another default, Benton County would again become liable for this loan and the interest thereon. As of June 30, 2023, future principal and interest requirements were \$365,923 and \$16,960, respectively.

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance

resulting from such litigation would not materially affect the county's financial statements.

**D. Changes in Administration**

Brett Lashlee left the Office of County Mayor on August 31, 2022, and was succeeded by Mark Ward effective September 1, 2022.

Sherry Beasley left the Office of Trustee on August 31, 2022, and was succeeded by Beverly Beal effective September 1, 2022.

**E. Joint Ventures**

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Benton County made no contributions to the DTF for the year ended June 30, 2023.

The Benton-Decatur Special Sewer District was created through a joint agreement between Benton and Decatur counties. The agreement established the Benton-Decatur Special Sewer District Management Board, which plans, constructs, and manages a public sewer system for residents of Benton and Decatur counties. The management board includes six members, three of whom are appointed by the mayor of Benton County and three are appointed by the mayor of Decatur County. Benton County has control over budgeting and financing only to the extent of representation by the three board members appointed.

Benton County does not retain an equity interest in either of the joint ventures. Complete financial statements for the Twenty-fourth Judicial District Drug Task Force and the Benton-Decatur Special Sewer District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General  
Twenty-fourth Judicial District  
P.O. Box 627  
Huntingdon, TN 38344

Benton-Decatur Special Sewer District  
P.O. Box 594  
Parsons, TN 38363

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Benton County, employees of the Benton County Electric System (proprietary fund), and non-certified employees of the discretely presented Benton County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 53.93 percent, employees of the Benton County Electric System (proprietary fund) comprised 24.97 percent, and the non-certified employees of the discretely presented school department comprised 21.1 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	132
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	388
Active Employees	301
 Total	 <u>821</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Benton County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contribution for Benton County was \$704,944 based on a rate of 6.28 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Benton 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)**

Benton County’s net pension liability (asset) was measured as of June 30, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
			100	%
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 Benton County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 30,307,843	\$ 34,556,282	\$ (4,248,439)
Changes for the Year:			
Service Cost	\$ 981,299	\$ 0	\$ 981,299
Interest	2,081,366	0	2,081,366
Differences Between Expected and Actual Experience	234,748	0	234,748
Contributions-Employer	0	455,667	(455,667)
Contributions-Employees	0	495,577	(495,577)
Net Investment Income	0	(1,322,272)	1,322,272
Benefit Payments, Including Refunds of Employee Contributions	(908,192)	(908,192)	0
Administrative Expense	0	(28,356)	28,356
Net Changes	\$ 2,389,221	\$ (1,307,576)	\$ 3,696,797
Balance, June 30, 2022	\$ 32,697,064	\$ 33,248,706	\$ (551,642)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	53.93%	\$ 17,633,526	\$ 17,931,027	\$ (297,501)
Electric System	24.97%	8,164,457	8,302,202	(137,745)
School Department	21.10%	6,899,081	7,015,477	(116,396)
Total		\$ 32,697,064	\$ 33,248,706	\$ (551,642)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Benton 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
Benton County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 4,310,709 \$ (551,642) \$ (4,543,850)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, Benton County recognized (negative pension expense) of \$461,456.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Benton 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	\$ 187,798	\$ 290,932
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	98,427	0
Changes in Assumptions	1,622,005	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	704,944	N/A
Total	<u>\$ 2,613,174</u>	<u>\$ 290,932</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,390,153	\$ 156,899
Electric System	672,513	72,646
School Department	550,508	61,387
Total	\$ 2,613,174	\$ 290,932

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 <u>June 30</u>	<u>Amount</u>
2024	\$ 273,291
2025	326,193
2026	239,801
2027	778,013
2028	0
Thereafter	0

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

**Discretely Presented Benton County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Benton County, employees of the Benton County Electric System (proprietary fund), and non-certified employees of the discretely presented Benton County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 53.93 percent, employees of the Benton County Electric System (proprietary fund) comprised 24.97 percent, and the non-certified employees of the discretely presented

school department comprised 21.1 percent of the plan based on contribution data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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

change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$79,331, which is 2.87 percent of covered payroll. In addition, employer contributions of \$27,981, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust 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, 2023, the school department reported a liability (asset) of (\$42,223) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .139384 percent. The proportion as of June 30, 2021, was .130076 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense of \$59,043.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,309	\$ 25,653
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	13,309	0
Changes in Assumptions	49,462	0
Changes in Proportion of Net Pension Liability (Asset)	7,277	14,700
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>79,331</u>	<u>N/A</u>
Total	<u>\$ 151,688</u>	<u>\$ 40,353</u>

The school department's employer contributions of \$79,331, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 340
2025	476
2026	(1,711)
2027	21,470
2028	1,816
Thereafter	9,612

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset)   \$   221,645   \$   (42,223)   \$   (234,928)

*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 Benton 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 Benton County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$693,448, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$3,281,095) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .267538 percent. The proportion measured at June 30, 2021, was .263731 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized (negative pension expense) of \$836.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 539,728	\$ 554,405
Changes in Assumptions	2,055,448	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	56,105	0
Changes in Proportion of Net Pension Liability (Asset)	0	58,661
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	693,448	N/A
Total	<u>\$ 3,344,729</u>	<u>\$ 613,066</u>

The school department's employer contributions of \$693,448 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 303,253
2025	591,022
2026	(587,820)
2027	1,731,760
2028	0
Thereafter	0

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity 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)    \$    6,498,719    \$    (3,281,095)    \$    (11,427,031)

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

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$138,118 and teachers contributed \$140,575 to this deferred compensation pension plan.

**G. Other Postemployment Benefits (OPEB)**

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

**OPEB Provided through State Administered Public Entity Risk Pools**

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

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

The county and school department’s total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs.* The total OPEB liability in the June 30, 2022, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010.

Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

*Changes in Assumptions.* The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

### **Local Government OPEB Plan (Primary Government)**

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

*Benefits Provided.* The Benton County Highway Department offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, *TCA*, establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The highway department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	18
Total	<u>18</u>

An insurance committee, created in accordance with Section 8-27-701, TCA, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the highway department paid \$328 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Hwy Dept.</u>
Balance July 1, 2021	<u>\$ 45,006</u>
Changes for the Year:	
Service Cost	\$ 7,050
Interest	1,117
Difference between Expected and Actuarial Experience	(7,689)
Changes in Assumption and Other Inputs	(14,987)
Benefit Payments	(669)
Net Changes	<u>\$ (15,178)</u>
Balance June 30, 2022	<u>\$ 29,828</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the highway department recognized OPEB expense (negative OPEB expense) of (\$2,180). At June 30, 2023, the highway department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 468	\$ 16,523
Changes of Assumptions/Inputs	3,953	20,575
Net Difference Between Projected and Benefits Paid after the Measurement Date of June 30, 2022	<u>328</u>	<u>0</u>
Total	<u>\$ 4,749</u>	<u>\$ 37,098</u>

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

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

Year Ending June 30	Highway Department
2024	\$ (10,347)
2025	(8,294)
2026	(5,702)
2027	(5,833)
2025	(2,501)
Thereafter	0

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
Highway Department	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 31,527	\$ 29,828	\$ 28,222

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rates	1% Increase
Highway Department	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%
Total OPEB Liability	\$ 27,057	\$ 29,828	\$ 33,004

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

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

Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	224
Total	233

A state insurance committee, created in accordance with Section 8-27-301, TCA, 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 \$60,129 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Benton County</u>	<u>State of</u>	<u>Total OPEB</u>
	<u>School Department</u>	<u>TN</u>	
	<u>62.5831%</u>	<u>37.4169%</u>	
Balance July 1, 2021	\$ 2,794,195	\$ 1,529,189	\$ 4,323,384
Changes for the Year:			
Service Cost	\$ 170,511	\$ 101,944	\$ 272,455
Interest	61,675	36,874	98,549
Difference between Expected and Actuarial Experience	42,786	25,580	68,366
Changes in Assumption and Other Inputs	(88,487)	88,487	0
Benefit Payments	(268,787)	(160,701)	(429,488)
Benefit Payments	(42,015)	(25,119)	(67,134)
Net Changes	\$ (124,317)	\$ 67,065	\$ (57,252)
Balance June 30, 2022	\$ 2,669,878	\$ 1,596,254	\$ 4,266,132

The Benton 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 Benton County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$171,151 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Benton County School Department's proportionate share of the collective OPEB liability was 62.5831 percent and the State of Tennessee's share was 37.4169 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$423,741, including the state's share of the expense. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 143,401	\$ 115,740
Changes of Assumptions	560,856	350,014
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	40,327	132,770
Benefits Paid After the Measurement Date of June 30, 2022	<u>60,129</u>	<u>0</u>
Total	<u>\$ 804,713</u>	<u>\$ 598,524</u>

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

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

Year Ending June 30	School Department
2024	\$ 20,404
2025	20,404
2026	20,404
2027	20,404
2028	25,953
Thereafter	38,491

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,866,561	\$ 2,669,878	\$ 2,481,504
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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
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,385,143	\$ 2,669,878	\$ 3,000,072
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## H. Purchasing Laws

### Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by provisions of Chapter 541, Private Acts of 1939, as amended, and the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. The private act provides for the issuance of requisitions and purchase orders for all purchases of equipment, supplies, and materials. The County Purchasing Law of 1983 provides for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

### Office of Road Supervisor

Purchasing procedures for the highway department are governed by provisions of Chapter 250, Private Acts of 1943, and the Uniform Road Law, Section 54-7-113, *TCA*. Provisions of the private act stipulate that after taking bids, all purchases must be approved by the road supervisor, county mayor, and the County Highway Committee. The Uniform Road Law provides for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the Benton County School Department are governed by purchasing laws applicable to schools, as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases estimated to exceed \$10,000.

**VI. OTHER NOTES – BENTON COUNTY ELECTRIC SYSTEM FUND (ENTERPRISE FUND)**

**A. Significant Accounting Policies**

**1. Reporting Entity**

The Benton County Electric System is a proprietary fund of Benton County. *Tennessee Code Annotated*, Section 7-52-117(c) states “Subject to the provisions of Section 7-52-132, the superintendent, with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this part. The title of such property shall be taken in the name of the municipality” (county). Therefore, Benton County Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity, and is considered a proprietary fund of Benton County, Tennessee. The electric system is under the regulatory of the Tennessee Valley Authority.

**2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The electric system’s financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the electric system conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**3. Assets, Liabilities, and Net Position**

**a. Deposits and Investments**

The electric system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the electric system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

Investments were made up entirely of certificates of deposits with a maturity of three months or more for the fiscal year ended June 30, 2023.

**b. Accounts Receivable**

Trade receivables result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the electric system is based on past history of uncollectible accounts and management's analysis of current accounts.

**c. Inventories and Prepaid Items**

All inventories are valued at the lower of average cost or market, using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**d. Restricted Assets**

Certain proceeds of the bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The electric system elects to use restricted assets before unrestricted assets when a situation arises where either can be used.

**e. Capital Assets**

Capital assets, which include property, plant, equipment, and construction in progress, are defined by the electric system as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their historical cost 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. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the electric system are depreciated using the straight line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
General Plant	5 - 40
Transmission Plant	28 - 33
Distribution Plant	16 - 40

**f. Compensated Absences**

It is the electric system's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay has been accrued and is reflected as a long-term liability on the financial statements. All sick leave has been accrued at 75 percent of the total value and is reflected as a long-term liability on the financial statements.

In March 1997, the electric system approved a policy that would permit employees, at their discretion, to give sick leave to another employee involved in a catastrophic illness where such an employee had exhausted all available sick leave and vacation. The leave would be paid at the rate the employee receiving leave is currently earning. The board feels that the 75 percent approximation of sick leave accrued is enough to cover any expenditures for leave under this policy.

**g. Long-term Obligations**

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The electric system will continue to report bond costs as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989, FASB and AICPA Pronouncements*. This option as part of Statement No. 65 is available due to the above-mentioned cost being used for rate setting by the utility.

**h. 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 and so will not be recognized as an outflow of resources (expense) until then. The electric system has pension and OPEB items that qualify for reporting.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of the net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The electric system has pension and OPEB items that qualify for reporting.

**i. Net Position Flow Assumption**

Sometimes the electric system will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant

proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the electric system's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**j. Impact of Recently Issued Accounting Pronouncements**

In May of 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96 related to Subscription-Based Information Technology Arrangements (SBITA). This statement improves accounting and financial reporting by state and local governments for SBITAs and is effective for fiscal years beginning after June 15, 2022. This statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and liabilities for SBITA that previously were recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right to use an underlying subscription based asset. This implementation resulted in no impact on the current year financial statements.

**k. Net Position**

Equity is classified as net position and displayed in the following three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted for debt service and pensions – Consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities.
- Unrestricted – All other net position that does not meet the description of the above categories.

**l. Pensions**

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 Benton County Electric System's participation in the governmental pension plans for the Central Service Association and the State of Tennessee Consolidated Retirement System, additions to/deductions from the electric system's fiduciary net position have been determined on the same basis as they are reported by the governmental pension plans for the Central Service Association and the State of Tennessee Consolidated Retirement System. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the governmental pension plans for the Central Service Association and the State of Tennessee Consolidated Retirement System. Investments are reported at fair value.

The electric system adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the prior year. The new pension standards establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement - determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with defined benefit pension plans and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. The adoption of these standards resulted in the reporting of deferred outflows and inflows of resources and pension liabilities and assets on the Statement of Net Position.

**m. Other Postemployment Benefits (OPEB)**

Information about the electric system's participation in their single employer post-employment benefits plan have been determined on the same basis as they are reported by the other post-employment benefits plan. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the other post-employment benefits plan.

n. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent amounts and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

B. **Stewardship, Compliance, and Accountability**

**Budgetary Information**

The electric system adopts flexible annual operating and capital budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. The current operating budget details the electric system's plans to earn and expend funds for charges incurred for operation, maintenance, certain interest and general functions, and other charges for the fiscal year. The capital budget details the plan to receive and expend cash basis capital contribution fees, special assessments, grants, borrowings, and certain revenues for capital projects.

All unexpended appropriations in the operating budget remaining at the end of the fiscal year lapse. Management submits a proposed budget to the board prior to the July meeting, and the budget is adopted at that meeting for the next fiscal year. During the year, management is authorized to transfer budgeted amounts between line items.

C. **Detailed Notes on All Funds**

1. **Deposits and Investments**

**Custodial Credit Risk.** The electric system's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the electric system's agent in the electric system's name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as

the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2023, none of the electric system's deposits was exposed to custodial credit risk.

**2. Receivables**

Accounts receivable of the Benton County Electric System at June 30, 2023, consisted of the following:

	<u>Receivables</u>
Billed Services for Utility Customers	\$ 2,268,855
Other Receivables from Utility Services	23,509
Allowance for Doubtful Accounts	<u>(9,801)</u>
Total Accounts Receivable	<u><u>\$ 2,282,563</u></u>

**3. Restricted Assets**

All deposits required by the 2012, 2014, and 2015 Electric Plant Revenue Bonds have been made. Transactions in funds other than the 2012, 2014, and 2015 Electric Plant Revenue Bond funds are at the discretion of the board of directors, and there are no applicable legal requirements or restrictions on these funds.

The restricted assets consist of the following:

2012, 2014, and 2015 Electric Plant Revenue Bond Funds	
Interest and Sinking Fund	\$ 223,306
Reserve Fund	<u>434,000</u>
Total Restricted Assets	<u><u>\$ 657,306</u></u>

The total of these funds is represented by:

Certificates of Deposit and Bank Accounts	<u><u>\$ 657,306</u></u>
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4. **Capital Assets**

Capital assets activity during the year was as follows:

	Balance		Balance	
	7-1-22	Additions	Disposals	6-30-23
Capital Assets Not Depreciated:				
Land	\$ 164,653	\$ 0	\$ 0	\$ 164,653
Construction in Progress	1,911	403,854	0	405,765
Total Capital Assets Not Depreciated	\$ 166,564	\$ 403,854	\$ 0	\$ 570,418
Capital Assets Depreciated:				
Other Capital Assets	\$ 48,390,507	\$ 2,298,977	\$ (518,810)	\$ 50,170,674
Total Capital Assets Depreciated	\$ 48,390,507	\$ 2,298,977	\$ (518,810)	\$ 50,170,674
Less Accumulated Depreciation For:				
Other Capital Assets	\$ 22,080,870	\$ 1,889,330	\$ (607,464)	\$ 23,362,736
Total Accumulated Depreciation	\$ 22,080,870	\$ 1,889,330	\$ (607,464)	\$ 23,362,736
Total Capital Assets Depreciated, Net	\$ 26,309,637	\$ 409,647	\$ 88,654	\$ 26,807,938
Total Capital Assets, Net	\$ 26,476,201	\$ 813,501	\$ 88,654	\$ 27,378,356

Depreciation expense of \$1,889,330 (including \$181,756 of transportation expense clearing) was recorded by the electric system.

**5. Long-term Debt**

Long-term debt consists of the following:

Type	Interest Rate	Balance 6-30-23
Electric System Revenue Refunding and Improvement Bonds, Series 2012	2 to 2.5%	\$ 1,290,000
Electric System Revenue Refunding and Improvement Bonds, Series 2014	2.83	2,140,000
Electric System Revenue Refunding and Improvement Bonds, Series 2015	3.49	480,000
Total		\$ 3,910,000
Total Current Portion		\$ 445,000
Total Long-term Portion		\$ 3,465,000

On January 17, 2012, Benton County Electric System issued at par \$3,975,000 of Electric System Revenue Refunding Bonds, Series 2012, to refund \$1,690,000 of then-outstanding series 2000 and 2004 bonds. The 2012 bonds bear an interest rate varying between two and 2.5 percent and will be repaid in variable amounts, with the final payment due June 1, 2028. The refunded 2000 and 2004 bonds carried an interest rate varying between 1.1 and 5.25 percent and also were due in variable amounts, with the final payment due December 2028.

