



ANNUAL FINANCIAL REPORT

Scott County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT
SCOTT 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*

*MARK TREECE, CPA, CGFM
Audit Manager*

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

SCOTT COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ Some employees were overpaid for compensated absences at the time of retirement.



INTRODUCTORY SECTION

Scott County Officials

June 30, 2023

Officials

Jerried Jeffers, County Mayor
Kelvin King, Superintendent of Roads
Bill Hall, Director of Schools
Rena Erwin, Trustee
Tiffany Jeffers, Assessor of Property
Felicia Bilbrey, County Clerk
Donnie Phillips, Circuit and General Sessions Courts Clerk
Michael Potter, Clerk and Master
Ashley Riseden, Register of Deeds
Brian Keeton, Sheriff
Ginger Reynolds, Director of Finance

Board of County Commissioners

| | |
|---|----------------------|
| Jerried Jeffers, County Mayor, Chairman | |
| David Day | Shonda Gray |
| David Jeffers | Shon Terry |
| Amy Jeffers | Colby Burke |
| Joyce Keeton | Jared Burke |
| Robyn McBroom | Tom Payne |
| Taylor Buttram-Stephens | Sheila Buttram |
| Kenny Chadwell | Kelly Posey-Chitwood |

Financial Management Committee

| | |
|--------------------------------------|----------------|
| Kenny Chadwell, Chairman | |
| Jerried Jeffers, County Mayor | Robyn McBroom |
| Kelvin King, Superintendent of Roads | Tom Payne |
| Bill Hall, Director of Schools | Sheila Buttram |

Board of Education

| | |
|------------------------|---------------|
| Llew Stanley, Chairman | Carlene Terry |
| Angela King | Tommy Silcox |
| Kim Kidd | Tressa Murphy |
| Linda Sharp | |

Audit Committee

Melvin Stephens, Chairman
Dave Cross

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 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 other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of June 30, 2023, and the respective changes in financial position 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 Internal School Fund, a special revenue fund of the discretely presented Scott County School Department, which represent 1.65 percent, 1.95 percent, and 2.44 percent, respectively, of the assets, net position, and revenues of the discretely presented Scott County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Scott County School Department, are based solely on the report of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scott County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

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

States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of Scott County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scott County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scott County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 29, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

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

| | Primary Government | Component Unit | |
|--|-------------------------------------|---|--|
| | Total Governmental Activities | Scott County School Department | |
| <u>ASSETS</u> | | | |
| Cash | \$ 2,205 | \$ 693,900 | |
| Equity in Pooled Cash and Investments | 13,614,122 | 8,802,458 | |
| Inventories | 56,465 | 0 | |
| Accounts Receivable | 691,119 | 45 | |
| Allowance for Uncollectibles | (227,411) | 0 | |
| Due From Other Governments | 1,101,525 | 2,752,189 | |
| Property Taxes Receivable | 5,500,602 | 2,065,379 | |
| Allowance for Uncollectible Property Taxes | (239,748) | (85,870) | |
| Leases Receivable | 2,866,735 | 0 | |
| Net Pension Asset - Agent Plan | 1,615,579 | 870,309 | |
| Net Pension Asset - Teacher Retirement Plan | 0 | 54,131 | |
| Net Pension Asset - Teacher Legacy Pension Plan | 0 | 3,932,745 | |
| Restricted Assets: | | | |
| Amounts Accumulated for Pension Benefits | 0 | 244,881 | |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 2,324,770 | 910,561 | |
| Construction in Progress | 32,796 | 2,387,367 | |
| Assets Net of Accumulated Depreciation/Amortization: | | | |
| Buildings and Improvements | 10,404,712 | 14,988,224 | |
| Infrastructure | 10,793,965 | 156,556 | |
| Other Capital Assets | 2,828,115 | 2,711,178 | |
| Total Assets | \$ 51,365,551 | \$ 40,484,053 | |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Pension Changes in Experience | \$ 667,432 | \$ 1,009,426 | |
| Pension Changes in Assumptions | 1,131,505 | 3,136,627 | |
| Pension Changes in Investment Earnings | 52,140 | 112,398 | |
| Pension Changes in Proportion | 0 | 2,416 | |
| Pension Contributions after Measurement Date | 376,265 | 1,133,255 | |
| OPEB Changes in Experience | 990 | 683,100 | |
| OPEB Changes in Assumptions | 9,143 | 463,837 | |
| OPEB Changes in Proportion | 0 | 173,664 | |
| OPEB Contributions After Measurement Date | 1,541 | 208,296 | |
| Total Deferred Outflows of Resources | \$ 2,239,016 | \$ 6,923,019 | |

(Continued)