On December 2, 2014, Benton County Electric System issued at par \$2,975,000 of Electric System Revenue Bonds, Series 2014, for the purpose of building a new administrative office in Camden, Tennessee. The bonds bear interest at 2.83 percent and will be repaid in variable amounts, with the final payment due December 2034.

On July 22, 2015, Benton County Electric System issued at par \$1,000,000 of Electric System Revenue Bonds, Series 2015, for the purpose of additional funding to complete the new administrative office in Camden, Tennessee. The bonds bear interest at 3.49 percent and will be repaid in variable amounts, with the final payment due June 2035.

The following is a summary of long-term debt transactions for the year ended June 30, 2023.

	Balance 7-1-22	Retirements	Balance 6-30-23
Revenue bonds payable	\$ 4,340,000	\$ (430,000)	\$ 3,910,000

The scheduled annual requirements for long-term debt at June 30, 2023, including interest of \$550,696, are as follows:

Year Ending June 30	Revenue Bonds		
	Principal	Interest	Total
2024	\$ 445,000	\$ 102,740	\$ 547,740
2025	455,000	91,215	546,215
2026	465,000	79,331	544,331
2027	480,000	66,806	546,806
2028	500,000	53,570	553,570
2029-2033	1,155,000	145,290	1,300,290
2034-2035	410,000	11,744	421,744
Total	<u>\$ 3,910,000</u>	<u>\$ 550,696</u>	<u>\$ 4,460,696</u>

The electric system complied with all significant debt covenants and restrictions as set forth in the bond agreements.

The bonds payable for the electric system contain provisions that in the event of default, the lender can exercise one or more of the following options: (1) Make all or any of the outstanding bonds payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Use any remedy allowed by state or federal law.

There are no unused lines of credit for any of the systems at June 30, 2023.

**6. Net Position**

Net position represents assets and deferred outflows less liabilities and deferred inflows. Net position amounts at June 30, 2023, were as follows:

Net Investment in Capital Assets:	
Net Property, Plant, and Equipment in Service	\$ 27,378,356
Unamortized Bond Premium	(8,012)
Less: Revenue Bonds Payable	<u>(3,910,000)</u>
Total Net Investment in Capital Assets	<u>\$ 23,460,344</u>
Restricted for Debt Service and Net Pension Asset:	
Restricted Cash and Investments	\$ 657,306
Net Pension Asset	137,745
Less: Current Liabilities Payable from Restricted Assets - Accrued Interest Payable	<u>(9,459)</u>
Total Restricted for Debt Service and Net Pension Asset	<u>\$ 785,592</u>
Unrestricted	<u>\$ 5,253,080</u>
Total Net Position	<u><u>\$ 29,499,016</u></u>

**7. Transfer**

During the year ended June 30, 2023, a transfer of \$698,348 was made from the Benton County Electric System to the county for in-lieu-of tax payments.

**D. Other Information**

**1. Pension Plan – Central Service Association Mass Mutual Defined Benefit Retirement Plan**

*Plan Description.* All full-time employees of the electric system hired prior to November 22, 1988, participate in a defined benefit pension plan through the governmental plan of Central Service Association (CSA). The plan is administered by an insurance and retirement committee that is appointed by CSA. The committee makes recommendations for approval by the board for changes to the plan. The electric system makes monthly contributions to the agent multiple-employer pension plan. Individual employers can make amendments to their plans.

CSA issues a publicly available report that includes financial statements and required supplementary information for the pension

plan. That report can be obtained by contacting CSA at P.O. Box 3480, Tupelo, MS 38803-3480.

*Benefits Provided.* Benefits provided by the plan include retirement, disability, and death benefits provided to members and beneficiaries. Members of the plan are eligible to participate in the plan after completing six months of service. The retirement benefit is 57 percent of average monthly earnings, based on the highest of three consecutive years earnings, at age 62 after ten years participation. Employees are fully vested in the plan after seven years of service.

*Employees Covered by Benefit Terms.* At the measurement date of October 1, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	25
Inactive Plan Members Entitled to But Not Yet Receiving	
Benefits	1
Active Plan Members	<u>1</u>
 Total	 <u><u>27</u></u>

*Contributions.* At October 1, 2022, active plan members were not required to contribute a percentage of their annual compensation. The plan provisions and required contributions can be amended by the board of directors as the need arises. The employer’s actuarially determined contribution 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 an unfunded liability.

Schedule of Employer Contributions

Year	Minimum Contributions	Actual Contributions
2022	\$ 291,996	\$ 334,272
2023	364,231	338,272

**Net Pension Liability (Asset)**

Benton County Electric System’s net pension liability (asset) was measured as of September 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	October 1, 2022
Discount Rate	7%
Mortality	Pub-2010 General Amount – Weighted table fully-generational with projection scale MP-2021 for all participants except beneficiaries. Beneficiaries are valued using the Pub-2010 Amount-Weighted Contingent Survivor fully generational with projection scale MP-2021
Incidence of Disability	1985 CIDA Table – Class 2
Termination	For all Employees: Sarason T-3 table
Salary Scale	3.5%
Assumed Retirement Age	20% at age 55 with 15 years of service; otherwise, 100% at age 62.
Marriage	Assumed that 50% of Participants are Married and a Male is 3 Years Older than his Female Spouse
Cost of Living Increase	N/A
Date of Participation Freeze	November 22, 1988

The actuarial assumptions used in the September 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period October 1, 2021, through September 30, 2022. 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 Central Service Association. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
Fixed Income	4.5 to 5.5 %	50 %
Large Cap	9 to 11	20
Mid Cap	8.5 to 10.5	10
Small Cap	8 to 10	8
Real Estate	3.5 to 5.5	2
International Equity	3.5 to 5.5	10
Total		100 %

*Discount Rate.* The discount rate used to measure the total pension liability was seven percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and the employer will continue to contribute the actuarially determined contribution in accordance with the plan's current funding policy on an annual basis. Based on that assumption, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. 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	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2021	\$ 7,942,679	\$ 6,453,642	\$ 1,489,037
Changes for the Year:			
Service Cost	\$ 2,398	\$ 0	\$ 2,398
Interest Cost	528,137	0	528,137
Difference Between Expected and Actual Experience	101,309	0	101,309
Employer - Contributions	0	334,272	(334,272)
Net Investment Income	0	(1,045,415)	1,045,415
Benefit Payments	(800,523)	(800,523)	0
Other Changes	0	(4,176)	4,176
Net Changes	\$ (168,679)	\$ (1,515,842)	\$ 1,347,163
Balance, October 1, 2022	\$ 7,774,000	\$ 4,937,800	\$ 2,836,200

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Benton County Electric System calculated using the discount rate of seven percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease	Current Discount Rate 7%	1% Increase
Benton County Electric System	6%	7%	8%
Net Pension Liability	\$ 3,441,928	\$ 2,836,200	\$ 2,309,348

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

*Pension Expense (Negative Pension Expense).* Under GASB Statement No. 68 the annual pension expense is intended to recognize certain changes in the net pension liability compared to the previous measurement date. Changes not recorded as a pension expense will be recorded and tracked separately as deferred inflows and outflows to be recognized in a future period's pension expense. Changes in the total pension liability due to differences between actual experience and assumptions are recognized over a closed period equal to the future remaining service of plan participants. Differences between actual and expected investment performance are recognized over a five-year period. Any changes due to plan amendment or other benefit changes will be recognized in the year of adoption.

Service Cost	\$ 2,398
Interest on the Total Pension Liability	528,137
Differences Between Expected and Actual Experience	101,309
Projected Earnings on Pension Plan Investments	(334,272)
Pension Plan Administrative expense	1,045,415
Differences Between Projected and Actual Earnings on Plan Investments	<u>4,176</u>
<b>Total Pension Expense</b>	<b><u>\$ 1,347,163</u></b>

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Benton County Electric System 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 288,112	\$ 0
Change of Assumptions	106,731	0
Net Difference Between Projected and Actual Earnings in Pension Investments	810,383	0
Contributions Subsequent to the Measurement Date of October 1, 2022 (1)	<u>254,704</u>	N/A
<b>Total</b>	<b><u>\$ 1,459,930</u></b>	<b><u>\$ 0</u></b>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of October 1, 2022,” will be recognized as a reduction to net pension liability in the subsequent fiscal period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 346,298
2025	303,861
2026	238,664
2027	316,403
2028	0
Thereafter	0

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

**2. Pension Plan – Tennessee Consolidated Retirement System**

*Plan Description.* Employees of Benton County Electric System are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employee membership data related to the plan, as of June 30, 2022, was as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	33
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	97
Active Plan Members	<u>75</u>
Total	<u><u>205</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Benton County Electric System makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for the electric system were \$196,028 based on a rate of 6.28 percent of covered payroll. By law, employer contributions are required to be paid. 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)**

Benton County Electric System’s net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. The utility’s proportion of the net position liability was based on census data of the utility’s employees

relative to all employees covered under Benton County’s plan. At the June 30, 2022, measurement date, the utility’s proportion was 24.97 percent.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity 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 the electric system 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 (a)-(b)
Balance, July 1, 2021	\$ 6,904,127	\$ 7,871,921	\$ (967,794)
Change in all allocation	663,741	756,782	(93,041)
Changes for the Year:			
Service Cost	\$ 245,030	\$ 0	\$ 245,030
Interest	519,718	0	519,718
Differences Between Expected and Actual Experience	58,617	0	58,617
Contributions - Employer	0	113,780	(113,780)
Contributions - Employees	0	123,746	(123,746)
Net Investment Income	0	(330,171)	330,171
Benefit Payments, Including Refunds of Employee Contributions	(226,776)	(226,776)	0
Administrative Expense	0	(7,080)	7,080
Net Changes	\$ 596,589	\$ (326,501)	\$ 923,090
Balance, June 30, 2022	\$ 8,164,457	\$ 8,302,202	\$ (137,745)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Benton County Electric System calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it was 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	Discount Rate	1% Increase
Benton County Electric System	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 1,076,384 \$ (137,745) \$ (1,134,599)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, Benton County Electric System recognized pension expense (negative pension expense) of \$115,226.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Benton County Electric System 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	\$ 46,893	\$ 72,646
Change of Assumptions	405,015	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,577	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>196,028</u>	<u>N/A</u>
Total	<u>\$ 672,513</u>	<u>\$ 72,646</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

Year Ending June 30	Amount
2024	\$ 68,241
2025	81,450
2026	59,878
2027	194,270
2028	0
Thereafter	0

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

3. **Power Contract**

The electric system has a power contract with the Tennessee Valley Authority (TVA), whereby the electric system purchases all its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishings, advancing, lending, pledging, or otherwise diverting electric system funds, revenues, or property to other operations of the county and the purchase or payment of, or providing security for indebtedness on other obligations applicable to such other operations.

4. **Risk Management**

The electric system is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the electric system purchased commercial insurance for all of the above risks.

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in the amount of coverage provided.

5. **Other Postemployment Benefits (OPEB)**

**Plan Description**

Benton County Electric System sponsors a single-employer postemployment benefit plan. The plan provides medical, prescription, and dental benefits to eligible retirees and their families. The system covers the employee at 100 percent and families at 75 percent. The retirees are offered the option to maintain health insurance after they retire (including subsidized beneficial coverage). The retiree must be older than 55 and have at least 20 years of service with the electric system and benefits end when they reach 65 for employees hired prior to December 23, 2013. For employees hired December 23, 2013, and after, the retiree must be 60 years old and have at least 30 years of service until age 65 or eligible for Medicare.

**Annual OPEB Cost and Net OPEB Obligation**

Changes in the system's net OPEB liability measured at June 30, 2023, are detailed in the following table. The table shows the net OPEB liability as of June 30, 2023, which is reported in the financial statements in accordance with GASB Statement No. 75.

	<u>Total OPEB Liability</u>
Balance July 1, 2022	\$ 804,437
Changes for the Year:	
Service Cost	\$ 44,891
Interest	27,706
Difference between Actual and Expected	134,127
Assumption Changes	234,988
Benefit Payments	<u>(43,924)</u>
Net Changes	<u>\$ 397,788</u>
Balance June 30, 2023	<u><u>\$ 1,202,225</u></u>

### **Actuarial Methods and Assumptions**

The valuation was based on information provided by the electric system as of July 1, 2023.

	<u>Total</u>
Active Employees	44
Retired Members Medical, Dental & Vision	6
Retired Spouses Medical, Dental & Vision	2
Retired Spouses Dental & Vision Only	<u>1</u>
Total	<u><u>53</u></u>

### **Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Scale	3%
Core Inflation Assumption	3%
Mortality	Pub-2010 General Employee Headcount-weighted with MP-2021.
Trend	Per-capita claims costs are projected to increase at an initial rate of 7.5% with an annual decline of .25% until an ultimate rate of 4.5% is achieved.
Marital Assumption	80% of active employees are assumed to be married at retirement with male spouses assumed to be 3 years older than female spouses. It is assumed that participating retirees do not have covered children based the plan design and experience.
Discount Rate:	The discount rate used to measure the total OPEB liability was 4.13 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Index was used to approximate yields as of June 30, 2023.

The actuarial assumption used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period ending July 1, 2023.

### Discount Rate

The discount rate used to measure the total OPEB liability was 4.13 percent. The projection of cash flows used to determine the discount rate assumed that the system's contributions will be made at rates equal to the actuarially determined contribution rates.

*Sensitivity of net OPEB Liability to Changes in the Healthcare Cost Trend Rate:* The following represents the net OPEB liability calculated using the stated healthcare cost trend assumption, as well as what the 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 assumed trend rates:

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease 6.5% to 3.5%	Trend Rate 7.5% to 4.5%	1% Increase 8.5% to 5.5%
Net OPEB Liability (Asset) \$	1,081,745 \$	1,202,225 \$	1,344,858

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate:* The following represents the net OPEB liability calculated using the stated discount rate, as well as what the 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 assumed trend rates:

<u>Discount Rate</u>	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Net OPEB Liability (Asset)	\$ 1,316,124	\$ 1,202,225	\$ 1,100,033

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources**

For the year ended June 30, 2023, the system recognized OPEB expense of \$100,370. At June 30, 2023, the system reported deferred outflows and inflows as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 120,524	\$ 228,747
Change of Assumptions	370,656	97,869
Total	<u>\$ 491,180</u>	<u>\$ 326,616</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows as of the fiscal year ending June 30, 2023:

Year Ending June 30	Amortized
2024	\$ 27,773
2025	27,773
2026	27,773
2027	27,773
2028	27,773
Thereafter	25,699

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend rates, and employee demographics, all of

which are subject to change. Due to uncertainties inherent in the estimations and assumptions, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Benefits are recorded when the participant has met all of the plan requirements to receive a benefit. At June 30, 2023, no benefits were payable.

Qualified plan administrative expenses are paid by the plan. During the year ended June 30, 2023, administrative expenses were \$0.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 634,856	\$ 641,580	\$ 714,173	\$ 709,313	\$ 755,052	\$ 795,100	\$ 822,981	\$ 863,794	\$ 981,299
Interest	1,253,029	1,344,807	1,452,356	1,529,740	1,604,466	1,693,587	1,798,978	1,916,697	2,081,366
Differences Between Actual and Expected Experience	(21,732)	80,395	(349,859)	(253,080)	(349,852)	(217,024)	(166,465)	(301,570)	234,748
Changes in Assumptions	0	0	0	507,675	0	0	0	2,703,343	0
Benefit Payments, Including Refunds of Employee Contributions	(635,575)	(662,762)	(748,016)	(812,019)	(798,692)	(842,223)	(849,553)	(895,641)	(908,192)
Net Change in Total Pension Liability	\$ 1,230,578	\$ 1,404,020	\$ 1,068,654	\$ 1,681,629	\$ 1,210,974	\$ 1,429,440	\$ 1,605,941	\$ 4,286,623	\$ 2,389,221
Total Pension Liability, Beginning	16,389,984	17,620,562	19,024,582	20,093,236	21,774,865	22,985,839	24,415,279	26,021,220	30,307,843
Total Pension Liability, Ending (a)	\$ 17,620,562	\$ 19,024,582	\$ 20,093,236	\$ 21,774,865	\$ 22,985,839	\$ 24,415,279	\$ 26,021,220	\$ 30,307,843	\$ 32,697,064
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 504,641	\$ 519,956	\$ 547,712	\$ 550,601	\$ 561,895	\$ 586,873	\$ 439,867	\$ 455,446	\$ 455,667
Contributions - Employee	371,591	394,506	415,564	417,758	426,327	444,784	468,686	492,669	495,577
Net Investment Income	2,580,542	565,945	508,180	2,247,083	1,844,577	1,804,170	1,296,217	7,083,628	(1,322,272)
Benefit Payments, Including Refunds of Employee Contributions	(635,575)	(662,762)	(748,016)	(812,019)	(798,692)	(842,223)	(849,553)	(895,641)	(908,192)
Administrative Expense	(10,598)	(14,340)	(21,504)	(24,440)	(26,867)	(25,444)	(25,705)	(25,645)	(28,356)
Net Change in Plan Fiduciary Net Position	\$ 2,810,601	\$ 803,305	\$ 701,936	\$ 2,378,983	\$ 2,007,240	\$ 1,968,160	\$ 1,329,512	\$ 7,110,457	\$ (1,307,576)
Plan Fiduciary Net Position, Beginning	15,446,088	18,256,689	19,059,994	19,761,930	22,140,913	24,148,153	26,116,313	27,445,825	34,556,282
Plan Fiduciary Net Position, Ending (b)	\$ 18,256,689	\$ 19,059,994	\$ 19,761,930	\$ 22,140,913	\$ 24,148,153	\$ 26,116,313	\$ 27,445,825	\$ 34,556,282	\$ 33,248,706
Net Pension Liability (Asset), Ending (a - b)	\$ (636,127)	\$ (35,412)	\$ 331,306	\$ (366,048)	\$ (1,162,314)	\$ (1,701,034)	\$ (1,424,605)	\$ (4,248,439)	\$ (551,642)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.61%	100.19%	98.35%	101.68%	105.06%	106.97%	105.47%	114.02%	101.69%
Covered Payroll	\$ 7,421,185	\$ 7,890,076	\$ 8,324,374	\$ 8,355,105	\$ 8,532,375	\$ 8,892,018	\$ 9,358,841	\$ 9,690,312	\$ 10,388,261
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(8.57)%	(0.45)%	3.98%	(4.38)%	(13.62)%	(19.13)%	(15.22)%	(43.84)%	(5.31)%

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, employees of the Benton County Electric System (proprietary fund), and non-certified employees of the discretely presented school department.

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 504,641	\$ 519,956	\$ 547,712	\$ 550,601	\$ 561,895	\$ 586,873	\$ 439,867	\$ 455,446	\$ 455,667	\$ 704,944
Less: Contributions in Relation to the Actuarially Determined Contribution	(504,641)	(519,956)	(547,712)	(550,601)	(561,895)	(586,873)	(439,867)	(455,446)	(455,667)	(704,944)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,421,185	\$ 7,890,076	\$ 8,324,374	\$ 8,355,105	\$ 8,532,375	\$ 8,892,018	\$ 9,358,841	\$ 9,690,312	\$ 10,388,261	\$ 11,225,203
Contributions as a Percentage of Covered Payroll	6.80%	6.59%	6.58%	6.59%	6.59%	6.60%	4.70%	4.70%	4.39%	6.28%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, employees of the Benton County Electric System (proprietary fund), and non-certified employees of the discretely presented school department.

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 16,821	\$ 26,870	\$ 29,455	\$ 16,191	\$ 25,729	\$ 35,654	\$ 37,921	\$ 47,873	\$ 79,331
Less: Contributions in Relation to the Contractually Required Contribution	(16,821)	(26,870)	(29,455)	(39,714)	(25,729)	(35,654)	(37,921)	(47,873)	(79,331)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (23,523)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 420,533	\$ 671,732	\$ 774,297	\$ 992,843	\$ 1,326,277	\$ 1,756,368	\$ 1,877,267	\$ 2,380,256	\$ 2,759,558
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.80%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%  
 2020: Pension - 2.03%, SRT - 1.97%  
 2021: Pension - 2.02%, SRT - 1.98%  
 2022: Pension - 2.01%, SRT - 1.99%  
 2023: Pension - 2.87%, SRT - 1.13%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 816,685	\$ 797,954	\$ 791,520	\$ 813,684	\$ 799,084	\$ 913,168	\$ 923,818	\$ 888,983	\$ 906,863	\$ 693,448
Less: Contributions in Relation to the Contractually Required Contribution	(816,685)	(797,954)	(791,520)	(813,684)	(799,084)	(913,168)	(923,818)	(888,983)	(906,863)	(693,448)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 9,196,901	\$ 8,826,916	\$ 8,755,754	\$ 8,963,010	\$ 8,800,476	\$ 8,730,671	\$ 8,690,666	\$ 8,656,124	\$ 8,804,475	\$ 7,979,770
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.08%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.202402%	0.152666%	0.112194%	0.113613%	0.125331%	0.139182%	0.130076%	0.139384%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (8,143)	\$ (15,893)	\$ (29,601)	\$ (51,527)	\$ (70,747)	\$ (79,145)	\$ (140,900)	\$ (42,223)
Covered Payroll	\$ 420,533	\$ 671,732	\$ 774,297	\$ 992,843	\$ 1,326,277	\$ 1,756,368	\$ 1,877,267	\$ 2,380,256
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.82)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.234316%	0.235793%	0.242555%	0.254627%	0.251322%	0.260356%	0.261118%	0.263731%	0.267538%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (38,075)	\$ 96,589	\$ 1,515,835	\$ (83,310)	\$ (884,382)	\$ (2,676,924)	\$ (1,991,215)	\$ (11,375,371)	\$ (3,281,095)
Covered Payroll	\$ 9,196,901	\$ 8,826,916	\$ 8,755,754	\$ 8,963,010	\$ 8,800,476	\$ 8,730,671	\$ 8,690,666	\$ 8,656,124	\$ 8,804,475
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094255%	17.31%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Exhibit F-7

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

**Highway Department Plan**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 5,130	\$ 4,939	\$ 5,930	\$ 6,407	\$ 7,923	\$ 7,050
Interest	1,428	1,885	2,416	1,714	1,261	1,117
Differences Between Actual and Expected Experience	0	1,328	(27,641)	(3,819)	(702)	(7,689)
Changes in Assumptions or Other Inputs	(1,730)	5,662	1,662	3,144	(12,211)	(14,987)
Benefit Payments	0	(1,182)	(854)	(651)	(807)	(669)
Net Change in Total OPEB Liability	\$ 4,828	\$ 12,632	\$ (18,487)	\$ 6,795	\$ (4,536)	\$ (15,178)
Total OPEB Liability, Beginning	43,774	48,602	61,234	42,747	49,542	45,006
Total OPEB Liability, Ending	\$ 48,602	\$ 61,234	\$ 42,747	\$ 49,542	\$ 45,006	\$ 29,828
Covered Employee Payroll	\$ 872,104	\$ 873,485	\$ 968,277	\$ 1,003,809	\$ 1,071,915	\$ 1,092,771
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.57%	7.01%	4.41%	4.94%	4.20%	2.73%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

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

For the 2019 plan year - from 5.4% to 6.75%  
 For the 2020 plan year - from 6.75% to 6.03%  
 For the 2021 plan year - from 6.03% to 9.02%  
 For the 2021 plan year - from 9.02% to 7.36%  
 For the 2022 plan year - from 7.36% to 8.37%

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

Exhibit F-8

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

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 181,097	\$ 167,365	\$ 159,781	\$ 154,502	\$ 204,074	\$ 272,455
Interest	79,679	98,488	98,374	101,453	76,975	98,549
Differences Between Actual and Expected Experience	0	(314,166)	233,189	(26,070)	42,130	68,366
Changes in Assumptions or Other Inputs	(130,461)	102,599	(215,609)	384,404	746,605	(429,488)
Benefit Payments	(68,665)	(88,919)	(103,406)	(91,597)	(50,404)	(67,134)
Net Change in Total OPEB Liability	\$ 61,650	\$ (34,633)	\$ 172,329	\$ 522,692	\$ 1,019,380	\$ (57,252)
Total OPEB Liability, Beginning	2,581,966	2,643,616	2,608,983	2,781,312	3,304,004	4,323,384
Total OPEB Liability, Ending	\$ 2,643,616	\$ 2,608,983	\$ 2,781,312	\$ 3,304,004	\$ 4,323,384	\$ 4,266,132
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 905,444	\$ 889,394	\$ 990,189	\$ 1,112,987	\$ 1,529,189	\$ 1,596,254
Employer Proportionate Share of the Total OPEB Liability	1,738,172	1,719,589	1,791,123	2,191,017	2,794,195	2,669,878
Covered Employee Payroll	\$ 10,850,847	\$ 10,903,924	\$ 10,760,370	\$ 10,818,707	\$ 11,004,495	\$ 10,334,394
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.02%	15.77%	16.65%	20.25%	25.39%	25.83%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2021 plan year - from 9.02% to 7.36%
For the 2022 plan year - from 7.36% to 8.37%

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

**BENTON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues generated by the Tennessee River Resort District and expended for tourism.

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

## Debt Service Fund

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

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General Debt Service Fund – The General 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.

# Capital Projects Funds

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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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for bond proceeds and local revenues to be used for the acquisition and construction of a new jail.

Capital Projects Public Improvement Fund – The Capital Projects Public Improvement Fund is used to account for note proceeds received for various capital expenditures of the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for note proceeds and federal and state grant funds received for airport improvements.

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	Fund  General Debt Service	Projects Funds  General Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,431	\$ 1,431	\$ 0	\$ 0
Equity in Pooled Cash and Investments	35,356	478,501	0	513,857	2,858,207	1,324,091
Accounts Receivable	0	0	10,703	10,703	0	0
Due from Other Governments	0	48,132	0	48,132	338,913	0
Property Taxes Receivable	0	0	0	0	639	18,515
Allowance for Uncollectible Property Taxes	0	0	0	0	(14)	(426)
Total Assets	\$ 35,356	\$ 526,633	\$ 12,134	\$ 574,123	\$ 3,197,745	\$ 1,342,180
<u>LIABILITIES</u>						
Accounts Payable	\$ 2,301	\$ 341	\$ 0	\$ 2,642	\$ 0	\$ 0
Due to Other Funds	0	0	12,134	12,134	0	0
Total Liabilities	\$ 2,301	\$ 341	\$ 12,134	\$ 14,776	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 611	\$ 17,706
Deferred Delinquent Property Taxes	0	0	0	0	12	346
Other Deferred/Unavailable Revenue	0	24,523	0	24,523	118,163	0
Total Deferred Inflows of Resources	\$ 0	\$ 24,523	\$ 0	\$ 24,523	\$ 118,786	\$ 18,052

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	Fund  General Debt Service	Funds  General Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 33,055	\$ 0	\$ 0	\$ 33,055	\$ 0	\$ 0
Restricted for Other Operations	0	501,769	0	501,769	0	0
Restricted for Capital Outlay	0	0	0	0	0	1,323,904
Restricted for Debt Service	0	0	0	0	38,229	0
Committed:						
Committed for Capital Outlay	0	0	0	0	0	224
Committed for Debt Service	0	0	0	0	3,040,730	0
Total Fund Balances	<u>\$ 33,055</u>	<u>\$ 501,769</u>	<u>\$ 0</u>	<u>\$ 534,824</u>	<u>\$ 3,078,959</u>	<u>\$ 1,324,128</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,356</u>	<u>\$ 526,633</u>	<u>\$ 12,134</u>	<u>\$ 574,123</u>	<u>\$ 3,197,745</u>	<u>\$ 1,342,180</u>

(Continued)

Exhibit G-1

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Capital Projects Public Improvement	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,431
Equity in Pooled Cash and Investments	208,244	798,272	69,679	2,400,286	5,772,350
Accounts Receivable	10,000	0	0	10,000	20,703
Due from Other Governments	0	0	0	0	387,045
Property Taxes Receivable	0	0	0	18,515	19,154
Allowance for Uncollectible Property Taxes	0	0	0	(426)	(440)
Total Assets	\$ 218,244	\$ 798,272	\$ 69,679	\$ 2,428,375	\$ 6,200,243
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,642
Due to Other Funds	0	0	0	0	12,134
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,776
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 17,706	\$ 18,317
Deferred Delinquent Property Taxes	0	0	0	346	358
Other Deferred/Unavailable Revenue	0	0	0	0	142,686
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 18,052	\$ 161,361

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety  
 Restricted for Other Operations  
 Restricted for Capital Outlay  
 Restricted for Debt Service

Committed:

Committed for Capital Outlay  
 Committed for Debt Service

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Capital Projects Funds (Cont.)					Total Nonmajor Governmental Funds
Community Development/ Industrial Park	Capital Projects Public Improvement	Other Capital Projects	Total		
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,055
0	0	0	0	0	501,769
0	798,272	31,232	2,153,408	0	2,153,408
0	0	0	0	0	38,229
218,244	0	38,447	256,915	0	256,915
0	0	0	0	0	3,040,730
<u>\$ 218,244</u>	<u>\$ 798,272</u>	<u>\$ 69,679</u>	<u>\$ 2,410,323</u>	<u>\$ 0</u>	<u>\$ 6,024,106</u>
<u>\$ 218,244</u>	<u>\$ 798,272</u>	<u>\$ 69,679</u>	<u>\$ 2,428,375</u>	<u>\$ 0</u>	<u>\$ 6,200,243</u>

Exhibit G-2

Benton County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constituentional Officers - Fees	Total	Fund	Projects Funds
					General Debt Service	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 680,322	\$ 18,370
Fines, Forfeitures, and Penalties	10,311	0	0	10,311	0	0
Charges for Current Services	0	0	2,610	2,610	0	0
Other Local Revenues	14,345	206	0	14,551	3,948	0
State of Tennessee	0	259,723	0	259,723	0	7,430
Other Governments and Citizens Groups	0	0	0	0	165,972	0
Total Revenues	\$ 24,656	\$ 259,929	\$ 2,610	\$ 287,195	\$ 850,242	\$ 25,800
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 2,610	\$ 2,610	\$ 0	\$ 0
Public Safety	26,895	0	0	26,895	0	0
Other Operations	249	216,394	0	216,643	0	0
Debt Service:						
Principal on Debt	0	0	0	0	777,560	0
Interest on Debt	0	0	0	0	197,199	0
Other Debt Service	0	0	0	0	8,889	0
Capital Projects	0	0	0	0	0	808,580
Total Expenditures	\$ 27,144	\$ 216,394	\$ 2,610	\$ 246,148	\$ 983,648	\$ 808,580
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (2,488)	\$ 43,535	\$ 0	\$ 41,047	\$ (133,406)	\$ (782,780)
Net Change in Fund Balances						
Fund Balance, July 1, 2022	\$ 35,543	\$ 458,234	\$ 0	\$ 493,777	\$ 3,212,365	\$ 2,106,908
Fund Balance, June 30, 2023	\$ 33,055	\$ 501,769	\$ 0	\$ 534,824	\$ 3,078,959	\$ 1,324,128

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Capital Projects Public Improvement	Other Capital Projects	Total	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 18,370	\$ 698,692
Fines, Forfeitures, and Penalties	0	0	0	0	10,311
Charges for Current Services	0	0	0	0	2,610
Other Local Revenues	10,000	0	0	10,000	28,499
State of Tennessee	0	35,924	0	43,354	303,077
Other Governments and Citizens Groups	0	0	0	0	165,972
Total Revenues	\$ 10,000	\$ 35,924	\$ 0	\$ 71,724	\$ 1,209,161
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,610
Public Safety	0	0	0	0	26,895
Other Operations	100	0	0	100	216,743
Debt Service:					
Principal on Debt	0	0	0	0	777,560
Interest on Debt	0	0	0	0	197,199
Other Debt Service	0	0	0	0	8,889
Capital Projects	61,730	0	30,377	900,687	900,687
Total Expenditures	\$ 61,830	\$ 0	\$ 30,377	\$ 900,787	\$ 2,130,583
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (51,830)	\$ 35,924	\$ (30,377)	\$ (829,063)	\$ (921,422)
Net Change in Fund Balances					
Fund Balance, July 1, 2022	\$ 270,074	\$ 762,348	\$ 100,056	\$ 3,239,386	\$ 6,945,528
Fund Balance, June 30, 2023	\$ 218,244	\$ 798,272	\$ 69,679	\$ 2,410,323	\$ 6,024,106

Exhibit G-3

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 10,311	\$ 13,871	\$ 25,871	\$ (15,560)
Other Local Revenues	14,345	8,000	21,434	(7,089)
Total Revenues	<u>\$ 24,656</u>	<u>\$ 21,871</u>	<u>\$ 47,305</u>	<u>\$ (22,649)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 26,895	\$ 20,000	\$ 35,435	\$ 8,540
<u>Other Operations</u>				
Other Charges	249	205	205	(44)
Total Expenditures	<u>\$ 27,144</u>	<u>\$ 20,205</u>	<u>\$ 35,640</u>	<u>\$ 8,496</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,488)</u>	<u>\$ 1,666</u>	<u>\$ 11,665</u>	<u>\$ (14,153)</u>
Net Change in Fund Balance	\$ (2,488)	\$ 1,666	\$ 11,665	\$ (14,153)
Fund Balance, July 1, 2022	<u>35,543</u>	<u>46,616</u>	<u>46,616</u>	<u>(11,073)</u>
Fund Balance, June 30, 2023	<u>\$ 33,055</u>	<u>\$ 48,282</u>	<u>\$ 58,281</u>	<u>\$ (25,226)</u>

Exhibit G-4

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 206	\$ 0	\$ 0	\$ 206
State of Tennessee	259,723	229,464	229,464	30,259
Total Revenues	<u>\$ 259,929</u>	<u>\$ 229,464</u>	<u>\$ 229,464</u>	<u>\$ 30,465</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 213,803	\$ 213,308	\$ 313,308	\$ 99,505
Other Charges	2,591	2,524	2,524	(67)
Total Expenditures	<u>\$ 216,394</u>	<u>\$ 215,832</u>	<u>\$ 315,832</u>	<u>\$ 99,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 43,535</u>	<u>\$ 13,632</u>	<u>\$ (86,368)</u>	<u>\$ 129,903</u>
Net Change in Fund Balance	\$ 43,535	\$ 13,632	\$ (86,368)	\$ 129,903
Fund Balance, July 1, 2022	<u>458,234</u>	<u>381,956</u>	<u>381,956</u>	<u>76,278</u>
Fund Balance, June 30, 2023	<u>\$ 501,769</u>	<u>\$ 395,588</u>	<u>\$ 295,588</u>	<u>\$ 206,181</u>

Exhibit G-5

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 680,322	\$ 659,196	\$ 659,196	\$ 21,126
Other Local Revenues	3,948	0	0	3,948
Other Governments and Citizens Groups	165,972	425,000	572,984	(407,012)
Total Revenues	<u>\$ 850,242</u>	<u>\$ 1,084,196</u>	<u>\$ 1,232,180</u>	<u>\$ (381,938)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 470,000	\$ 470,000	\$ 470,000	\$ 0
Education	307,560	307,560	429,120	121,560
<u>Interest on Debt</u>				
General Government	134,798	134,798	134,798	0
Education	62,401	62,401	88,825	26,424
<u>Other Debt Service</u>				
General Government	8,139	11,842	12,192	4,053
Education	750	2,350	2,350	1,600
Total Expenditures	<u>\$ 983,648</u>	<u>\$ 988,951</u>	<u>\$ 1,137,285</u>	<u>\$ 153,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (133,406)</u>	<u>\$ 95,245</u>	<u>\$ 94,895</u>	<u>\$ (228,301)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (425,000)	\$ (425,000)	\$ 425,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (425,000)</u>	<u>\$ (425,000)</u>	<u>\$ 425,000</u>
Net Change in Fund Balance	\$ (133,406)	\$ (329,755)	\$ (330,105)	\$ 196,699
Fund Balance, July 1, 2022	<u>3,212,365</u>	<u>2,940,535</u>	<u>2,940,535</u>	<u>271,830</u>
Fund Balance, June 30, 2023	<u>\$ 3,078,959</u>	<u>\$ 2,610,780</u>	<u>\$ 2,610,430</u>	<u>\$ 468,529</u>

Exhibit G-6

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 18,370	\$ 17,084	\$ 17,084	\$ 1,286
State of Tennessee	7,430	249,000	256,430	(249,000)
Federal Government	0	482,000	482,000	(482,000)
Total Revenues	<u>\$ 25,800</u>	<u>\$ 748,084</u>	<u>\$ 755,514</u>	<u>\$ (729,714)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 709,912	\$ 2,011,981	\$ 2,011,981	\$ 1,302,069
Public Safety Projects	97,668	255,000	262,430	164,762
Public Health and Welfare Projects	1,000	531,000	532,000	531,000
Agriculture and Natural Resources Projects	0	200,000	200,000	200,000
Total Expenditures	<u>\$ 808,580</u>	<u>\$ 2,997,981</u>	<u>\$ 3,006,411</u>	<u>\$ 2,197,831</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (782,780)</u>	<u>\$ (2,249,897)</u>	<u>\$ (2,250,897)</u>	<u>\$ 1,468,117</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 250,000	\$ 250,000	\$ (250,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ (250,000)</u>
Net Change in Fund Balance	\$ (782,780)	\$ (1,999,897)	\$ (2,000,897)	\$ 1,218,117
Fund Balance, July 1, 2022	<u>2,106,908</u>	<u>2,080,863</u>	<u>2,080,863</u>	<u>26,045</u>
Fund Balance, June 30, 2023	<u>\$ 1,324,128</u>	<u>\$ 80,966</u>	<u>\$ 79,966</u>	<u>\$ 1,244,162</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, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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

Community Development - Custodial Fund – The Community Development-Custodial Fund is used to account for the purchase of property and construction of the Morris Chapel Fire Department funded through the sale of the prior fire department site.