Exhibit A

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

| | Primary Government | <u>Component Unit</u> | |
|--------------------------------------|-------------------------------------|---|---|
| | Total Governmental Activities | Scott County School Department | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 141,105 | \$ 330,622 | |
| Accrued Payroll | 63,150 | 3,227,551 | 0 |
| Accrued Interest Payable | 16,819 | 0 | |
| Contracts Payable | 0 | 355,610 | |
| Retainage Payable | 0 | 108,585 | |
| Payroll Deductions Payable | 84,485 | 237,447 | |
| Due to State of Tennessee | 4,804 | 1,185 | |
| Due to Other Governments | 2,787,065 | 0 | |
| Due to Litigants, Heirs, and Others | 102,689 | 0 | |
| Other Current Liabilities | 0 | 412,815 | |
| Noncurrent Liabilities: | | | |
| Due Within One Year - Debt | 1,936,994 | 0 | |
| Due Within One Year - Other | 309,527 | 149,332 | |
| Due in More Than One Year - Debt | 18,291,883 | 0 | |
| Due in More Than One Year - Other | 1,551,142 | 3,613,913 | |
| Total Liabilities | <u>\$ 25,289,663</u> | <u>\$ 8,437,060</u> | |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 4,883,904 | \$ 1,851,374 | |
| Deferred Lease Receivable | 2,842,661 | 0 | |
| Pension Changes in Experience | 333,629 | 877,128 | |
| Pension Changes in Proportion | 0 | 64,963 | |
| OPEB Changes in Experience | 87,282 | 407,633 | |
| OPEB Changes in Assumptions | 18,872 | 601,204 | |
| OPEB Changes in Proportion | 0 | 876,471 | |
| Total Deferred Inflows of Resources | <u>\$ 8,166,348</u> | <u>\$ 4,678,773</u> | |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | \$ 19,468,378 | \$ 21,153,886 | |
| Restricted for: | | | |
| General Government | 97,568 | 0 | |
| Administration of Justice | 42,397 | 0 | |
| Public Safety | 73,500 | 0 | |
| Public Health and Welfare | 931,991 | 0 | |
| Social, Cultural, and Recreation | 53 | 0 | |
| Highway/Public Works | 839,863 | 0 | |
| Debt Service | 22,034 | 0 | |
| Capital Projects | 92,116 | 0 | |
| Pensions | 1,615,579 | 5,102,066 | |
| Other Purposes | 16,449 | 0 | |
| Education | 0 | 2,284,806 | |
| Unrestricted | <u>(3,051,372)</u> | <u>5,750,481</u> | |
| Total Net Position | <u>\$ 20,148,556</u> | <u>\$ 34,291,239</u> | |

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

Exhibit B

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

| Functions/Programs | Expenses | | | | | Net (Expense) Revenue and Changes in Net Position | | | | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|-----------------------|---|--------------------------------|---|--|--|--|
| | | Program Revenues | | Capital Grants and Contributions | Primary Government | Component Unit | | | | | |
| | | Charges for Services | Operating Grants and Contributions | | | Total Governmental Activities | Scott County School Department | | | | |
| Primary Government: | | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | | |
| General Government | \$ 4,193,158 | \$ 687,639 | \$ 475,036 | \$ 4,303,984 | \$ 1,273,501 | \$ 0 | | 0 | | | |
| Finance | 1,049,021 | 640,759 | 0 | 0 | (408,262) | | | 0 | | | |
| Administration of Justice | 1,145,463 | 351,208 | 393,826 | 0 | (400,429) | | | 0 | | | |
| Public Safety | 4,512,015 | 1,105,868 | 257,528 | 64,450 | (3,084,169) | | | 0 | | | |
| Public Health and Welfare | 2,280,865 | 2,270,506 | 431,412 | 85,137 | 506,190 | | | 0 | | | |
| Social, Cultural, and Recreational Services | 106,384 | 0 | 0 | 0 | (106,384) | | | 0 | | | |
| Agriculture and Natural Resources | 46,965 | 0 | 0 | 0 | (46,965) | | | 0 | | | |
| Highways | 3,139,301 | 9,865 | 2,675,075 | 329,153 | (125,208) | | | 0 | | | |
| Interest on Long-term Debt | 701,965 | 0 | 0 | 0 | (701,965) | | | 0 | | | |
| Total Governmental Activities | \$ 17,175,137 | \$ 5,065,845 | \$ 4,232,877 | \$ 4,782,724 | \$ (3,093,691) | \$ 0 | | | | | |
| Component Unit: | | | | | | | | | | | |
| Scott County School Department | \$ 32,171,555 | \$ 190,896 | \$ 11,959,316 | \$ 0 | \$ 0 | \$ (20,021,343) | | | | | |
| Total Component Unit | \$ 32,171,555 | \$ 190,896 | \$ 11,959,316 | \$ 0 | \$ 0 | \$ (20,021,343) | | | | | |

(Continued)

Exhibit B

Scott County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Net (Expense) Revenue and Changes in Net Position | | | |
|--|----------|---|------------------------------------|----------------------|----------------------|
| | | Program Revenues | | Primary Government | Component Unit |
| | | Charges for Services | Operating Grants and Contributions | | |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 3,879,570 | \$ 1,802,596 |
| Property Taxes Levied for General Debt Services | | | | 623,239 | 0 |
| Property Taxes Levied for Rural Debt Service | | | | 784,629 | 0 |
| Property Taxes Levied for Capital | | | | 59,914 | 0 |
| Local Option Sales Taxes | | | | 768,394 | 1,973,889 |
| Wheel Tax | | | | 643,867 | 0 |
| Litigation Taxes | | | | 89,069 | 0 |
| Business Taxes | | | | 241,396 | 0 |
| Other Taxes | | | | 212,244 | 496 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 2,992,415 | 19,642,430 |
| Unrestricted Investment Income | | | | 154,954 | 0 |
| Miscellaneous | | | | 109,403 | 50,927 |
| Total General Revenues | | | | <u>\$ 10,559,094</u> | <u>\$ 23,470,338</u> |
| Change in Net Position | | | | \$ 7,465,403 | \$ 3,448,995 |
| Net Position, July 1, 2022 | | | | <u>12,683,153</u> | <u>30,842,244</u> |
| Net Position, June 30, 2023 | | | | <u>\$ 20,148,556</u> | <u>\$ 34,291,239</u> |

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

Exhibit C-1

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

| | Major Funds | | | | | |
|--|-------------------|--------------------|------------------------------|----------------------------|--------------------------|-----------------|
| | Other | | Highway / Public Works | General Debt Service | Rural Debt Service | |
| | General | Government Fund | | | General | Debt Service |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 100 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Equity in Pooled Cash and Investments | 3,285,045 | 2,507,740 | 1,417,798 | 1,797,628 | | 3,047,331 |
| Inventories | 56,465 | 0 | 0 | 0 | | 0 |
| Accounts Receivable | 100,562 | 563 | 0 | 1,564 | | 0 |
| Allowance for Uncollectibles | 0 | 0 | 0 | 0 | | 0 |
| Due from Other Governments | 542,010 | 0 | 442,750 | 8,333 | | 1,744 |
| Due from Other Funds | 3,616 | 0 | 0 | 0 | | 0 |
| Property Taxes Receivable | 4,358,957 | 0 | 0 | 756,214 | | 329,997 |
| Allowance for Uncollectible Property Taxes | (181,231) | 0 | 0 | (31,136) | | (25,078) |
| Leases Receivable - Long-term | 2,179,375 | 0 | 0 | 687,360 | | 0 |
| Total Assets | \$ 10,344,899 | \$ 2,508,303 | \$ 1,860,548 | \$ 3,219,963 | \$ 3,353,994 | |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 101,726 | \$ 0 | \$ 11,680 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Payroll | 736 | 0 | 42,531 | 0 | | 0 |
| Payroll Deductions Payable | 59,295 | 0 | 10,265 | 0 | | 0 |
| Due to Other Funds | 5,445 | 0 | 0 | 0 | | 0 |
| Due to State of Tennessee | 0 | 0 | 161 | 0 | | 0 |
| Due to Other Governments | 0 | 2,787,065 | 0 | 0 | | 0 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 0 | | 0 |
| Total Liabilities | \$ 167,202 | \$ 2,787,065 | \$ 64,637 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit C-1

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

DEFERRED INFLOWS OF RESOURCES

| | Major Funds | | | | |
|-------------------------------------|--------------------------|------------------------------|----------------------------|--------------------------|------------|
| | Other General Fund | Highway / Public Works | General Debt Service | Rural Debt Service | |
| | General | | | | |
| Deferred Current Property Taxes | \$ 3,907,287 | 0 | \$ 679,180 | \$ 247,741 | |
| Deferred Delinquent Property Taxes | 263,502 | 0 | 0 | 44,740 | 55,911 |
| Deferred Leases Receivable | 2,179,375 | 0 | 0 | 663,286 | 0 |
| Other Deferred/Unavailable Revenue | 88,854 | 0 | 214,551 | 8,333 | 0 |
| Total Deferred Inflows of Resources | \$ 6,439,018 | \$ 0 | \$ 214,551 | \$ 1,395,539 | \$ 303,652 |

FUND BALANCES

Nonspendable:

| | | | | | |
|-----------|-----------|------|------|------|------|
| Inventory | \$ 56,465 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
|-----------|-----------|------|------|------|------|

Restricted:

| | | | | | |
|--|--------|---|-----------|--------|-----------|
| Restricted for General Government | 97,568 | 0 | 0 | 0 | 0 |
| Restricted for Administration of Justice | 42,397 | 0 | 0 | 0 | 0 |
| Restricted for Public Safety | 25,222 | 0 | 0 | 0 | 0 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 |
| Restricted for Social, Cultural, and Recreational Services | 53 | 0 | 0 | 0 | 0 |
| Restricted for Highways/Public Works | 0 | 0 | 1,181,961 | 0 | 0 |
| Restricted for Debt Service | 0 | 0 | 0 | 25,836 | 2,656,396 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 0 |
| Restricted for Other Purposes | 16,449 | 0 | 0 | 0 | 0 |

Committed:

| | | | | | |
|---|--------|---|---------|-----------|---------|
| Committed for General Government | 26,647 | 0 | 0 | 0 | 0 |
| Committed for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 |
| Committed for Other Operations | 4,433 | 0 | 0 | 0 | 0 |
| Committed for Highways/Public Works | 0 | 0 | 399,399 | 0 | 0 |
| Committed for Debt Service | 0 | 0 | 0 | 1,798,588 | 393,946 |

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned:

Assigned for Public Safety

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| | Major Funds | | | | |
|---|-----------------------------|---------------------------------|----------------------------|--------------------------|--------------------------|
| | Other General General | Highway / Government Fund | General Public Works | Rural Debt Service | Rural Debt Service |
| Assigned for Public Safety | \$ 15,929 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Unassigned | \$ 3,453,516 | \$ (278,762) | \$ 0 | \$ 0 | \$ 0 |
| Total Fund Balances | <u>\$ 3,738,679</u> | <u>\$ (278,762)</u> | <u>\$ 1,581,360</u> | <u>\$ 1,824,424</u> | <u>\$ 3,050,342</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 10,344,899</u> | <u>\$ 2,508,303</u> | <u>\$ 1,860,548</u> | <u>\$ 3,219,963</u> | <u>\$ 3,353,994</u> |

(Continued)

Exhibit C-1

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

| | Nonmajor Funds | Other | Total Govern- mental Funds | Governmental Funds |
|--|-------------------|-------------------|-------------------------------------|-----------------------|
| ASSETS | | | | |
| Cash | \$ 2,105 | \$ 2,205 | | |
| Equity in Pooled Cash and Investments | 1,558,580 | 13,614,122 | | |
| Inventories | 0 | 56,465 | | |
| Accounts Receivable | 588,430 | 691,119 | | |
| Allowance for Uncollectibles | (227,411) | (227,411) | | |
| Due from Other Governments | 106,688 | 1,101,525 | | |
| Due from Other Funds | 5,445 | 9,061 | | |
| Property Taxes Receivable | 55,434 | 5,500,602 | | |
| Allowance for Uncollectible Property Taxes | (2,303) | (239,748) | | |
| Leases Receivable - Long-term | 0 | 2,866,735 | | |
| Total Assets | \$ 2,086,968 | \$ 23,374,675 | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 27,699 | \$ 141,105 | | |
| Accrued Payroll | 19,883 | 63,150 | | |
| Payroll Deductions Payable | 14,925 | 84,485 | | |
| Due to Other Funds | 3,616 | 9,061 | | |
| Due to State of Tennessee | 4,643 | 4,804 | | |
| Due to Other Governments | 0 | 2,787,065 | | |
| Due to Litigants, Heirs, and Others | 102,689 | 102,689 | | |
| Total Liabilities | \$ 173,455 | \$ 3,192,359 | | |