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

Exhibit H-1

Benton County, Tennessee  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2023

	Custodial Funds			Total
	Cities - Sales Tax	Community Development - Custodial	Constitu - tional Officers - Custodial	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 784,662	\$ 784,662
Equity in Pooled Cash and Investments	106,746	2,434	0	109,180
Accounts Receivable	0	0	73	73
Due from Other Governments	415,492	0	0	415,492
Total Assets	<u>\$ 522,238</u>	<u>\$ 2,434</u>	<u>\$ 784,735</u>	<u>\$ 1,309,407</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 522,238	\$ 0	\$ 0	\$ 522,238
Total Liabilities	<u>\$ 522,238</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 522,238</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 2,434</u>	<u>\$ 784,735</u>	<u>\$ 787,169</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 2,434</u>	<u>\$ 784,735</u>	<u>\$ 787,169</u>

Exhibit H-2

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

	Custodial Funds			Total
	Cities - Sales Tax	Community Development - Custodial	Constitu - tional Officers - Custodial	
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 2,104,128	\$ 0	\$ 0	\$ 2,104,128
Fines/Fees and Other Collections	0	0	3,761,198	3,761,198
Total Additions	<u>\$ 2,104,128</u>	<u>\$ 0</u>	<u>\$ 3,761,198</u>	<u>\$ 5,865,326</u>
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 2,104,128	\$ 0	\$ 0	\$ 2,104,128
Payments to State	0	0	2,116,126	2,116,126
Payments to Cities, Individuals, and Others	0	0	1,750,337	1,750,337
Total Deductions	<u>\$ 2,104,128</u>	<u>\$ 0</u>	<u>\$ 3,866,463</u>	<u>\$ 5,970,591</u>
Change in Net Position	\$ 0	\$ 0	\$ (105,265)	\$ (105,265)
Net Position July 1, 2022	0	2,434	890,000	892,434
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 2,434</u>	<u>\$ 784,735</u>	<u>\$ 787,169</u>

# Benton County School Department

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

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

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

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

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

Exhibit I-1

Benton County, Tennessee  
Statement of Activities  
Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 12,970,551	\$ 0	\$ 2,946,134	\$ 1,236,453	\$ (8,787,964)
Support Services	10,975,423	42,345	1,133,356	328,693	(9,471,029)
Operation of Non-instructional Services	2,771,562	268,514	1,932,676	0	(570,372)
Total Governmental Activities	<u>\$ 26,717,536</u>	<u>\$ 310,859</u>	<u>\$ 6,012,166</u>	<u>\$ 1,565,146</u>	<u>\$ (18,829,365)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,911,901
Local Option Sales Taxes					3,499,812
Other Local Taxes					6,003
Grants and Contributions Not Restricted to Specific Programs					13,481,574
Unrestricted Investment Earnings					32,042
Miscellaneous					733,298
Total General Revenues					<u>\$ 21,664,630</u>
Change in Net Position					\$ 2,835,265
Net Position, July 1, 2022					<u>28,908,359</u>
Net Position, June 30, 2023					<u>\$ 31,743,624</u>

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
				<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 626,325	\$ 626,325
Equity in Pooled Cash and Investments	10,562,942	173,402	1,049,765	11,786,109
Inventories	0	0	1,202	1,202
Due from Other Governments	981,359	57,545	16,781	1,055,685
Property Taxes Receivable	3,989,315	0	0	3,989,315
Allowance for Uncollectible Property Taxes	(91,982)	0	0	(91,982)
Restricted Assets	190,430	0	0	190,430
Total Assets	<u>\$ 15,632,064</u>	<u>\$ 230,947</u>	<u>\$ 1,694,073</u>	<u>\$ 17,557,084</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 19,357	\$ 0	\$ 19,357
Total Liabilities	<u>\$ 0</u>	<u>\$ 19,357</u>	<u>\$ 0</u>	<u>\$ 19,357</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,815,007	\$ 0	\$ 0	\$ 3,815,007
Deferred Delinquent Property Taxes	73,226	0	0	73,226
Other Deferred/Unavailable Revenue	329,563	0	0	329,563
Total Deferred Inflows of Resources	<u>\$ 4,217,796</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,217,796</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Federal</u>	<u>Gov-</u>	<u>Governmental</u>	
<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>	
				<u>Governmental</u>
				<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 1,202	\$ 1,202
Restricted:				
Restricted for Education	0	0	622,658	622,658
Restricted for Instruction	9,435	0	0	9,435
Restricted for Operation of Non-instructional Services	0	0	1,070,213	1,070,213
Restricted for Debt Service	455,796	0	0	455,796
Restricted for Hybrid Retirement Stabilization Funds	190,430	0	0	190,430
Committed:				
Committed for Education	1,191,299	0	0	1,191,299
Assigned:				
Assigned for Education	194,250	211,590	0	405,840
Unassigned	9,373,058	0	0	9,373,058
Total Fund Balances	<u>\$ 11,414,268</u>	<u>\$ 211,590</u>	<u>\$ 1,694,073</u>	<u>\$ 13,319,931</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,632,064</u>	<u>\$ 230,947</u>	<u>\$ 1,694,073</u>	<u>\$ 17,557,084</u>

Exhibit I-3

Benton County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Benton County School Department  
June 30, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 13,319,931
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 507,205	
Add: construction in progress	54,354	
Add: buildings and improvements net of accumulated depreciation	10,117,831	
Add: other capital assets net of accumulated depreciation	<u>3,033,370</u>	13,712,760
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability		(2,669,878)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,046,925	
Less: deferred inflows of resources related to pensions	(714,806)	
Add: deferred outflows of resources related to OPEB	804,713	
Less: deferred inflows of resources related to OPEB	<u>(598,524)</u>	3,538,308
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 116,396	
Add: net pension asset - teacher retirement plan	42,223	
Add: net pension asset - teacher legacy pension plan	<u>3,281,095</u>	3,439,714
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>402,789</u>
Net position of governmental activities (Exhibit A)		<u>\$ 31,743,624</u>

Exhibit I-4

Benton County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 7,417,662	\$ 0	\$ 0	\$ 7,417,662
Licenses and Permits	1,541	0	0	1,541
Charges for Current Services	39,363	0	271,496	310,859
Other Local Revenues	92,579	0	677,403	769,982
State of Tennessee	14,126,926	0	10,852	14,137,778
Federal Government	134,275	5,149,699	1,330,705	6,614,679
Other Governments and Citizens Groups	200,000	0	0	200,000
Total Revenues	<u>\$ 22,012,346</u>	<u>\$ 5,149,699</u>	<u>\$ 2,290,456</u>	<u>\$ 29,452,501</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 11,933,715	\$ 2,622,008	\$ 0	\$ 14,555,723
Support Services	7,376,956	1,140,307	0	8,517,263
Operation of Non-Instructional Services	308,510	364,837	2,214,515	2,887,862
Capital Outlay	2,114,711	657,696	0	2,772,407
Debt Service:				
Other Debt Service	165,972	0	0	165,972
Total Expenditures	<u>\$ 21,899,864</u>	<u>\$ 4,784,848</u>	<u>\$ 2,214,515</u>	<u>\$ 28,899,227</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 112,482</u>	<u>\$ 364,851</u>	<u>\$ 75,941</u>	<u>\$ 553,274</u>

(Continued)

Exhibit I-4

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,579	\$ 0	\$ 0	\$ 8,579
Transfers In	347,494	0	0	347,494
Transfers Out	0	(347,494)	0	(347,494)
Total Other Financing Sources (Uses)	\$ 356,073	\$ (347,494)	\$ 0	\$ 8,579
Net Change in Fund Balances	\$ 468,555	\$ 17,357	\$ 75,941	\$ 561,853
Fund Balance, July 1, 2022	10,945,713	194,233	1,618,132	12,758,078
Fund Balance, June 30, 2023	\$ 11,414,268	\$ 211,590	\$ 1,694,073	\$ 13,319,931

Exhibit I-5

Benton County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	561,853
(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	\$	2,564,980	
Less: current-year depreciation expense		<u>(799,886)</u>	1,765,094
(2) The net effect of various miscellaneous transactions involving capital assets (sales, donations) is to decrease net position.			
Less: Proceeds received on disposal of capital assets			(4,642)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$	402,789	
Less: deferred delinquent property taxes and other deferred June 30, 2022		<u>(427,334)</u>	(24,545)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension asset - agent plan	\$	(831,006)	
Change in net pension asset - teacher retirement plan		(98,677)	
Change in net pension asset - teacher legacy pension plan		(8,094,276)	
Change in deferred outflows related to pensions		(651,340)	
Change in deferred inflows related to pensions		10,405,265	
Change in net OPEB liability		124,317	
Change in deferred outflows related to OPEB		(75,842)	
Change in deferred inflows related to OPEB		<u>(240,936)</u>	<u>537,505</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,835,265</u>

Exhibit I-6

Benton County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Benton County School Department  
June 30, 2023

	<u>Special Revenue Funds</u>		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 3,667	\$ 622,658	\$ 626,325
Equity in Pooled Cash and Investments	1,049,765	0	1,049,765
Inventories	0	1,202	1,202
Due from Other Governments	16,781	0	16,781
Total Assets	<u>\$ 1,070,213</u>	<u>\$ 623,860</u>	<u>\$ 1,694,073</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 1,202	\$ 1,202
Restricted:			
Restricted for Education	0	622,658	622,658
Restricted for Operation of Non-instructional Services	1,070,213	0	1,070,213
Total Fund Balances	<u>\$ 1,070,213</u>	<u>\$ 623,860</u>	<u>\$ 1,694,073</u>

Exhibit I-7

Benton County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 271,496	\$ 0	\$ 271,496
Other Local Revenues	35,039	642,364	677,403
State of Tennessee	10,852	0	10,852
Federal Government	1,330,705	0	1,330,705
Total Revenues	<u>\$ 1,648,092</u>	<u>\$ 642,364</u>	<u>\$ 2,290,456</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,665,405	\$ 549,110	\$ 2,214,515
Total Expenditures	<u>\$ 1,665,405</u>	<u>\$ 549,110</u>	<u>\$ 2,214,515</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,313)</u>	<u>\$ 93,254</u>	<u>\$ 75,941</u>
Net Change in Fund Balances	\$ (17,313)	\$ 93,254	\$ 75,941
Fund Balance, July 1, 2022	<u>1,087,526</u>	<u>530,606</u>	<u>1,618,132</u>
Fund Balance, June 30, 2023	<u>\$ 1,070,213</u>	<u>\$ 623,860</u>	<u>\$ 1,694,073</u>

Exhibit I-8

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Benton County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,417,662	\$ 0	\$ 0	\$ 7,417,662	\$ 6,284,839	\$ 6,284,839	\$ 1,132,823
Licenses and Permits	1,541	0	0	1,541	1,200	1,200	341
Charges for Current Services	39,363	0	0	39,363	54,000	54,000	(14,637)
Other Local Revenues	92,579	0	0	92,579	5,700	23,093	69,486
State of Tennessee	14,126,926	0	0	14,126,926	13,621,568	14,320,102	(193,176)
Federal Government	134,275	0	0	134,275	0	55,700	78,575
Other Governments and Citizens Groups	200,000	0	0	200,000	10,000	10,000	190,000
Total Revenues	\$ 22,012,346	\$ 0	\$ 0	\$ 22,012,346	\$ 19,977,307	\$ 20,748,934	\$ 1,263,412
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,089,712	\$ 0	\$ 0	\$ 10,089,712	\$ 10,730,623	\$ 11,166,347	\$ 1,076,635
Special Education Program	1,262,020	0	0	1,262,020	1,324,692	1,369,692	107,672
Career and Technical Education Program	581,983	0	0	581,983	652,405	768,531	186,548
<u>Support Services</u>							
Attendance	93,552	0	0	93,552	97,445	97,495	3,943
Health Services	381,966	0	0	381,966	415,885	426,451	44,485
Other Student Support	402,949	0	0	402,949	382,403	530,958	128,009
Regular Instruction Program	780,078	0	0	780,078	835,011	890,711	110,633
Special Education Program	187,009	0	0	187,009	198,517	199,217	12,208
Career and Technical Education Program	133,583	0	0	133,583	140,280	140,780	7,197
Technology	356,011	0	0	356,011	364,745	368,745	12,734
Other Programs	41,664	0	0	41,664	0	41,664	0
Board of Education	427,369	0	0	427,369	519,171	523,371	96,002
Director of Schools	168,589	0	0	168,589	166,736	182,971	14,382
Office of the Principal	1,133,065	0	0	1,133,065	1,160,049	1,166,906	33,841
Fiscal Services	215,003	0	0	215,003	219,801	222,801	7,798
Operation of Plant	1,414,848	0	0	1,414,848	1,599,111	1,648,486	233,638
Maintenance of Plant	607,826	0	0	607,826	639,383	732,913	125,087

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,033,444	\$ 0	\$ 0	\$ 1,033,444	\$ 1,116,882	\$ 1,201,482	\$ 168,038
<u>Operation of Non-Instructional Services</u>							
Food Service	64,569	0	0	64,569	59,414	69,713	5,144
Community Services	6,000	0	0	6,000	6,000	6,000	0
Early Childhood Education	237,941	0	0	237,941	241,192	243,355	5,414
<u>Capital Outlay</u>							
Regular Capital Outlay	2,114,711	(348,000)	194,250	1,960,961	1,640,000	2,561,614	600,653
<u>Other Debt Service</u>							
Education	165,972	0	0	165,972	0	220,000	54,028
Total Expenditures	\$ 21,899,864	\$ (348,000)	\$ 194,250	\$ 21,746,114	\$ 22,509,745	\$ 24,780,203	\$ 3,034,089
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,482	\$ 348,000	\$ (194,250)	\$ 266,232	\$ (2,532,438)	\$ (4,031,269)	\$ 4,297,501
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,579	\$ 0	\$ 0	\$ 8,579	\$ 100	\$ 8,344	\$ 235
Transfers In	347,494	0	0	347,494	15,000	343,462	4,032
Transfers Out	0	0	0	0	(425,000)	(5,000)	5,000
Total Other Financing Sources	\$ 356,073	\$ 0	\$ 0	\$ 356,073	\$ (409,900)	\$ 346,806	\$ 9,267
Net Change in Fund Balance	\$ 468,555	\$ 348,000	\$ (194,250)	\$ 622,305	\$ (2,942,338)	\$ (3,684,463)	\$ 4,306,768
Fund Balance, July 1, 2022	10,945,713	(348,000)	0	10,597,713	10,445,113	10,445,113	152,600
Fund Balance, June 30, 2023	\$ 11,414,268	\$ 0	\$ (194,250)	\$ 11,220,018	\$ 7,502,775	\$ 6,760,650	\$ 4,459,368

Exhibit I-9

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Benton County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,149,699	\$ 6,642,734	\$ 7,276,378	\$ (2,126,679)
Total Revenues	\$ 5,149,699	\$ 6,642,734	\$ 7,276,378	\$ (2,126,679)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,940,197	\$ 2,561,533	\$ 2,742,722	\$ 802,525
Special Education Program	644,675	740,507	940,140	295,465
Career and Technical Education Program	37,136	30,926	37,156	20
<u>Support Services</u>				
Attendance	3,842	10,000	10,000	6,158
Health Services	210,627	160,267	220,666	10,039
Other Student Support	185,481	410,832	362,676	177,195
Regular Instruction Program	531,947	518,416	735,063	203,116
Special Education Program	62,047	41,534	128,094	66,047
Career and Technical Education Program	750	2,285	750	0
Technology	40,382	125,570	121,570	81,188
Maintenance of Plant	23,754	10,000	23,970	216
Transportation	81,477	129,523	307,025	225,548
<u>Operation of Non-Instructional Services</u>				
Community Services	364,837	389,684	489,517	124,680
<u>Capital Outlay</u>				
Regular Capital Outlay	657,696	1,497,584	794,924	137,228
Total Expenditures	\$ 4,784,848	\$ 6,628,661	\$ 6,914,273	\$ 2,129,425
Excess (Deficiency) of Revenues Over Expenditures	\$ 364,851	\$ 14,073	\$ 362,105	\$ 2,746
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (347,494)	\$ (14,073)	\$ (362,105)	\$ 14,611
Total Other Financing Sources	\$ (347,494)	\$ (14,073)	\$ (362,105)	\$ 14,611
Net Change in Fund Balance	\$ 17,357	\$ 0	\$ 0	\$ 17,357
Fund Balance, July 1, 2022	194,233	0	0	194,233
Fund Balance, June 30, 2023	\$ 211,590	\$ 0	\$ 0	\$ 211,590

Exhibit I-10

Benton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Benton County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 271,496	\$ 328,600	\$ 328,600	\$ (57,104)
Other Local Revenues	35,039	5,000	18,804	16,235
State of Tennessee	10,852	12,000	12,000	(1,148)
Federal Government	1,330,705	1,149,352	1,288,290	42,415
Total Revenues	<u>\$ 1,648,092</u>	<u>\$ 1,494,952</u>	<u>\$ 1,647,694</u>	<u>\$ 398</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,665,405	\$ 1,494,952	\$ 1,816,695	\$ 151,290
Total Expenditures	<u>\$ 1,665,405</u>	<u>\$ 1,494,952</u>	<u>\$ 1,816,695</u>	<u>\$ 151,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,313)</u>	<u>\$ 0</u>	<u>\$ (169,001)</u>	<u>\$ 151,688</u>
Net Change in Fund Balance	\$ (17,313)	\$ 0	\$ (169,001)	\$ 151,688
Fund Balance, July 1, 2022	<u>1,087,526</u>	<u>440,980</u>	<u>440,980</u>	<u>646,546</u>
Fund Balance, June 30, 2023	<u>\$ 1,070,213</u>	<u>\$ 440,980</u>	<u>\$ 271,979</u>	<u>\$ 798,234</u>

# MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Capital Outlay Notes, Series 2015	\$ 1,200,000	2.489 %	8-20-15	8-1-27	\$ 645,000	\$ 100,000	\$ 545,000
School System Capital Outlay Note, Series 2021	2,000,000	1.98	4-14-21	4-1-31	1,817,000	186,000	1,631,000
Capital Outlay Notes, Series 2021	2,000,000	1.3867	10-22-21	6-1-34	2,000,000	145,000	1,855,000
Total Notes Payable					<u>\$ 4,462,000</u>	<u>\$ 431,000</u>	<u>\$ 4,031,000</u>
<u>OTHER LOAN PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Energy Efficient School Initiative	1,989,061	1.5	7-17-19	2-1-36	\$ 1,819,913	\$ 121,560	\$ 1,698,353
Total Other Loan Payable					<u>\$ 1,819,913</u>	<u>\$ 121,560</u>	<u>\$ 1,698,353</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2017	3,615,000	2 to 2.75	8-24-17	9-1-32	\$ 2,760,000	\$ 225,000	\$ 2,535,000
Total Bonds Payable					<u>\$ 2,760,000</u>	<u>\$ 225,000</u>	<u>\$ 2,535,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2024	\$ 440,000	\$ 97,777	\$ 537,777
2025	449,000	85,602	534,602
2026	463,000	73,085	536,085
2027	472,000	60,226	532,226
2028	485,000	47,026	532,026
2029	380,000	34,937	414,937
2030	389,000	23,979	412,979
2031	398,000	16,241	414,241
2032	180,000	8,325	188,325
2033	185,000	5,625	190,625
2034	190,000	2,850	192,850
Total	<u>\$ 4,031,000</u>	<u>\$ 455,673</u>	<u>\$ 4,486,673</u>

Year Ending June 30	Other Loan		Total
	Principal	Interest	
2024	\$ 123,396	\$ 24,588	\$ 147,984
2025	125,256	22,728	147,984
2026	127,152	20,832	147,984
2027	129,072	18,912	147,984
2028	131,016	16,968	147,984
2029	132,996	14,988	147,984
2030	135,000	12,984	147,984
2031	137,040	10,944	147,984
2032	139,116	8,868	147,984
2033	141,216	6,768	147,984
2034	143,340	4,644	147,984
2035	145,512	2,472	147,984
2036	88,241	453	88,694
Total	<u>\$ 1,698,353</u>	<u>\$ 166,149</u>	<u>\$ 1,864,502</u>

Year Ending June 30	Bonds		Total
	Principal	Interest	
2024	\$ 230,000	\$ 56,412	\$ 286,412
2025	235,000	51,763	286,763
2026	240,000	47,013	287,013
2027	245,000	42,010	287,010
2028	250,000	36,594	286,594
2029	255,000	30,913	285,913
2030	260,000	24,794	284,794
2031	265,000	18,231	283,231
2032	275,000	11,309	286,309
2033	280,000	3,850	283,850
Total	<u>\$ 2,535,000</u>	<u>\$ 322,889</u>	<u>\$ 2,857,889</u>

Exhibit J-3

Benton County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Benton County Electric System	General	Payment in-lieu-of taxes	\$ 677,848
"	Highway/Public Works	"	<u>20,500</u>
Total Transfers Primary Government			<u>\$ 698,348</u>
<u>DISCRETELY PRESENTED BENTON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 35,267
School Federal Projects	General Purpose School	ESSER funds	<u>312,227</u>
Total Transfers Discretely Presented Benton County School Department			<u>\$ 347,494</u>

Exhibit J-4

Benton County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Benton County School Department  
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
<b>County Mayor - Brett Lashlee (7/1/22-8/31/22)</b>	Section 8-24-102, TCA	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>County Mayor - Mark Ward (9/1/22-6/30/23)</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Total County Mayor compensation			
<b>Road Supervisor</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>Director of Schools</b>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			
Vehicle allowance			
Chief executive officer training supplement			
Total compensation			
<b>Trustee - Sherry Beasley (7/1/22-8/31/22)</b>	Section 8-24-102, TCA	752,000 (1)	RLI Insurance Company
Base salary/Total compensation			
<b>Trustee - Beverly Beal (9/1/22-6/30/23)</b>	Section 8-24-102, TCA	987,889 (1)	RLI Insurance Company
Base salary/Total compensation			
Total Trustee Compensation			
<b>Assessor of Property</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>County Clerk</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>Circuit and General Sessions Courts Clerk</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>Clerk and Master</b>	Section 8-24-102, TCA, and Chancery Court Judge	(1)	Tennessee Risk Management Trust
Base salary			
Special commissioner fees			
Total compensation			
<b>Register of Deeds</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
<b>Sheriff</b>	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
Law enforcement training supplement			
Total compensation			
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

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

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,159,051	\$ 0	\$ 0	\$ 0	\$ 0	245,126
Trustee's Collections - Prior Year	100,509	0	0	0	0	7,134
Circuit Clerk/Clerk and Master Collections - Prior Years	61,762	0	0	0	0	3,293
Interest and Penalty	22,263	0	0	0	0	1,399
Payments in-Lieu-of Taxes - T.V.A.	7,320	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,217	0	0	0	0	75
<u>County Local Option Taxes</u>						
Local Option Sales Tax	582,101	0	0	0	0	0
Hotel/Motel Tax	112,841	0	0	0	0	0
Litigation Tax - General	47,250	0	0	0	0	0
Litigation Tax - Special Purpose	24,544	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	3,018	0	0	0	0	0
Business Tax	202,388	0	0	0	0	0
Mixed Drink Tax	6,574	0	0	0	0	0
Mineral Severance Tax	54,659	0	0	0	0	131,396
<u>Statutory Local Taxes</u>						
Bank Excise Tax	191,393	0	0	0	0	0
Wholesale Beer Tax	79,825	0	0	0	0	0
Beer Privilege Tax	800	0	0	0	0	0
Total Local Taxes	\$ 5,657,515	\$ 0	\$ 0	\$ 0	\$ 0	388,423
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 14,215	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	6,579	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Other Permits	\$ 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 20,824	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 8,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,477	0	0	0	0	0
Game and Fish Fines	225	0	0	0	0	0
Drug Control Fines	0	5,123	0	0	0	0
Drug Court Fees	598	0	0	0	0	0
Jail Fees	7,090	0	0	0	0	0
DUI Treatment Fines	902	0	0	0	0	0
Data Entry Fee - Circuit Court	712	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	11,403	0	0	0	0	0
Officers Costs	40,062	0	0	0	0	0
Drug Control Fines	0	5,188	0	0	0	0
Drug Court Fees	4,884	0	0	0	0	0
Jail Fees	33,137	0	0	0	0	0
DUI Treatment Fines	5,168	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,352	0	0	0	0	0
Courtroom Security Fee	44	0	0	0	0	0
Victims Assistance Assessments	14,642	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	612	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 266	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Chancery Court	2,564	0	0	0	0	0
Courtroom Security Fee	20,298	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 160,299	\$ 10,311	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 748,275	\$ 0	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	18,035	0	0	0	0	0
<u>Fees</u>						
Copy Fees	375	0	0	0	0	0
Archives and Records Management Fee	7,060	0	0	0	0	0
Telephone Commissions	37,024	0	0	0	0	0
Additional Fees - Titling and Registration	17,058	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	2,610	0
Data Processing Fee - Register	6,432	0	0	0	0	0
Data Processing Fee - Sheriff	538	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,450	0	0	0	0	0
Data Processing Fee - County Clerk	2,019	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,130	0	0	0	0	0
Total Charges for Current Services	\$ 841,396	\$ 0	\$ 0	\$ 0	\$ 2,610	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 638,877	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Lease/Rentals	\$ 87,974	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Materials and Supplies	0	0	0	0	0	16,371
Commissary Sales	18,321	0	0	0	0	0
Sale of Gasoline	47,106	0	0	0	0	62,606
Sale of Recycled Materials	3,330	0	0	0	0	0
Miscellaneous Refunds	19,417	0	0	206	0	11,730
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	31,675
Sale of Property	5,124	0	0	0	0	0
Damages Recovered from Individuals	1,523	14,345	0	0	0	0
Contributions and Gifts	7,305	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	0
Total Other Local Revenues	\$ 828,977	\$ 14,345	\$ 0	\$ 206	\$ 0	122,382
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 193,697	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	64,201	0	0	0	0	0
General Sessions Court Clerk	120,146	0	0	0	0	0
Clerk and Master	69,020	0	0	0	0	0
Register	85,740	0	0	0	0	0
Sheriff	18,752	0	0	0	0	0
Trustee	356,908	0	0	0	0	0
Total Fees Received From County Officials	\$ 908,464	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 82,711	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	2,165	0	0	0	0	0
Aging Programs	36,065	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,000	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	504,319
Litter Program	11,121	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	1,813	0	0	0	0	0
Resort District Sales Tax	259,723	0	0	259,723	0	0
Vehicle Certificate of Title Fees	6,766	0	0	0	0	0
Alcoholic Beverage Tax	60,765	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	80,408	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,895,237	0	0	0	0	50,000
State Revenue Sharing - Telecommunications	25,551	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	19,089	0	0	0	0	0
Contracted Prisoner Boarding	335,872	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,289,557
Petroleum Special Tax	0	0	0	0	0	10,511
Registrar's Salary Supplement	11,373	0	0	0	0	0
Other State Grants	8,000	0	0	0	0	0
Other State Revenues	152	0	0	0	0	0
Total State of Tennessee	\$ 2,848,811	\$ 0	\$ 0	\$ 259,723	\$ 0	\$ 2,854,387

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,533
Homeland Security Grants	8,443	0	0	0	0	0
American Rescue Plan Act Grant #1	0	0	2,381,116	0	0	0
Other Federal through State	8,523	0	0	0	0	0
Total Federal Government	\$ 16,966	\$ 0	\$ 2,381,116	\$ 0	\$ 0	6,533
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 89,971	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Citizens Groups</u>						
Donations	10,467	0	0	0	0	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	100,940	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 201,378	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 11,484,630	\$ 24,656	\$ 2,381,116	\$ 259,929	\$ 2,610	3,371,725

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total
	Fund		General	Community Development/ Industrial Park	Capital Projects Public Improvement	
	General Debt Service	Capital Projects	General Capital Projects	Community Development/ Industrial Park	Capital Projects Public Improvement	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 592	\$ 17,357	\$ 0	\$ 0	\$ 0	\$ 4,422,126
Trustee's Collections - Prior Year	237	624	0	0	0	108,504
Circuit Clerk/Clerk and Master Collections - Prior Years	9	276	0	0	0	65,340
Interest and Penalty	17	108	0	0	0	23,787
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	7,320
Payments in-Lieu-of Taxes - Other	0	5	0	0	0	1,297
<u>County Local Option Taxes</u>						
Local Option Sales Tax	600,806	0	0	0	0	1,182,907
Hotel/Motel Tax	0	0	0	0	0	112,841
Litigation Tax - General	0	0	0	0	0	47,250
Litigation Tax - Special Purpose	0	0	0	0	0	24,544
Litigation Tax - Jail, Workhouse, or Courthouse	78,661	0	0	0	0	81,679
Business Tax	0	0	0	0	0	202,388
Mixed Drink Tax	0	0	0	0	0	6,574
Mineral Severance Tax	0	0	0	0	0	186,055
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	191,393
Wholesale Beer Tax	0	0	0	0	0	79,825
Beer Privilege Tax	0	0	0	0	0	800
Total Local Taxes	\$ 680,322	\$ 18,370	\$ 0	\$ 0	\$ 0	\$ 6,744,630
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Vaccination	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,215
Cable TV Franchise	0	0	0	0	0	6,579

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total				
	Fund		General	Community	Capital					
	General	Debt	Capital	Development/ Industrial Park	Projects Public Improvement					
	Service		Projects							
<u>Licenses and Permits (Cont.)</u>										
<u>Permits</u>										
Other Permits	\$	0	\$	0	\$	0	\$	0	\$	30
Total Licenses and Permits	\$	0	\$	0	\$	0	\$	0	\$	20,824
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$	0	\$	0	\$	0	\$	0	\$	8,863
Officers Costs		0		0		0		0		2,477
Game and Fish Fines		0		0		0		0		225
Drug Control Fines		0		0		0		0		5,123
Drug Court Fees		0		0		0		0		598
Jail Fees		0		0		0		0		7,090
DUI Treatment Fines		0		0		0		0		902
Data Entry Fee - Circuit Court		0		0		0		0		712
<u>General Sessions Court</u>										
Fines		0		0		0		0		11,403
Officers Costs		0		0		0		0		40,062
Drug Control Fines		0		0		0		0		5,188
Drug Court Fees		0		0		0		0		4,884
Jail Fees		0		0		0		0		33,137
DUI Treatment Fines		0		0		0		0		5,168
Data Entry Fee - General Sessions Court		0		0		0		0		6,352
Courtroom Security Fee		0		0		0		0		44
Victims Assistance Assessments		0		0		0		0		14,642
<u>Juvenile Court</u>										
Fines		0		0		0		0		612

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total
	Fund		General	Community	Capital	
	General	Debt	Capital	Development/ Industrial Park	Projects Public Improvement	
	Service	Projects				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	266
Data Entry Fee - Chancery Court	0	0	0	0	0	2,564
Courtroom Security Fee	0	0	0	0	0	20,298
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	170,610
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	748,275
Surcharge - Waste Tire Disposal	0	0	0	0	0	18,035
<u>Fees</u>						
Copy Fees	0	0	0	0	0	375
Archives and Records Management Fee	0	0	0	0	0	7,060
Telephone Commissions	0	0	0	0	0	37,024
Additional Fees - Titling and Registration	0	0	0	0	0	17,058
Constitutional Officers' Fees and Commissions	0	0	0	0	0	2,610
Data Processing Fee - Register	0	0	0	0	0	6,432
Data Processing Fee - Sheriff	0	0	0	0	0	538
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,450
Data Processing Fee - County Clerk	0	0	0	0	0	2,019
Vehicle Registration Reinstatement Fees	0	0	0	0	0	1,130
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	844,006
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0	648,877

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total				
	Fund		General	Community	Capital					
	General	Debt	Capital	Development/ Industrial Park	Projects Public Improvement					
	Service		Projects							
<u>Other Local Revenues (Cont.)</u>										
<u>Recurring Items (Cont.)</u>										
Lease/Rentals	\$	0	\$	0	\$	0	\$	87,974		
Sale of Materials and Supplies		0		0		0		16,371		
Commissary Sales		0		0		0		18,321		
Sale of Gasoline		0		0		0		109,712		
Sale of Recycled Materials		0		0		0		3,330		
Miscellaneous Refunds		0		0		0		31,353		
<u>Nonrecurring Items</u>										
Sale of Equipment		0		0		0		31,675		
Sale of Property		0		0		0		5,124		
Damages Recovered from Individuals		0		0		0		15,868		
Contributions and Gifts		0		0		0		7,305		
<u>Other Local Revenues</u>										
Other Local Revenues		3,948		0		0		3,948		
Total Other Local Revenues	\$	3,948	\$	0	\$	10,000	\$	0	\$	979,858
<u>Fees Received From County Officials</u>										
<u>Fees In-Lieu-of Salary</u>										
County Clerk	\$	0	\$	0	\$	0	\$	0	\$	193,697
Circuit Court Clerk		0		0		0		0		64,201
General Sessions Court Clerk		0		0		0		0		120,146
Clerk and Master		0		0		0		0		69,020
Register		0		0		0		0		85,740
Sheriff		0		0		0		0		18,752
Trustee		0		0		0		0		356,908
Total Fees Received From County Officials	\$	0	\$	0	\$	0	\$	0	\$	908,464