(Continued)

Exhibit C-1

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

| | Nonmajor Funds | Other Govern- ment Funds | Total Govern- mental Funds |
|--|-------------------|-----------------------------------|-------------------------------------|
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 49,696 | \$ 4,883,904 | |
| Deferred Delinquent Property Taxes | 3,307 | 367,460 | |
| Deferred Leases Receivable | 0 | 2,842,661 | |
| Other Deferred/Unavailable Revenue | 286,774 | 598,512 | |
| Total Deferred Inflows of Resources | \$ 339,777 | \$ 8,692,537 | |
| <u>FUND BALANCES</u> | | | |
| Nonspendable: | | | |
| Inventory | \$ 0 | \$ 56,465 | |
| Restricted: | | | |
| Restricted for General Government | 0 | 97,568 | |
| Restricted for Administration of Justice | 0 | 42,397 | |
| Restricted for Public Safety | 48,278 | 73,500 | |
| Restricted for Public Health and Welfare | 725,704 | 725,704 | |
| Restricted for Social, Cultural, and Recreational Services | 0 | 53 | |
| Restricted for Highways/Public Works | 0 | 1,181,961 | |
| Restricted for Debt Service | 0 | 2,682,232 | |
| Restricted for Capital Projects | 88,809 | 88,809 | |
| Restricted for Other Purposes | 0 | 16,449 | |
| Committed: | | | |
| Committed for General Government | 308,362 | 335,009 | |
| Committed for Public Health and Welfare | 402,583 | 402,583 | |
| Committed for Other Operations | 0 | 4,433 | |
| Committed for Highways/Public Works | 0 | 399,399 | |
| Committed for Debt Service | 0 | 2,192,534 | |

(Continued)

Exhibit C-1

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

| | Nonmajor Funds | Other Govern- mental Funds | Total Governmental Funds |
|---|---------------------|-------------------------------------|--------------------------------|
| <u>FUND BALANCES (Cont.)</u> | | | |
| Assigned: | | | |
| Assigned for Public Safety | \$ 0 | \$ 15,929 | |
| Unassigned | 0 | 3,174,754 | |
| Total Fund Balances | <u>\$ 1,573,736</u> | <u>\$ 11,489,779</u> | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,086,968</u> | <u>\$ 23,374,675</u> | |

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

Exhibit C-2

Scott County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to

the Statement of Net Position

June 30, 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) | \$ 11,489,779 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | |
| Add: land | \$ 2,324,770 |
| Add: construction in progress | 32,796 |
| Add: buildings and improvements net of accumulated depreciation | 10,404,712 |
| Add: infrastructure net of accumulated depreciation | 10,793,965 |
| Add: other capital assets net of accumulated depreciation | <u>2,828,115</u> 26,384,358 |
| (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 | \$ (758,419) |
| Less: other loans payable | (14,261,339) |
| Less: bonds payable | (5,180,000) |
| Less: compensated absences payable | (245,746) |
| Less: landfill postclosure care costs | (1,581,017) |
| Less: other postemployment benefits liability (OPEB) | (33,906) |
| Less: accrued interest payable | (16,819) |
| Less: unamortized premium on debt | <u>(29,119)</u> (22,106,365) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years. | |
| Add: deferred outflows of resources related to pensions | \$ 2,227,342 |
| Less: deferred inflows of resources related to pensions | (333,629) |
| Add: deferred outflows of resources related to OPEB | 11,674 |
| Less: deferred inflows of resources related to OPEB | <u>(106,154)</u> 1,799,233 |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds. | 1,615,579 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | <u>965,972</u> |
| Net position (deficit) of governmental activities (Exhibit A) | <u>\$ 20,148,556</u> |