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total
	Fund		General	Community Development/ Industrial Park	Capital Projects Public Improvement	
	General Debt Service	Capital Projects	General Capital Projects	Community Development/ Industrial Park	Capital Projects Public Improvement	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	82,711
Airport Maintenance Program	0	0	0	0	0	2,165
Aging Programs	0	0	0	0	0	36,065
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	12,000
Other Public Safety Grants	0	7,430	0	0	0	7,430
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	504,319
Litter Program	0	0	0	0	0	11,121
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	1,813
Resort District Sales Tax	0	0	0	0	0	519,446
Vehicle Certificate of Title Fees	0	0	0	0	0	6,766
Alcoholic Beverage Tax	0	0	0	0	0	60,765
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0	80,408
State Revenue Sharing - T.V.A.	0	0	0	0	0	1,945,237
State Revenue Sharing - Telecommunications	0	0	0	0	0	25,551
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	19,089
Contracted Prisoner Boarding	0	0	0	0	0	335,872
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,289,557
Petroleum Special Tax	0	0	0	0	0	10,511
Registrar's Salary Supplement	0	0	0	0	0	11,373
Other State Grants	0	0	0	0	35,924	43,924
Other State Revenues	0	0	0	0	0	152
Total State of Tennessee	\$ 0	\$ 7,430	\$ 0	\$ 0	\$ 35,924	\$ 6,006,275

(Continued)

Exhibit J-5

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

	Debt Service		Capital Projects Funds			Total
	Fund		General	Community Development/ Industrial Park	Capital Projects Public Improvement	
	General Debt Service	Capital Projects				
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,533
Homeland Security Grants	0	0	0	0	0	8,443
American Rescue Plan Act Grant #1	0	0	0	0	0	2,381,116
Other Federal through State	0	0	0	0	0	8,523
<b>Total Federal Government</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>2,404,615</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 165,972	\$ 0	\$ 0	\$ 0	\$ 0	255,943
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	10,467
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	100,940
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 165,972</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>367,350</b>
<b>Total</b>	<b>\$ 850,242</b>	<b>\$ 25,800</b>	<b>\$ 10,000</b>	<b>\$ 35,924</b>	<b>\$ 0</b>	<b>18,446,632</b>

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,731,088	\$ 0	\$ 0	\$ 0	\$ 3,731,088
Trustee's Collections - Prior Year	119,650	0	0	0	119,650
Circuit Clerk/Clerk and Master Collections - Prior Years	63,529	0	0	0	63,529
Interest and Penalty	23,294	0	0	0	23,294
Payments in-Lieu-of Taxes - Other	1,198	0	0	0	1,198
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,472,959	0	0	0	3,472,959
Mixed Drink Tax	5,944	0	0	0	5,944
Total Local Taxes	\$ 7,417,662	\$ 0	\$ 0	\$ 0	\$ 7,417,662
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,064	\$ 0	\$ 0	\$ 0	\$ 1,064
<u>Permits</u>					
Other Permits	477	0	0	0	477
Total Licenses and Permits	\$ 1,541	\$ 0	\$ 0	\$ 0	\$ 1,541
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 213,594	\$ 0	\$ 213,594
Lunch Payments - Adults	0	0	49,836	0	49,836
Income from Breakfast	0	0	5	0	5
A la Carte Sales	0	0	5,079	0	5,079
Receipts from Individual Schools	39,363	0	2,982	0	42,345
Total Charges for Current Services	\$ 39,363	\$ 0	\$ 271,496	\$ 0	\$ 310,859

(Continued)

Exhibit J-6

Benton County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Benton 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	\$ 11,936	\$ 0	\$ 20,106	\$ 0	\$ 32,042
Miscellaneous Refunds	3,813	0	14,933	0	18,746
<u>Nonrecurring Items</u>					
Sale of Equipment	31,080	0	0	0	31,080
Damages Recovered from Individuals	20	0	0	0	20
Contributions and Gifts	45,730	0	0	0	45,730
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	642,364	642,364
Total Other Local Revenues	\$ 92,579	\$ 0	\$ 35,039	\$ 642,364	\$ 769,982
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 41,664	\$ 0	\$ 0	\$ 0	\$ 41,664
<u>State Education Funds</u>					
Basic Education Program	13,278,835	0	0	0	13,278,835
Early Childhood Education	198,518	0	0	0	198,518
School Food Service	0	0	10,852	0	10,852
Other State Education Funds	96,117	0	0	0	96,117
Coordinated School Health	95,000	0	0	0	95,000
Career Ladder Program	33,929	0	0	0	33,929
<u>Other State Revenues</u>					
Other State Grants	338,363	0	0	0	338,363
Safe Schools	44,500	0	0	0	44,500
Total State of Tennessee	\$ 14,126,926	\$ 0	\$ 10,852	\$ 0	\$ 14,137,778

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 738,028	\$ 0	\$ 738,028
USDA - Commodities	0	0	70,950	0	70,950
Breakfast	0	0	405,343	0	405,343
USDA - Other	0	0	116,384	0	116,384
Vocational Education - Basic Grants to States	0	54,216	0	0	54,216
Title I Grants to Local Education Agencies	0	815,952	0	0	815,952
Special Education - Grants to States	0	623,061	0	0	623,061
Special Education Preschool Grants	0	20,800	0	0	20,800
English Language Acquisition Grants	0	1,307	0	0	1,307
Rural Education	0	69,939	0	0	69,939
Eisenhower Professional Development State Grants	0	129,903	0	0	129,903
COVID-19 Grant #4	0	71,250	0	0	71,250
COVID-19 Grant #5	0	164,369	0	0	164,369
COVID-19 Grant B	0	262,125	0	0	262,125
COVID-19 Grant D	0	50,000	0	0	50,000
American Rescue Plan Act Grant #1	0	1,840,537	0	0	1,840,537
American Rescue Plan Act Grant #2	0	72,670	0	0	72,670
American Rescue Plan Act Grant #3	0	8,665	0	0	8,665
Other Federal through State	134,275	223,048	0	0	357,323
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	741,857	0	0	741,857
Total Federal Government	\$ 134,275	\$ 5,149,699	\$ 1,330,705	\$ 0	\$ 6,614,679

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 200,000
Total Other Governments and Citizens Groups	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>
 Total	 <u>\$ 22,012,346</u>	 <u>\$ 5,149,699</u>	 <u>\$ 1,648,092</u>	 <u>\$ 642,364</u>	 <u>\$ 29,452,501</u>

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	29,662	
Social Security		1,839	
Employer Medicare		430	
Audit Services		6,663	
Fiscal Agent Charges		12,500	
Travel		1,778	
In Service/Staff Development		625	
Total County Commission			\$ 53,497

Board of Equalization

Board and Committee Members Fees	\$	1,700	
Social Security		105	
Employer Medicare		25	
Total Board of Equalization			1,830

Other Boards and Committees

Board and Committee Members Fees	\$	2,250	
Social Security		140	
Employer Medicare		33	
Total Other Boards and Committees			2,423

County Mayor/Executive

County Official/Administrative Officer	\$	95,168	
Accountants/Bookkeepers		40,924	
Salary Supplements		474	
Secretary(ies)		51,078	
Clerical Personnel		35,972	
Social Security		13,470	
Pensions		10,501	
Unemployment Compensation		246	
Employer Medicare		3,150	
Advertising		4,612	
Data Processing Services		39,494	
Lease Payments		3,922	
Maintenance Agreements		2,294	
Pauper Burials		4,835	
Postal Charges		15,116	
Printing, Stationery, and Forms		2,060	
Travel		3,962	
Other Contracted Services		1,170	
Data Processing Supplies		100	
Duplicating Supplies		622	
Office Supplies		956	
In Service/Staff Development		1,225	
Other Charges		30,909	
Office Equipment		153	
Total County Mayor/Executive			362,413

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 30,152	
Total County Attorney		\$ 30,152

Election Commission

County Official/Administrative Officer	\$ 69,256	
Deputy(ies)	31,200	
Part-time Personnel	7,852	
Election Commission	3,000	
Election Workers	9,275	
Social Security	6,131	
Pensions	4,713	
Unemployment Compensation	56	
Employer Medicare	1,434	
Advertising	5,865	
Data Processing Services	15,474	
Lease Payments	2,160	
Postal Charges	2,625	
Printing, Stationery, and Forms	10,279	
Travel	66	
Data Processing Supplies	679	
Office Supplies	567	
In Service/Staff Development	1,600	
Other Charges	668	
Furniture and Fixtures	565	
Total Election Commission		173,465

Register of Deeds

County Official/Administrative Officer	\$ 82,396	
Deputy(ies)	73,800	
Social Security	9,204	
Pensions	7,324	
Unemployment Compensation	112	
Employer Medicare	2,152	
Data Processing Services	6,685	
Dues and Memberships	100	
Lease Payments	1,974	
Printing, Stationery, and Forms	64	
Travel	564	
Data Processing Supplies	1,292	
Duplicating Supplies	144	
Office Supplies	103	
Other Supplies and Materials	1,068	
In Service/Staff Development	335	
Other Charges	125	
Total Register of Deeds		187,442

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	34,497	
Salary Supplements		1,000	
Custodial Personnel		53,420	
Part-time Personnel		10,265	
Other Salaries and Wages		19,810	
Social Security		7,172	
Pensions		5,110	
Unemployment Compensation		276	
Employer Medicare		1,677	
Communication		54,362	
Maintenance and Repair Services - Buildings		82,001	
Maintenance and Repair Services - Vehicles		636	
Pest Control		2,711	
Other Contracted Services		10,865	
Custodial Supplies		6,452	
Electricity		70,522	
Gasoline		3,936	
Natural Gas		13,990	
Small Tools		297	
Water and Sewer		11,473	
Other Supplies and Materials		14,018	
Other Charges		12,046	
Communication Equipment		8,136	
Other Equipment		6,602	
Total County Buildings			\$ 431,274

Other General Administration

Dues and Memberships	\$	9,805	
Maintenance Agreements		7,701	
Liability Insurance		220,713	
Workers' Compensation Insurance		75,606	
Total Other General Administration			313,825

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		38,055	
Clerical Personnel		54,844	
Social Security		10,733	
Pensions		8,238	
Unemployment Compensation		195	
Employer Medicare		2,510	
Audit Services		3,750	
Data Processing Services		8,453	
Legal Notices, Recording, and Court Costs		164	
Maintenance Agreements		3,030	
Printing, Stationery, and Forms		93	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Travel	\$	1,066	
Data Processing Supplies		216	
Office Supplies		189	
In Service/Staff Development		175	
Other Charges		496	
Furniture and Fixtures		765	
Total Property Assessor's Office	\$		215,368

Reappraisal Program

Data Processing Services	\$	3,129	
Postal Charges		760	
Total Reappraisal Program			3,889

County Trustee's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		111,240	
Social Security		11,833	
Pensions		9,099	
Unemployment Compensation		168	
Employer Medicare		2,768	
Advertising		809	
Data Processing Services		14,371	
Dues and Memberships		200	
Postal Charges		4,600	
Printing, Stationery, and Forms		5,707	
Travel		1,593	
Data Processing Supplies		1,238	
Duplicating Supplies		276	
Office Supplies		431	
Premiums on Corporate Surety Bonds		10,364	
In Service/Staff Development		705	
Other Charges		98	
Data Processing Equipment		1,900	
Office Equipment		135	
Total County Trustee's Office			259,931

County Clerk's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		164,656	
Social Security		14,947	
Pensions		11,606	
Unemployment Compensation		392	
Employer Medicare		3,496	
Dues and Memberships		100	
Lease Payments		2,507	
Printing, Stationery, and Forms		1,297	
Data Processing Supplies		1,041	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Duplicating Supplies	\$	384	
Office Supplies		1,097	
In Service/Staff Development		300	
Data Processing Equipment		27,850	
Furniture and Fixtures		450	
Office Equipment		396	
Total County Clerk's Office			\$ 312,915

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		137,040	
Jury and Witness Expense		6,225	
Social Security		12,911	
Pensions		10,305	
Unemployment Compensation		243	
Employer Medicare		3,020	
Data Processing Services		16,188	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		150	
Maintenance and Repair Services - Equipment		250	
Printing, Stationery, and Forms		451	
Office Supplies		1,955	
Other Charges		419	
Data Processing Equipment		296	
Other Equipment		1,604	
Total Circuit Court			273,628

General Sessions Judge

Judge(s)	\$	103,929	
Assistant(s)		31,200	
Social Security		8,265	
Pensions		6,342	
Unemployment Compensation		168	
Employer Medicare		1,933	
Data Processing Services		225	
Dues and Memberships		345	
Maintenance Agreements		278	
Travel		1,468	
Office Supplies		250	
In Service/Staff Development		425	
Office Equipment		168	
Total General Sessions Judge			154,996

Chancery Court

County Official/Administrative Officer	\$	82,396
Deputy(ies)		75,880

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	9,680	
Pensions		7,430	
Unemployment Compensation		112	
Employer Medicare		2,264	
Data Processing Services		13,240	
Dues and Memberships		175	
Lease Payments		1,075	
Maintenance and Repair Services - Equipment		250	
Printing, Stationery, and Forms		322	
Data Processing Supplies		223	
Office Supplies		909	
Other Supplies and Materials		14	
Premiums on Corporate Surety Bonds		173	
Other Charges		219	
Data Processing Equipment		268	
Furniture and Fixtures		721	
Other Equipment		1,604	
Total Chancery Court			\$ 196,955

Juvenile Court

Youth Service Officer(s)	\$	31,669	
Social Security		1,964	
Pensions		1,488	
Unemployment Compensation		35	
Employer Medicare		459	
Data Processing Services		3,750	
Other Supplies and Materials		142	
Other Charges		1,420	
Total Juvenile Court			40,927

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,636	
Supervisor/Director		112,813	
Deputy(ies)		401,552	
Investigator(s)		102,273	
Sergeant(s)		186,328	
Accountants/Bookkeepers		60,325	
Paraprofessionals		27,953	
Salary Supplements		17,423	
Dispatchers/Radio Operators		241,270	
Secretary(ies)		29,113	
School Resource Officer		41,448	
Overtime Pay		231,339	
Other Salaries and Wages		24,371	
Social Security		94,764	
Pensions		71,785	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Unemployment Compensation	\$	2,176	
Employer Medicare		22,163	
Communication		27,248	
Data Processing Services		32,739	
Dues and Memberships		1,500	
Lease Payments		2,640	
Maintenance and Repair Services - Equipment		2,424	
Maintenance and Repair Services - Vehicles		42,869	
Postal Charges		960	
Printing, Stationery, and Forms		614	
Towing Services		7,410	
Travel		7,392	
Data Processing Supplies		7,624	
Duplicating Supplies		1,234	
Gasoline		82,285	
Law Enforcement Supplies		8,548	
Office Supplies		1,957	
Tires and Tubes		6,904	
Uniforms		4,206	
Other Supplies and Materials		3,971	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		2,872	
Other Charges		3,753	
Communication Equipment		1,059	
Data Processing Equipment		2,005	
Other Equipment		455	
Total Sheriff's Department			\$ 2,010,451

Administration of the Sexual Offender Registry

Other Charges	\$	1,360	
Total Administration of the Sexual Offender Registry			1,360

Jail

Supervisor/Director	\$	46,493	
Lieutenant(s)		42,719	
Sergeant(s)		160,607	
Guards		546,635	
Cafeteria Personnel		27,960	
Maintenance Personnel		27,622	
Overtime Pay		95,412	
Social Security		57,125	
Pensions		42,743	
Unemployment Compensation		2,084	
Employer Medicare		13,360	
Contracts with Private Agencies		133,920	
Maintenance and Repair Services - Buildings		2,617	
Maintenance and Repair Services - Equipment		5,381	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pest Control	\$	3,551	
Travel		1,664	
Custodial Supplies		18,184	
Drugs and Medical Supplies		10,885	
Duplicating Supplies		350	
Electricity		84,315	
Food Preparation Supplies		4,502	
Food Supplies		163,271	
Gasoline		5,205	
Law Enforcement Supplies		666	
Natural Gas		15,826	
Office Supplies		392	
Prisoners Clothing		1,502	
Uniforms		613	
Water and Sewer		25,463	
Other Supplies and Materials		13,894	
Medical Claims		200,928	
Other Charges		11,631	
Total Jail			\$ 1,767,520

Juvenile Services

Supervisor/Director	\$	14,420	
Probation Officer(s)		13,610	
Youth Service Officer(s)		38,657	
Social Security		4,103	
Pensions		3,134	
Unemployment Compensation		127	
Employer Medicare		960	
Dues and Memberships		120	
Travel		2,251	
In Service/Staff Development		300	
Total Juvenile Services			77,682

Fire Prevention and Control

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

Rural Fire Protection

Contributions	\$	183,000	
Total Rural Fire Protection			183,000

Rescue Squad

Contributions	\$	16,500	
Total Rescue Squad			16,500

Other Emergency Management

Supervisor/Director	\$	28,539	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Social Security	\$	1,769	
Unemployment Compensation		56	
Employer Medicare		414	
Communication		11,163	
Dues and Memberships		55	
Maintenance Agreements		445	
Maintenance and Repair Services - Vehicles		1,223	
Travel		689	
Other Contracted Services		2,250	
Data Processing Supplies		99	
Gasoline		2,750	
Other Supplies and Materials		2,963	
In Service/Staff Development		450	
Other Charges		927	
Communication Equipment		2,888	
Other Equipment		5,953	
Total Other Emergency Management			\$ 62,633

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	59,775	
Social Security		3,384	
Employer Medicare		791	
Contracts with Government Agencies		32,546	
Other Supplies and Materials		37	
Total County Coroner/Medical Examiner			96,533

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	12,744	
Social Security		790	
Unemployment Compensation		56	
Employer Medicare		185	
Communication		1,454	
Contracts with Government Agencies		14,896	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		262	
Pest Control		416	
Custodial Supplies		572	
Drugs and Medical Supplies		682	
Office Supplies		72	
Utilities		8,637	
Other Supplies and Materials		1,198	
Other Charges		718	
Total Local Health Center			43,057