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

Exhibit C-3

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

| | Major Funds | | | | |
|---|----------------------|--------------------------|------------------------------|----------------------------|--------------------------|
| | General | Other General Fund | Highway / Public Works | General Debt Service | Rural Debt Service |
| | | General | | | |
| Revenues | | | | | |
| Local Taxes | \$ 5,283,337 | \$ 0 | \$ 235 | \$ 1,367,102 | \$ 784,629 |
| Licenses and Permits | 30,665 | 0 | 0 | 770 | 0 |
| Fines, Forfeitures, and Penalties | 82,012 | 0 | 0 | 0 | 0 |
| Charges for Current Services | 436,523 | 0 | 0 | 0 | 0 |
| Other Local Revenues | 631,328 | 6,700 | 17,853 | 194,270 | 0 |
| Fees Received From County Officials | 891,093 | 0 | 0 | 0 | 0 |
| State of Tennessee | 2,361,192 | 0 | 2,753,004 | 0 | 0 |
| Federal Government | 4,893,022 | 1,250,955 | 232,014 | 0 | 0 |
| Other Governments and Citizens Groups | 6,000 | 0 | 0 | 0 | 399,792 |
| Total Revenues | <u>\$ 14,615,172</u> | <u>\$ 1,257,655</u> | <u>\$ 3,003,106</u> | <u>\$ 1,562,142</u> | <u>\$ 1,184,421</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | \$ 2,160,266 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Finance | 1,066,658 | 0 | 0 | 0 | 0 |
| Administration of Justice | 1,157,376 | 0 | 0 | 0 | 0 |
| Public Safety | 4,460,347 | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 424,362 | 0 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 144,312 | 0 | 0 | 0 | 0 |
| Agriculture and Natural Resources | 49,893 | 0 | 0 | 0 | 0 |
| Other Operations | 5,699,038 | 301,720 | 0 | 0 | 0 |
| Highways | 235 | 829,132 | 2,788,886 | 0 | 0 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 231,491 | 1,031,000 | 465,000 |
| Interest on Debt | 0 | 0 | 19,144 | 434,134 | 130,171 |
| Other Debt Service | 0 | 0 | 0 | 123,191 | 15,858 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | |
|--|-------------|--|------------------------------|----------------------------|--------------------------|
| | General | Other General Government Fund | Highway / Public Works | General Debt Service | Rural Debt Service |
| | | General | General | Debt | Service |
| <u>Expenditures (Cont.)</u> | | | | | |
| Capital Projects | | \$ 0 | \$ 165,240 | \$ 0 | \$ 0 |
| Total Expenditures | | \$ 15,162,487 | \$ 1,296,092 | \$ 3,039,521 | \$ 1,588,325 |
| | | | | | \$ 611,029 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | |
| Over Expenditures | | \$ (547,315) | \$ (38,437) | \$ (36,415) | \$ (26,183) |
| | | | | | \$ 573,392 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Notes Issued | | \$ 0 | \$ 0 | \$ 850,547 | \$ 0 |
| Proceeds from Sale of Capital Assets | | 9,202 | 0 | 60,623 | 0 |
| Insurance Recovery | | 44,988 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | | \$ 54,190 | \$ 0 | \$ 911,170 | \$ 0 |
| | | | | | \$ 0 |
| Net Change in Fund Balances | | \$ (493,125) | \$ (38,437) | \$ 874,755 | \$ (26,183) |
| Fund Balance, July 1, 2022 | | 4,231,804 | (240,325) | 706,605 | 1,850,607 |
| | | | | | \$ 2,476,950 |
| Fund Balance, June 30, 2023 | | \$ 3,738,679 | \$ (278,762) | \$ 1,581,360 | \$ 1,824,424 |
| | | | | | \$ 3,050,342 |

(Continued)

Exhibit C-3

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

| | Nonmajor Funds | Other Govern- ment Funds | Total Govern- mental Funds |
|---|---------------------|-----------------------------------|-------------------------------------|
| Revenues | | | |
| Local Taxes | \$ 59,914 | \$ 7,495,217 | |
| Licenses and Permits | 0 | 31,435 | |
| Fines, Forfeitures, and Penalties | 15,211 | 97,223 | |
| Charges for Current Services | 1,930,673 | 2,367,196 | |
| Other Local Revenues | 23,647 | 873,798 | |
| Fees Received From County Officials | 0 | 891,093 | |
| State of Tennessee | 154,885 | 5,269,081 | |
| Federal Government | 67,261 | 6,443,252 | |
| Other Governments and Citizens Groups | 100,413 | 506,205 | |
| Total Revenues | \$ 2,352,004 | \$ 23,974,500 | |
| Expenditures | | | |
| Current: | | | |
| General Government | \$ 3,735 | \$ 2,164,001 | |
| Finance | 188 | 1,066,846 | |
| Administration of Justice | 8,969 | 1,166,345 | |
| Public Safety | 88,155 | 4,548,502 | |
| Public Health and Welfare | 2,235,485 | 2,659,847 | |
| Social, Cultural, and Recreational Services | 0 | 144,312 | |
| Agriculture and Natural Resources | 0 | 49,893 | |
| Other Operations | 0 | 6,000,758 | |
| Highways | 27,684 | 3,645,937 | |
| Debt Service: | | | |
| Principal on Debt | 0 | 1,727,491 | |
| Interest on Debt | 0 | 583,449 | |
| Other Debt Service | 0 | 139,049 | |

(Continued)

Exhibit C-3

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

| | Nonmajor Funds | Other Govern- ment Funds | Total Govern- mental Funds |
|--|-------------------|-----------------------------------|-------------------------------------|
| <u>Expenditures (Cont.)</u> | | | |
| Capital Projects | \$ 3 | \$ 165,243 | |
| Total Expenditures | \$ 2,364,219 | \$ 24,061,673 | |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | | | |
| | \$ (12,215) | \$ (87,173) | |
| <u>Other Financing Sources (Uses)</u> | | | |
| Notes Issued | \$ 0 | \$ 850,547 | |
| Proceeds from Sale of Capital Assets | 0 | 69,825 | |
| Insurance Recovery | 0 | 44,988 | |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 965,360 | |
| Net Change in Fund Balances | \$ (12,215) | \$ 878,187 | |
| Fund Balance, July 1, 2022 | 1,585,951 | 10,611,592 | |
| Fund Balance, June 30, 2023 | \$ 1,573,736 | \$ 11,489,779 | |

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

Scott County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 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) | | \$ 878,187 |
| (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 | \$ 6,012,746 | |
| Less: current-year depreciation expense | <u>(1,125,922)</u> | 4,886,824 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position. | | |
| Add: assets donated and capitalized | \$ 135,461 | |
| Less: book value of capital assets disposed | <u>(18,124)</u> | 117,337 |
| (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 | \$ 965,972 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2022 | <u>(532,082)</u> | 433,890 |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items. | | |
| Add: principal payments on bonds | \$ 615,000 | |
| Add: principal payments on notes | 231,491 | |
| Less: capital outlay note proceeds | <u>(850,547)</u> | |
| Add: principal payments on other loans | 881,000 | |
| Add: change in unamortized premium on debt issuances | <u>17,031</u> | 893,975 |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 3,502 | |
| Change in compensated absences payable | 10,978 | |
| Change in net pension liability/asset | <u>(3,477,930)</u> | |
| Change in deferred outflows related to pensions | 360,598 | |
| Change in deferred inflows related to pensions | 3,339,980 | |
| Change in net OPEB liability | 4,626 | |
| Change in deferred outflows related to OPEB | <u>(998)</u> | |
| Change in deferred inflows related to OPEB | 16,749 | |
| Change in landfill postclosure care costs | <u>(2,315)</u> | 255,190 |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 7,465,403</u> |