Rabies and Animal Control

Assistant(s)	\$	25,326	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Supervisor/Director	\$	28,632	
Part-time Personnel		38,051	
Social Security		5,696	
Pensions		2,559	
Unemployment Compensation		358	
Employer Medicare		1,332	
Data Processing Services		2,750	
Maintenance and Repair Services - Buildings		713	
Maintenance and Repair Services - Vehicles		2,292	
Veterinary Services		21,530	
Other Contracted Services		485	
Animal Food and Supplies		3,915	
Custodial Supplies		305	
Gasoline		1,418	
Office Supplies		157	
Uniforms		215	
Utilities		13,251	
Other Supplies and Materials		659	
Other Charges		799	
Data Processing Equipment		560	
Other Equipment		206	
Total Rabies and Animal Control			\$ 151,209

Ambulance/Emergency Medical Services

Contributions	\$	582,000	
Total Ambulance/Emergency Medical Services			582,000

Alcohol and Drug Programs

Contributions	\$	2,250	
Total Alcohol and Drug Programs			2,250

Sanitation Management

Laborers	\$	9,969	
Social Security		618	
Pensions		158	
Unemployment Compensation		55	
Employer Medicare		145	
Other Contracted Services		32,656	
Utilities		2,008	
Other Supplies and Materials		300	
Total Sanitation Management			45,909

Sanitation Education/Information

Laborers	\$	3,932	
Social Security		244	
Unemployment Compensation		15	
Employer Medicare		57	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Maintenance and Repair Services - Vehicles	\$	24	
Gasoline		953	
Instructional Supplies and Materials		5,077	
Other Supplies and Materials		1,553	
Other Charges		1,603	
Total Sanitation Education/Information			\$ 13,458

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	34,488	
Deputy(ies)		33,280	
Social Workers		27,040	
Other Salaries and Wages		20,952	
Social Security		6,562	
Pensions		4,447	
Unemployment Compensation		274	
Employer Medicare		1,535	
Contracts with Other Public Agencies		5,190	
Lease Payments		751	
Licenses		810	
Maintenance and Repair Services - Buildings		208	
Travel		6,622	
Custodial Supplies		863	
Food Supplies		2,379	
Office Supplies		823	
Other Supplies and Materials		2,652	
Other Charges		8,643	
Furniture and Fixtures		2,866	
Total Senior Citizens Assistance			160,385

Libraries

Librarians	\$	163,445	
Part-time Personnel		38,584	
Social Security		11,582	
Pensions		7,675	
Unemployment Compensation		446	
Employer Medicare		2,709	
Communication		8,938	
Dues and Memberships		225	
Lease Payments		3,300	
Maintenance Agreements		8,244	
Travel		925	
Custodial Supplies		862	
Office Supplies		1,474	
Utilities		22,490	
Other Supplies and Materials		2,132	
In Service/Staff Development		20	
Other Charges		696	
Total Libraries			273,747

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Other Salaries and Wages	\$	3,381	
Social Security		210	
Unemployment Compensation		27	
Employer Medicare		49	
Maintenance and Repair Services - Buildings		19	
Custodial Supplies		662	
Electricity		3,718	
Gasoline		199	
Other Charges		60	
Total Parks and Fair Boards			\$ 8,325

Other Social, Cultural, and Recreational

Data Processing Equipment	\$	16,950	
Total Other Social, Cultural, and Recreational			16,950

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	66,290	
Dues and Memberships		180	
Lease Payments		840	
Travel		789	
Custodial Supplies		108	
Office Supplies		349	
Data Processing Equipment		1,000	
Total Agricultural Extension Service			69,556

Soil Conservation

Contributions	\$	10,000	
Total Soil Conservation			10,000

Other Operations

Tourism

Contributions	\$	28,000	
Total Tourism			28,000

Industrial Development

Data Processing Services	\$	1,000	
Total Industrial Development			1,000

Other Economic and Community Development

Supervisor/Director	\$	52,000	
Social Security		3,161	
Pensions		2,444	
Unemployment Compensation		56	
Employer Medicare		739	
Rentals		2,400	
Travel		2,776	
Total Other Economic and Community Development			63,576

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Supervisor/Director	\$	28,000	
Maintenance Personnel		5,385	
Social Security		1,674	
Pensions		1,316	
Unemployment Compensation		56	
Employer Medicare		391	
Bank Charges		360	
Data Processing Services		1,200	
Maintenance Agreements		1,675	
Maintenance and Repair Services - Buildings		3,168	
Maintenance and Repair Services - Equipment		5,889	
Maintenance and Repair Services - Vehicles		190	
Other Contracted Services		276	
Custodial Supplies		481	
Equipment and Machinery Parts		610	
Gasoline		37,694	
Office Supplies		169	
Utilities		14,102	
Other Supplies and Materials		3,705	
Other Charges		8,275	
Maintenance Equipment		228	
Site Development		900	
Total Airport			\$ 115,744

Veterans' Services

Supervisor/Director	\$	15,499	
Part-time Personnel		10,208	
Social Security		1,594	
Pensions		728	
Unemployment Compensation		60	
Employer Medicare		373	
Printing, Stationery, and Forms		242	
Travel		1,305	
Other Contracted Services		449	
Office Supplies		579	
Data Processing Equipment		110	
Furniture and Fixtures		216	
Total Veterans' Services			31,363

Other Charges

Maintenance and Repair Services - Vehicles	\$	15,508	
Electricity		3,285	
Trustee's Commission		145,880	
Data Processing Equipment		18,733	
Total Other Charges			183,406

(Continued)

Exhibit J-7

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

<u>General Fund (Cont.)</u>			
<u>Other Operations (Cont.)</u>			
<u>Contributions to Other Agencies</u>			
Contributions	\$ 103,041		
Total Contributions to Other Agencies		\$	103,041
 <u>Employee Benefits</u>			
Handling Charges and Administrative Costs	\$ 207		
Medical Insurance	438,326		
Other Fringe Benefits	143,995		
Total Employee Benefits			582,528
 <u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$ 200,000		
Total Education Capital Projects			200,000
Total General Fund		\$	9,918,113
 <u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Dues and Memberships	\$ 520		
Maintenance and Repair Services - Vehicles	2,562		
Veterinary Services	876		
Animal Food and Supplies	2,744		
Gasoline	14,150		
Instructional Supplies and Materials	592		
Law Enforcement Supplies	2,650		
Other Charges	2,801		
Total Drug Enforcement		\$	26,895
 <u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 249		
Total Other Charges			249
Total Drug Control Fund			27,144
 <u>Other General Government Fund</u>			
<u>Other Operations</u>			
<u>American Rescue Plan Act Grant #1</u>			
Consultants	\$ 43,000		
Total American Rescue Plan Act Grant #1		\$	43,000
Total Other General Government Fund			43,000

(Continued)

Exhibit J-7

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

Other Special Revenue Fund

Other Operations

Tourism

Contributions	\$ 213,803	
Total Tourism		\$ 213,803

Other Charges

Trustee's Commission	\$ 2,591	
Total Other Charges		<u>2,591</u>

Total Other Special Revenue Fund		\$ 216,394
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Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 2,610	
Total Chancery Court		<u>\$ 2,610</u>

Total Constitutional Officers - Fees Fund		2,610
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 90,636	
Accountants/Bookkeepers	41,954	
Secretary(ies)	41,954	
Other Salaries and Wages	4,454	
Advertising	210	
Communication	4,959	
Data Processing Services	9,491	
Dues and Memberships	3,186	
Maintenance and Repair Services - Office Equipment	749	
Pest Control	168	
Postal Charges	491	
Printing, Stationery, and Forms	1,051	
Travel	2,062	
Electricity	10,552	
Natural Gas	1,982	
Office Supplies	879	
Water and Sewer	1,661	
Other Supplies and Materials	169	
In Service/Staff Development	505	
Data Processing Equipment	4,974	
Office Equipment	<u>62</u>	
Total Administration		\$ 222,149

Highway and Bridge Maintenance

Equipment Operators	\$ 291,552
Truck Drivers	541,938
Laborers	21,944

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Salaries and Wages	\$	17,156	
Medical and Dental Services		1,930	
Other Contracted Services		19,736	
Asphalt		549,834	
Concrete		3,260	
Crushed Stone		235,521	
Pipe - Metal		59,310	
Road Signs		12,834	
Wood Products		673	
Other Supplies and Materials		446	
Other Charges		251	
Other Equipment		3,404	
Total Highway and Bridge Maintenance			\$ 1,759,789

Operation and Maintenance of Equipment

Mechanic(s)	\$	88,352	
Diesel Fuel		158,120	
Equipment and Machinery Parts		81,494	
Garage Supplies		24	
Gasoline		54,759	
Lubricants		7,539	
Small Tools		860	
Tires and Tubes		12,138	
Other Supplies and Materials		2,776	
Other Charges		1,427	
Total Operation and Maintenance of Equipment			407,489

Other Charges

Trustee's Commission	\$	30,525	
Workers' Compensation Insurance		49,709	
Total Other Charges			80,234

Employee Benefits

Social Security	\$	86,776	
Pensions		68,626	
Employee and Dependent Insurance		224,513	
Unemployment Compensation		5,495	
Total Employee Benefits			385,410

Capital Outlay

Engineering Services	\$	12,683	
Bridge Construction		455,344	
Highway Equipment		276,494	
Total Capital Outlay			744,521

Total Highway/Public Works Fund \$ 3,599,592

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$	225,000	
Principal on Notes		<u>245,000</u>	
Total General Government			\$ 470,000
<u>Education</u>			
Principal on Notes	\$	186,000	
Principal on Other Loans		<u>121,560</u>	
Total Education			307,560
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	60,963	
Interest on Notes		<u>73,835</u>	
Total General Government			134,798
<u>Education</u>			
Interest on Notes	\$	35,977	
Interest on Other Loans		<u>26,424</u>	
Total Education			62,401
<u>Other Debt Service</u>			
<u>General Government</u>			
Bank Charges	\$	2,100	
Trustee's Commission		<u>6,039</u>	
Total General Government			8,139
<u>Education</u>			
Bank Charges	\$	<u>750</u>	
Total Education			<u>750</u>
Total General Debt Service Fund			\$ 983,648
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Engineering Services	\$	7,654	
Trustee's Commission		369	
Heating and Air Conditioning Equipment		38,796	
Site Development		398,093	
Building Purchases		<u>265,000</u>	
Total General Administration Projects			\$ 709,912
<u>Public Safety Projects</u>			
Law Enforcement Equipment	\$	12,012	
Motor Vehicles		<u>85,656</u>	
Total Public Safety Projects			97,668

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Health and Welfare Projects</u>			
Consultants	\$	1,000	
Total Public Health and Welfare Projects			\$ 1,000
Total General Capital Projects Fund			\$ 808,580
<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	100	
Total Other Charges			\$ 100
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Engineering Services	\$	25,742	
Maintenance Agreements		27,584	
Total General Administration Projects			53,326
<u>Public Safety Projects</u>			
Engineering Services	\$	8,404	
Total Public Safety Projects			8,404
Total Community Development/Industrial Park Fund			61,830
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Gasoline	\$	23,899	
Other Charges		6,478	
Total General Administration Projects			\$ 30,377
Total Other Capital Projects Fund			30,377
Total Governmental Funds - Primary Government			<u>\$ 15,691,288</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,473,146	
Career Ladder Program	12,550	
Career Ladder Extended Contracts	11,550	
Homebound Teachers	3,060	
Clerical Personnel	43,061	
Educational Assistants	273,023	
Other Salaries and Wages	29,237	
Social Security	405,552	
Pensions	562,294	
Medical Insurance	1,330,279	
Employer Medicare	94,858	
Communication	449	
Contracts for Substitute Teachers - Non-certified	260,286	
Other Contracted Services	151,538	
Instructional Supplies and Materials	109,184	
Textbooks - Bound	283,538	
Fee Waivers	3,453	
Other Charges	4,313	
Regular Instruction Equipment	38,341	
Total Regular Instruction Program		\$ 10,089,712

Special Education Program

Teachers	\$ 676,154	
Career Ladder Program	1,000	
Homebound Teachers	2,130	
Educational Assistants	23,188	
Speech Pathologist	105,994	
Social Security	46,841	
Pensions	68,560	
Medical Insurance	180,561	
Unemployment Compensation	400	
Employer Medicare	10,955	
Communication	1,150	
Contracts for Substitute Teachers - Non-certified	94,010	
Other Contracted Services	51,077	
Total Special Education Program		1,262,020

Career and Technical Education Program

Teachers	\$ 390,543
Social Security	23,843
Pensions	34,383
Medical Insurance	66,898
Unemployment Compensation	300
Employer Medicare	5,576
Maintenance and Repair Services - Equipment	500
Contracts for Substitute Teachers - Non-certified	22,402

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Instructional Supplies and Materials	\$	1,841	
Vocational Instruction Equipment		35,697	
Total Career and Technical Education Program			\$ 581,983

Support Services

Attendance

Supervisor/Director	\$	72,564	
Social Security		4,465	
Pensions		6,306	
Medical Insurance		8,068	
Unemployment Compensation		62	
Employer Medicare		1,044	
Travel		843	
In Service/Staff Development		200	
Total Attendance			93,552

Health Services

Supervisor/Director	\$	41,402	
Medical Personnel		193,455	
Paraprofessionals		14,870	
Social Security		15,066	
Pensions		19,243	
Medical Insurance		60,841	
Unemployment Compensation		434	
Employer Medicare		3,523	
Maintenance and Repair Services - Equipment		300	
Postal Charges		500	
Travel		6,942	
Other Contracted Services		1,470	
Drugs and Medical Supplies		1,652	
Instructional Supplies and Materials		6,557	
In Service/Staff Development		2,364	
Health Equipment		13,347	
Total Health Services			381,966

Other Student Support

Guidance Personnel	\$	213,436	
School Resource Officer		76,749	
Other Salaries and Wages		27,100	
Social Security		13,034	
Pensions		18,547	
Medical Insurance		33,616	
Unemployment Compensation		310	
Employer Medicare		3,441	
Evaluation and Testing		10,407	
Travel		5,538	
Other Charges		771	
Total Other Student Support			402,949

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	189,825	
Career Ladder Program		9,300	
Librarians		270,240	
Other Salaries and Wages		94,613	
Social Security		31,440	
Pensions		44,645	
Medical Insurance		90,003	
Employer Medicare		7,921	
Travel		3,398	
Library Books/Media		29,557	
In Service/Staff Development		9,136	
Total Regular Instruction Program			\$ 780,078

Special Education Program

Supervisor/Director	\$	72,075	
Psychological Personnel		62,000	
Clerical Personnel		15,000	
Social Security		8,950	
Pensions		12,593	
Medical Insurance		12,102	
Unemployment Compensation		93	
Employer Medicare		2,093	
Travel		2,103	
Total Special Education Program			187,009

Career and Technical Education Program

Supervisor/Director	\$	79,035	
Career Ladder Program		1,000	
Secretary(ies)		20,100	
Social Security		6,130	
Pensions		8,217	
Medical Insurance		16,843	
Unemployment Compensation		124	
Employer Medicare		1,434	
Travel		700	
Total Career and Technical Education Program			133,583

Technology

Supervisor/Director	\$	62,000
Computer Programmer(s)		119,262
Social Security		10,732
Pensions		14,257
Medical Insurance		30,009
Employer Medicare		2,510
Communication		1,120
Internet Connectivity		29,392

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Travel	\$	2,921	
Other Contracted Services		32,877	
Software		14,424	
Other Supplies and Materials		4,939	
Other Equipment		31,568	
Total Technology			\$ 356,011

Other Programs

On-behalf Payments to OPEB	\$	41,664	
Total Other Programs			41,664

Board of Education

Secretary to Board	\$	1,200	
Board and Committee Members Fees		16,620	
Social Security		1,105	
Pensions		75	
Employer Medicare		258	
Audit Services		23,830	
Dues and Memberships		7,959	
Legal Services		8,020	
Travel		2,582	
Building and Contents Insurance		143,808	
Trustee's Commission		148,216	
Workers' Compensation Insurance		61,661	
In Service/Staff Development		2,631	
Criminal Investigation of Applicants - TBI		1,671	
Refund to Applicant for Criminal Investigation		111	
Other Charges		7,622	
Total Board of Education			427,369

Director of Schools

County Official/Administrative Officer	\$	102,557	
Career Ladder Program		1,000	
Other Salaries and Wages		6,000	
Social Security		6,691	
Pensions		9,521	
Life Insurance		967	
Medical Insurance		9,024	
Unemployment Compensation		62	
Employer Medicare		1,565	
Communication		892	
Dues and Memberships		2,181	
Maintenance and Repair Services - Equipment		8,423	
Postal Charges		580	
Travel		4,207	
Other Charges		14,919	
Total Director of Schools			168,589

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	422,263	
Career Ladder Program		7,000	
Assistant Principals		273,144	
Secretary(ies)		133,000	
Social Security		49,589	
Pensions		69,392	
Medical Insurance		156,167	
Unemployment Compensation		93	
Employer Medicare		11,598	
Communication		8,647	
Postal Charges		2,172	
Total Office of the Principal			\$ 1,133,065

Fiscal Services

Accountants/Bookkeepers	\$	42,000	
Clerical Personnel		94,000	
Social Security		7,924	
Pensions		8,541	
Medical Insurance		36,333	
Employer Medicare		1,853	
Data Processing Services		23,206	
Office Supplies		1,146	
Total Fiscal Services			215,003

Operation of Plant

Custodial Personnel	\$	332,409	
Social Security		20,225	
Pensions		16,784	
Medical Insurance		151,016	
Employer Medicare		4,730	
Janitorial Services		13,406	
Pest Control		1,053	
Disposal Fees		13,929	
Permits		290	
Contracts for Substitute Teachers - Non-certified		329	
Custodial Supplies		101,191	
Electricity		544,048	
Natural Gas		95,645	
Water and Sewer		84,962	
Other Charges		19,092	
Plant Operation Equipment		15,739	
Total Operation of Plant			1,414,848

Maintenance of Plant

Supervisor/Director	\$	41,600	
Maintenance Personnel		256,544	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	18,081	
Pensions		17,917	
Medical Insurance		92,809	
Employer Medicare		4,229	
Communication		299	
Maintenance and Repair Services - Equipment		33,816	
Maintenance and Repair Services - Vehicles		1,095	
Other Contracted Services		24,255	
Equipment and Machinery Parts		22,869	
Gasoline		13,758	
Other Supplies and Materials		64,250	
Maintenance Equipment		16,304	
Total Maintenance of Plant			\$ 607,826