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

Exhibit C-5

Scott County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|---|---------------------|----------------------|--|
| | | | | Original | Final | |
| Revenues | | | | | | |
| Local Taxes | \$ 5,283,337 | \$ 0 | \$ 5,283,337 | \$ 5,196,139 | \$ 5,214,541 | \$ 68,796 |
| Licenses and Permits | 30,665 | 0 | 30,665 | 36,500 | 36,500 | (5,835) |
| Fines, Forfeitures, and Penalties | 82,012 | 0 | 82,012 | 103,400 | 103,400 | (21,388) |
| Charges for Current Services | 436,523 | 0 | 436,523 | 400,911 | 507,911 | (71,388) |
| Other Local Revenues | 631,328 | 0 | 631,328 | 492,577 | 682,497 | (51,169) |
| Fees Received From County Officials | 891,093 | 0 | 891,093 | 882,500 | 875,500 | 15,593 |
| State of Tennessee | 2,361,192 | 0 | 2,361,192 | 2,565,819 | 2,720,481 | (359,289) |
| Federal Government | 4,893,022 | 0 | 4,893,022 | 18,000 | 4,920,022 | (27,000) |
| Other Governments and Citizens Groups | 6,000 | 0 | 6,000 | 0 | 0 | 6,000 |
| Total Revenues | \$ 14,615,172 | \$ 0 | \$ 14,615,172 | \$ 9,695,846 | \$ 15,060,852 | \$ (445,680) |
| Expenditures | | | | | | |
| <u>General Government</u> | | | | | | |
| County Commission | \$ 176,663 | \$ 0 | \$ 176,663 | \$ 239,477 | \$ 240,319 | \$ 63,656 |
| County Mayor/Executive | 195,053 | 0 | 195,053 | 209,121 | 200,921 | 5,868 |
| County Attorney | 71,001 | 0 | 71,001 | 71,623 | 71,904 | 903 |
| Election Commission | 277,355 | 0 | 277,355 | 333,196 | 333,196 | 55,841 |
| Register of Deeds | 212,020 | 0 | 212,020 | 222,230 | 224,510 | 12,490 |
| County Buildings | 1,228,174 | 0 | 1,228,174 | 468,444 | 1,318,730 | 90,556 |
| <u>Finance</u> | | | | | | |
| Accounting and Budgeting | 333,832 | 0 | 333,832 | 338,706 | 338,706 | 4,874 |
| Property Assessor's Office | 247,558 | 0 | 247,558 | 251,440 | 251,440 | 3,882 |
| County Trustee's Office | 205,094 | 0 | 205,094 | 193,436 | 210,268 | 5,174 |
| County Clerk's Office | 280,174 | 0 | 280,174 | 291,892 | 295,196 | 15,022 |
| <u>Administration of Justice</u> | | | | | | |
| Circuit Court | 386,251 | 0 | 386,251 | 333,467 | 414,358 | 28,107 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
| | | | | Original | Final | |
| Expenditures (Cont.) | | | | | | |
| <u>Administration of Justice (Cont.)</u> | | | | | | |
| General Sessions Court | \$ 497,933 | 0 | \$ 497,933 | \$ 341,150 | \$ 538,268 | \$ 40,335 |
| Chancery Court | 174,393 | 0 | 174,393 | 180,040 | 180,911 | 6,518 |
| District Attorney General | 86,799 | 0 | 86,799 | 25,000 | 90,088 | 3,289 |
| Office of Public Defender | 12,000 | 0 | 12,000 | 12,000 | 12,000 | 0 |
| <u>Public Safety</u> | | | | | | |
| Sheriff's Department | 2,027,278 | 0 | 2,027,278 | 1,864,368 | 2,104,157 | 76,879 |
| Administration of the Sexual Offender Registry | 4,810 | 0 | 4,810 | 0 | 6,000 | 1,190 |
| Jail | 2,075,763 | 0 | 2,075,763 | 2,008,867 | 2,328,867 | 253,104 |
| Juvenile Services | 275,205 | 0 | 275,205 | 290,708 | 290,708 | 15,503 |
| Fire Prevention and Control | 2,000 | 0 | 2,000 | 2,000 | 2,000 | 0 |
| Civil Defense | 41,880 | 0 | 41,880 | 55,671 | 64,671 | 22,791 |
| Rescue Squad | 12,000 | 0 | 12,000 | 8,000 | 12,000 | 0 |
| County Coroner/Medical Examiner | 21,411 | 0 | 21,411 | 21,659 | 23,659 | 2,248 |
| <u>Public Health and Welfare</u> | | | | | | |
| Local Health Center | 62,679 | 0 | 62,679 | 70,203 | 70,203 | 7,524 |
| Other Local Health Services | 359,381 | 0 | 359,381 | 353,400 | 398,200 | 38,819 |
| General Welfare Assistance | 1,235 | 0 | 1,235 | 2,250 | 2,250 | 1,015 |
| Other Local Welfare Services | 1,067 | 0 | 1,067 | 244 | 2,244 | 1,177 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | |
| Senior Citizens Assistance | 81,542 | 0 | 81,542 | 84,468 | 89,868 | 8,326 |
| Libraries | 62,770 | 0 | 62,770 | 63,186 | 63,186 | 416 |
| <u>Agriculture and Natural Resources</u> | | | | | | |
| Agricultural Extension Service | 49,893 | 0 | 49,893 | 69,148 | 69,148 | 19,255 |
| <u>Other Operations</u> | | | | | | |
| Tourism | 61,465 | 0 | 61,465 | 83,850 | 83,850 | 22,385 |

(Continued)

Exhibit C-5

Scott County, Tennessee

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) | | | | |
|--|---------------------------|-----------------------------------|---|---------------------|----------------------|--|--|--|--|--|
| | | | | Original | Final | | | | | |
| Expenditures (Cont.) | | | | | | | | | | |
| Other Operations (Cont.) | | | | | | | | | | |
| Airport | \$ 4,708,565 | \$ (237,511) | \$ 4,471,054 | \$ 357,511 | \$ 4,841,006 | \$ 369,952 | | | | |
| Veterans' Services | 51,606 | 0 | 51,606 | 51,840 | 51,840 | 234 | | | | |
| Contributions to Other Agencies | 136,987 | 0 | 136,987 | 92,000 | 137,902 | 915 | | | | |
| COVID-19 Grant #1 | 25,846 | 0 | 25,846 | 0 | 25,846 | 0 | | | | |
| Miscellaneous | 714,569 | 0 | 714,569 | 702,921 | 726,924 | 12,355 | | | | |
| Highways | | | | | | | | | | |
| Highway and Bridge Maintenance | 235 | 0 | 235 | 235 | 235 | 0 | | | | |
| Total Expenditures | \$ 15,162,487 | \$ (237,511) | \$ 14,924,976 | \$ 9,693,751 | \$ 16,115,579 | \$ 1,190,603 | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | | | | |
| | \$ (547,315) | \$ 237,511 | \$ (309,804) | \$ 2,095 | \$ (1,054,727) | \$ 744,923 | | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 9,202 | \$ 0 | \$ 9,202 | \$ 0 | \$ 0 | \$ 9,202 | | | | |
| Insurance Recovery | 44,988 | 0 | 44,988 | 0 | 44,988 | 0 | | | | |
| Total Other Financing Sources | \$ 54,190 | \$ 0 | \$ 54,190 | \$ 0 | \$ 44,988 | \$ 9,202 | | | | |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | | | | | | | | | | |
| | \$ (493,125) | \$ 237,511 | \$ (255,614) | \$ 2,095 | \$ (1,009,739) | \$ 754,125 | | | | |
| | <u>4,231,804</u> | <u>(237,511)</u> | <u>3,994,293</u> | <u>3,481,475</u> | <u>3,481,475</u> | <u>512,818</u> | | | | |
| Fund Balance, June 30, 2023 | \$ 3,738,679 | \$ 0 | \$ 3,738,679 | \$ 3,483,570 | \$ 2,471,736 | \$ 1,266,943 | | | | |

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

Exhibit C-6

Scott County, Tennessee

Statement of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Other General Government Fund

For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--|
| | | Original | Final |
| Revenues | | | |
| Other Local Revenues | \$ 6,700 | \$ 0 | \$ 6,700 |
| Federal Government | 1,250,955 | 0 | 1,250,955 |
| Total Revenues | \$ 1,257,655 | \$ 0 | \$ 1,257,655 |
| Expenditures | | | |
| <i>Other Operations</i> | | | |
| American Rescue Plan Act Grant #1 | \$ 301,720 | \$ 0 | \$ 872,662 |
| <i>Highways</i> | | | |
| American Rescue Plan Act Grant #1 | 829,132 | 0 | 955,115 |
| <i>Capital Projects</i> | | | |
| American Rescue Plan Act Grant #1 | 165,240 | 0 | 165,461 |
| Total Expenditures | \$ 1,296,092 | \$ 0 | \$ 1,993,238 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (38,437) | \$ 0 | \$ 1,954,801 |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ (38,437) | \$ 0 | \$ 1,954,801 |
| | (240,325) | 0 | 1,993,238 |
| Fund Balance, June 30, 2023 | \$ (278,762) | \$ 0 | \$ (278,762) |

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

Exhibit C-7

Scott County, Tennessee

Statement of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Highway/Public Works Fund

For the Year Ended June 30, 2023

| | Actual | Original | Final | Variance with Final Budget - Positive (Negative) |
|--|--------------|--------------|----------------|--|
| Revenues | | | | |
| Local Taxes | \$ 235 | \$ 235 | \$ 235 | \$ 0 |
| Other Local Revenues | 17,853 | 4,000 | 11,864 | 5,989 |
| State of Tennessee | 2,753,004 | 2,064,000 | 2,375,969 | 377,035 |
| Federal Government | 232,014 | 0 | 232,013 | 1 |
| Total Revenues | \$ 3,003,106 | \$ 2,068,235 | \$ 2,620,081 | \$ 383,025 |
| Expenditures | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 160,099 | \$ 162,920 | \$ 164,230 | \$ 4,131 |
| Highway and Bridge Maintenance | 1,301,134 | 1,218,591 | 1,381,987 | 80,853 |
| Operation and Maintenance of Equipment | 1,047,259 | 358,262 | 1,672,669 | 625,410 |
| Other Charges | 132,235 | 119,130 | 145,121 | 12,886 |
| Employee Benefits | 148,159 | 60,350 | 155,921 | 7,762 |
| <u>Principal on Debt</u> | | | | |
| Highways and Streets | 231,491 | 69,681 | 231,491 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 0 | 5,225 | 0 | \$ 0 |
| Highways and Streets | 19,144 | 0 | 21,008 | 1,864 |
| Total Expenditures | \$ 3,039,521 | \$ 1,994,159 | \$ 3,772,427 | \$ 732,906 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | |
| | \$ (36,415) | \$ 74,076 | \$ (1,152,346) | \$ 1,115,931 |
| Other Financing Sources (Uses) | | | | |
| Notes Issued | \$ 850,547 | \$ 0 | \$ 850,547 | \$ 0 |
| Proceeds from Sale of Capital Assets | 60,623 | 0 | 0 | 60,623 |
| Total Other Financing Sources | \$ 911,170 | \$ 0 | \$ 850,547 | \$ 60,623 |
| Net Change in Fund Balance | | | | |
| Fund Balance, July 1, 2022 | \$ 874,755 | \$ 74,076 | \$ (301,799) | \$ 1,176,554 |
| | 706,605 | 249,086 | 301,799 | 404,806 |
| Fund Balance, June 30, 2023 | \$ 1,581,360 | \$ 323,162 | \$ 0 | \$ 1,581,360 |