Transportation

Bus Drivers	\$	71,854	
Social Security		4,364	
Pensions		2,907	
Medical Insurance		13,660	
Employer Medicare		1,021	
Other Fringe Benefits		2,804	
Communication		384	
Contracts with Vehicle Owners		842,207	
Maintenance and Repair Services - Vehicles		30,029	
Travel		772	
Other Contracted Services		5,754	
Diesel Fuel		46,440	
Other Charges		11,248	
Total Transportation			1,033,444

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	2,320	
Cafeteria Personnel		6,720	
Social Security		560	
Pensions		568	
Medical Insurance		54,270	
Employer Medicare		131	
Total Food Service			64,569

Community Services

Contributions	\$	6,000	
Total Community Services			6,000

Early Childhood Education

Teachers	\$	94,127	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	58,252	
Social Security		8,771	
Pensions		11,969	
Medical Insurance		54,213	
Unemployment Compensation		496	
Employer Medicare		2,051	
Contracts for Substitute Teachers - Non-certified		562	
Instructional Supplies and Materials		3,896	
Other Charges		806	
Regular Instruction Equipment		2,798	
Total Early Childhood Education	\$		237,941

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	100,021	
Building Improvements		415,555	
Heating and Air Conditioning Equipment		12,210	
Site Development		1,586,925	
Total Regular Capital Outlay			2,114,711

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	165,972	
Total Education			165,972

Total General Purpose School Fund \$ 21,899,864

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	537,901	
Educational Assistants		115,077	
Other Salaries and Wages		37,290	
Social Security		40,230	
Pensions		53,207	
Medical Insurance		171,938	
Unemployment Compensation		240	
Employer Medicare		9,408	
Contracts for Substitute Teachers - Non-certified		7,390	
Other Contracted Services		144,202	
Instructional Supplies and Materials		37,351	
Textbooks - Bound		167,683	
Regular Instruction Equipment		618,280	
Total Regular Instruction Program	\$		1,940,197

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	46,089	
Educational Assistants		268,372	
Social Security		18,556	
Pensions		18,710	
Medical Insurance		179,300	
Unemployment Compensation		264	
Employer Medicare		4,340	
Contracts for Substitute Teachers - Non-certified		14,812	
Other Contracted Services		17,383	
Instructional Supplies and Materials		43,951	
Other Supplies and Materials		7,377	
Special Education Equipment		25,521	
Total Special Education Program			\$ 644,675

Career and Technical Education Program

Instructional Supplies and Materials	\$	2,600	
Vocational Instruction Equipment		34,536	
Total Career and Technical Education Program			37,136

Support Services

Attendance

Data Processing Services	\$	3,842	
Total Attendance			3,842

Health Services

Supervisor/Director	\$	44,789	
Social Workers		33,542	
Social Security		4,563	
Pensions		4,919	
Medical Insurance		18,490	
Employer Medicare		1,067	
Communication		1,554	
Other Contracted Services		12,000	
Drugs and Medical Supplies		13,958	
Health Equipment		44,267	
Other Equipment		31,478	
Total Health Services			210,627

Other Student Support

Psychological Personnel	\$	12,182	
Social Workers		16,364	
Other Salaries and Wages		58,945	
Social Security		5,199	
Pensions		7,133	
Medical Insurance		15,203	
Employer Medicare		1,216	

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Other Student Support (Cont.)</u>		
Communication	\$	225
Postal Charges		540
Travel		11,498
Other Contracted Services		18,310
Other Supplies and Materials		25,436
In Service/Staff Development		13,230
Total Other Student Support	\$	185,481
<u>Regular Instruction Program</u>		
Supervisor/Director	\$	72,635
Other Salaries and Wages		111,594
Social Security		9,955
Pensions		14,324
Medical Insurance		18,490
Unemployment Compensation		36
Employer Medicare		2,741
Lease Payments		13,918
Travel		1,626
Other Contracted Services		111,250
Other Supplies and Materials		964
In Service/Staff Development		155,191
Other Equipment		19,223
Total Regular Instruction Program		531,947
<u>Special Education Program</u>		
Evaluation and Testing	\$	9,404
Postal Charges		500
Travel		441
Other Contracted Services		6,917
Other Supplies and Materials		1,378
In Service/Staff Development		3,777
Other Charges		380
Other Equipment		39,250
Total Special Education Program		62,047
<u>Career and Technical Education Program</u>		
In Service/Staff Development	\$	750
Total Career and Technical Education Program		750
<u>Technology</u>		
Instructional Computer Personnel	\$	29,167
Social Security		1,808
Pensions		916
Medical Insurance		8,068
Employer Medicare		423
Total Technology		40,382

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Other Supplies and Materials	\$	14,784	
Administration Equipment		8,970	
Total Maintenance of Plant			\$ 23,754

Transportation

Bus Drivers	\$	43,270	
Other Salaries and Wages		100	
Social Security		2,651	
Pensions		2,842	
Medical Insurance		17,092	
Unemployment Compensation		24	
Employer Medicare		620	
Contracts with Vehicle Owners		5,720	
Gasoline		2,408	
Software		6,750	
Total Transportation			81,477

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	70,464	
Other Salaries and Wages		4,500	
Social Security		4,516	
Pensions		6,506	
Medical Insurance		8,068	
Unemployment Compensation		12	
Employer Medicare		1,058	
Communication		23,386	
Travel		590	
Other Contracted Services		47,691	
Instructional Supplies and Materials		80,426	
Library Books/Media		20,533	
Office Supplies		675	
Other Supplies and Materials		42,379	
In Service/Staff Development		35,184	
Other Charges		18,849	
Total Community Services			364,837

Capital Outlay

Regular Capital Outlay

Building Construction	\$	298,000	
Building Improvements		179,760	
Land		179,936	
Total Regular Capital Outlay			657,696

Total School Federal Projects Fund \$ 4,784,848

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	416,887	
Social Security		24,426	
Pensions		23,494	
Medical Insurance		195,547	
Unemployment Compensation		250	
Employer Medicare		5,713	
Laundry Service		487	
Maintenance and Repair Services - Equipment		19,998	
Postal Charges		50	
Travel		1,366	
Contracts for Substitute Teachers - Non-certified		21,867	
Other Contracted Services		10,138	
Food Preparation Supplies		61,971	
Food Supplies		688,854	
Office Supplies		4,758	
USDA - Commodities		70,950	
In Service/Staff Development		2,687	
Other Charges		814	
Food Service Equipment		115,148	
Total Food Service			\$ 1,665,405

Total Central Cafeteria Fund \$ 1,665,405

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	549,110	
Total Community Services			\$ 549,110

Total Internal School Fund 549,110

Total Governmental Funds - Benton County School Department \$ 28,899,227

# 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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Benton County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 6, 2023. Our report includes references to other auditors who audited the financial statements of the Benton County Electric System (enterprise fund) and the Internal School Fund of the Benton County School Department (a discretely presented component unit) as described in our report on Benton County's financial statements. This report does not include the results of the other auditors' 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 Benton County's internal control over financial reporting (internal control) as a basis for determining 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 Benton County's internal control. Accordingly, we do not express an opinion on the effectiveness of Benton County's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2023-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2023-004.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Benton 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-002 and 2023-003.

## **Benton County's Responses to the Findings**

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

## Purpose of this Report

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

December 6, 2023

JEM/gc



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

Benton County Mayor and  
Board of County Commissioners  
Benton 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 Benton County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Benton County's major federal programs for the year ended June 30, 2023. Benton 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, Benton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Benton 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 Benton County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Benton County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Benton 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 Benton 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 Benton 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 Benton 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 Benton County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Benton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Benton County's basic financial statements. We issued our report thereon dated December 6, 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

December 6, 2023

JEM/gc

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 405,343
National School Lunch Program	10.555	N/A	851,277 (7)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,135
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	70,950 (7)
Direct Program:			
Distance Learning and Telemedicine Loans and Grants	10.855	N/A	<u>376,336</u>
Total U.S. Department of Agriculture			<u>\$ 1,707,041</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (4)			
State and Community Highway Safety	20.600	(5)	<u>\$ 7,430</u>
Total U.S. Department of Transportation			<u>\$ 7,430</u>
U.S. Department of the Treasury:			
Direct Program:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	<u>\$ 2,381,116</u>
Total U.S. Department of the Treasury			<u>\$ 2,381,116</u>
U.S. National Foundation on the Arts and the Humanities:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30501-00123-03	<u>\$ 8,523</u>
Total U.S. National Foundation on the Arts and the Humanities			<u>\$ 8,523</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 815,952
Special Education Cluster: (4)			
Special Education Grants to States	84.027	N/A	635,041 (7)
COVID 19 - Special Education Grants to States	84.027X	N/A	72,670 (7)
Special Education Preschool Grants	84.173	N/A	20,800 (7)
COVID 19 - Special Education Preschool Grants	84.173X	N/A	8,665 (7)
Career and Technical Education -- Basic Grants to States	84.048	N/A	54,216
Rural Education	84.358	N/A	69,939
Supporting Effective Instruction State Grants	84.367	N/A	129,903
Student Support and Academic Enrichment Program	84.424	N/A	13,850
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - (ESSER GEER)	84.425C	N/A	50,000 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - (ESSER II)	84.425D	N/A	479,516 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - (ESSER ARP)	84.425U	N/A	1,832,967 (7)
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	N/A	55,514
Direct Program:			
Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215	N/A	361,981
Passed-through Trenton Special School District:			
English Language Acquisition State Grants	84.365	N/A	<u>1,307</u>
Total U.S. Department of Education			<u>\$ 4,602,321</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	(6)	\$ 150
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	(6)	2,900
Aging Cluster: (4)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(6)	33,015
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	N/A	169,527
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	39,672
COVID 19 - Temporary Assistance for Needy Families	93.558	N/A	78,761
Total U.S. Department of Health and Human Services			<u>\$ 324,025</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(6)	\$ 6,533
Homeland Security Grant Program	97.067	34101-22521	8,443
Total U.S. Department of Homeland Security			<u>\$ 14,976</u>
Total Expenditures of Federal Grants			<u>\$ 9,045,432</u>

<u>State Grants</u>		<u>Contract Number</u>	
TCAD Grant - State Commission on Aging and Disability	N/A	(6)	\$ 8,000
Juvenile Custody Prevention - State Department of Children's Services	N/A	(6)	73,711
Coordinated School Health - State Department of Education	N/A	(6)	95,000
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	(6)	39,813
COVID 19 - Summer Learning Camps Grant - State Department of Education	N/A	(6)	137,201
Early Childhood Education - State Department of Education	N/A	(6)	198,518
Safe Schools - State Department of Education	N/A	(6)	44,500
School Resource Officer Grant - State Department of Education	N/A	(6)	59,349
Tourism Enhancement Grant - State Department of Tourist Development	N/A	(6)	35,924
Airport Maintenance Grant - State Department of Transportation	N/A	(6)	2,165
Litter Program - State Department of Transportation	N/A	(6)	11,121
Opioid Settlement Funds - Tennessee Abatement Council	N/A	(6)	80,408
Juvenile Justice State Supplement - Tennessee Commission on Children and Youth	N/A	(6)	9,000
Supporting Postsecondary Access in Rural Counties (SPARC) - Tennessee Higher Education Commission	N/A	33201-05320	102,000
Total State Grants			<u>\$ 896,710</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) Benton 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) Child Nutrition Cluster total \$1,327,570; Highway Safety Cluster total \$7,430; Special Education Cluster total \$737,176; Aging Cluster total \$33,015.
- (5) Z22THS019: \$5,943; Z23THS021: \$1,487.
- (6) Information not available.
- (7) Total for FAL No. 10.555 is \$922,227; Total for FAL No. 84.027 is \$707,711; Total for FAL No. 84.173 is \$29,465; Total for FAL No. 84.425 is \$2,362,483.

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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Benton County, Tennessee, for the year ended June 30, 2023.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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**OFFICE OF COUNTY MAYOR**

2022	232	2022-001	Deficiencies were noted in the accrual and payment of compensatory time.	N/A	Corrected
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***Prior-year Federal Awards Findings***

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

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**BENTON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2023**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Benton County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **YES**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

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

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed the findings and recommendations with management to provide an opportunity for their response. Written responses for the findings are paraphrased and presented below. 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 COUNTY MAYOR**

#### **FINDING 2023-001**

#### **THE GENERAL AND GENERAL DEBT SERVICE FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the General and General Debt Service Funds were not materially correct, and audit adjustments for accounts receivable, related deferred revenues, accounts payable, and restricted accounts totaling \$390,855 and \$760,007, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Benton County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

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

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

We concur with the finding. Accruals will be reviewed at year-end to ensure that accurate estimates of accounts receivable, deferred revenues, accounts payable, and restricted accounts have been made.

FINDING 2023-002

**EXPENSES FOR A HIGH SCHOOL SPORTS FIELD PAID FROM THE GENERAL FUND ARE OF QUESTIONABLE LEGALITY**

(Noncompliance Under *Government Auditing Standards*)

During the year, expenses for a high school sports field totaling \$200,000 were paid from the General Fund. The state attorney general has opined in Opinion No. 92-03 that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purpose levy as a levy for all county purposes, except roads, bridges, and schools. Also, in *Kennedy v. Montgomery County*, the court, in passing upon the legality of the use of county tax funds for a purpose other than that for which the tax was levied and collected states "...the taxpayers of every county have the right to know for what purpose they are being taxed, and also to know that taxes collected from them for any specific purpose are applied to such purpose." Therefore, we question the legality of using General Fund monies to pay for expenses of the school department.

RECOMMENDATION

General Fund monies should not be used to pay school department expenses.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. Only proper expenses will be paid from the General Fund.

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FINDING 2023-003

**ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023**

(Noncompliance Under *Government Auditing Standards*)

Accounting records, including the capital asset accounting records, were not closed and available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accounting records and the capital asset accounting records were closed and made available to auditors on October 12, 2023, and November 3, 2023, respectively. The failure to properly maintain and close accounting and subsidiary records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency exists due to a lack of management oversight and the failure to follow state statutes.

RECOMMENDATION

Management should ensure all accounting records for the fiscal year ended June 30 are available for audit by the following August 31, as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. Accounting records will be closed and available for audit by August 31st.

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FINDING 2023-004

**THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 98 disbursements totaling \$1,009,450 from a population of 2,570 vendor checks totaling \$10,494,119. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls and sound business practices.

- A. In fourteen of 84 applicable instances, purchase orders were not issued properly. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. In seven of nine instances, penalties were assessed from the late payment of fuel invoices ranging from \$199 to \$1,000. The payment of penalties increases the costs of goods and services and results in the unnecessary expenditure of county funds.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, purchase orders should be issued for all applicable purchases before purchases are made. Invoices should be processed in a timely fashion to avoid penalties.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. We will attempt to issue purchase orders for all applicable purchases before the purchases are made. All departments will be reminded to submit their invoices to the mayor's office for timely payment.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2023.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

2023-001	The General and General Debt Service funds required material audit adjustments for proper financial statement presentation.	230
2023-002	Expenses for a high school sports field paid from the General Fund are of questionable legality.	231
2023-003	Accounting records were not closed and available for audit by August 31, 2023.	232
2023-004	The office had deficiencies in purchasing procedures.	233



**Office of the Benton County Mayor**  
**BENTON COUNTY TENNESSEE**  
**Mark Ward, Mayor**

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**Corrective Action Plan**

**FINDING**

**THE GENERAL AND GENERAL DEBT SERVICE FUNDS  
REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR  
PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by:**  
Mark Ward, County Mayor

**Person Responsible for Implementing the Corrective Action:**  
Mark Ward, County Mayor

**Anticipated Completion Date of Corrective Action:**  
June 30, 2024

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Accruals will be reviewed at year-end to ensure that accurate estimates of accounts receivables, deferred revenues, accounts payables, and restricted accounts have been made.

*Mark Ward*  
11/27/23



***Office of the Benton County Mayor***  
**BENTON COUNTY TENNESSEE**  
**Mark Ward, Mayor**

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**Corrective Action Plan**

**FINDING**

**EXPENSES FOR A HIGH SCHOOL SPORTS FIELD PAID FROM THE GENERAL FUND ARE OF QUESTIONABLE LEGALITY**

**Response and Corrective Action Plan Prepared by:**

Mark Ward, County Mayor

**Person Responsible for Implementing the Corrective Action:**

Mark Ward, County Mayor

**Anticipated Completion Date of Corrective Action:**

Immediately

**Repeat Finding:**


No

**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

We will review the attorney general's opinion. Only proper expenses will be paid from the General Fund going forward.

  
11/27/23



*Office of the Benton County Mayor*

**BENTON COUNTY TENNESSEE**

**Mark Ward, Mayor**

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*Corrective Action Plan*

FINDING

**ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023**

**Response and Corrective Action Plan Prepared by:**

Mark Ward, County Mayor

**Person Responsible for Implementing the Corrective Action:**

Mark Ward, County Mayor

**Anticipated Completion Date of Corrective Action:**

August 31, 2024

**Repeat Finding:**


No

**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

Accounting records will be closed and available for audit by August 31<sup>st</sup>.

  
11/27/23



***Office of the Benton County Mayor***  
**BENTON COUNTY TENNESSEE**  
**Mark Ward, Mayor**

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***Corrective Action Plan***

**FINDING 2023-004**

**THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

**Response and Corrective Action Plan Prepared by:**

Mark Ward, County Mayor

**Person Responsible for Implementing the Corrective Action:**

Mark Ward, County Mayor

**Anticipated Completion Date of Corrective Action:**

Immediately

**Repeat Finding:**


No

**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

We will attempt to issue purchase orders for all applicable purchases before the purchases are made. All departments will be reminded to submit their invoices to the mayor's office for timely payment.

  
11/27/23

## **BEST PRACTICE**

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

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

### **BENTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

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