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

Exhibit D-1

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

| | <u>Custodial Funds</u> |
|---|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,426,375 |
| Equity in Pooled Cash and Investments | 261,063 |
| Due from Other Governments | 614,077 |
| Taxes Receivable | 1,719,484 |
| Allowance for Uncollectible Taxes | <u>(70,447)</u> |
| Total Assets | <u>\$ 3,950,552</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 836,688 |
| Due to Litigants, Heirs, and Others | <u>4,841</u> |
| Total Liabilities | <u>\$ 841,529</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Deferred Current Property Taxes | <u>\$ 1,542,515</u> |
| Total Deferred Inflows of Resources | <u>\$ 1,542,515</u> |
| <u>NET POSITION</u> | |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 1,566,508</u> |
| Total Net Position | <u>\$ 1,566,508</u> |

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

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

| | <u>Custodial Funds</u> |
|---|----------------------------|
| <u>ADDITIONS</u> | |
| Sales Tax Collections for Other Governments | \$ 2,356,553 |
| Fines/Fees and Other Collections | 4,518,184 |
| SSD - Educational Funds Collected for Cities | 403,412 |
| ADA - Educational Funds Collected for Cities | 2,187,660 |
| Drug Task Force Collections | 22,642 |
| Total Additions | <u>\$ 9,488,451</u> |
| <u>DEDUCTIONS</u> | |
| Payment of Sales Tax Collections to Other Governments | \$ 2,356,553 |
| Payments to City School Systems | 2,591,072 |
| Payments to State | 2,588,861 |
| Payments to Individuals and Others | 1,352,291 |
| Payment of Drug Task Force Expenses | 2,394 |
| Total Deductions | <u>\$ 8,891,171</u> |
| Net Increase (Decrease) in Fiduciary in Net Position | \$ 597,280 |
| Net Position, July 1, 2022 | <u>969,228</u> |
| Net Position, June 30, 2023 | <u>\$ 1,566,508</u> |

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

SCOTT COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Scott County:

A. Reporting Entity

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

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

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

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

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

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

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Scott County reports the following major governmental funds:

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

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

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

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

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

Additionally, Scott County reports the following fund types:

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

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>

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

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

1. Deposits and Investments

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

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

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

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

2. Receivables and Payables

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

All ambulance and property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.3 percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

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

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

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

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

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

Retainage payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the applicable funds.

3. Inventories

Inventories of Scott County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Scott County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Scott County School Department to fund retirement benefits upon approval

of the TCRS Board of Directors. To date, the Scott County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

share, and contributions made after the measurement date; and pension changes in investment earnings.

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

7. Compensated Absences

Primary Government

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the county. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the primary government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

The discretely presented school department's policy allows employees to accumulate sick pay benefits but not vacation benefits nor compensatory time. The Scott County Board of Education has adopted policies allowing certified employees to receive \$80 for each unused sick day that they had accumulated at the time of retirement. All sick pay is accrued when incurred in the government-wide financial statements for the school department. A liability for sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee retirements.

8. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and

discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position, Governmental Activities, reports \$3,731,550 of restricted net position, of which \$25,836 is restricted by enabling legislation.

As of June 30, 2023, Scott County had \$12,742,401 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public-school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

assignments for the school department.

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

E. Pension Plans

Primary Government

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

Discretely Presented Scott County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Scott County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

Primary Government

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

Discretely Presented Scott County School Department

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

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net changes in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Scott County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the primary government's Education Capital Projects Fund (a nonmajor fund) because no amounts were planned to be expended from that fund. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2023, the Scott County School Department reported the following encumbrances:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------|---------------|
| School Department: | |
| Major Fund: | |
| School Federal Projects | \$ 2,188,287 |

B. Fund Deficits

The Other General Government Fund had a fund deficit of \$278,762 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL No. 21.027). The grant expenditures can only be reported in April of each year. Scott County made expenditures of grant funds after the reporting period but before the end of the fiscal year

which resulted in the deficit.

The School Federal Projects Fund of the discretely presented Scott County School Department had a GAAP basis deficit in unassigned fund balance of \$108,585 at June 30, 2023. The deficit was the result of recognition of retainage payable related to the construction contract discussed in note III.C. The deficit is expected to be liquidated with the recognition of grant revenues subsequent to June 30, 2023. In addition to the GAAP basis deficit discussed above, the School Federal Projects Fund reported a budgetary basis deficit of \$1,321,790 at June 30, 2023. That deficit was due to the recognition of budgetary basis expenditures for outstanding encumbrances in the amount of \$2,188,287 at year-end. The deficit is expected to be liquidated as reimbursable grant revenues are recognized.

C. Amounts Withheld from Contractor Payments Were Not Deposited into an Escrow Account

The county did not deposit amounts withheld from contractor payments into an escrow account related to a \$4,360,250 construction contract for a gym at Fairview Elementary School. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. Further details can be found in the Schedule of Findings and Questioned Costs in the Single Audit Section of this report.

D. Investigation

As disclosed in the Summary Schedule of Prior-year Findings in the Single Audit Section of this report, the Comptroller's Division of Investigations is reviewing certain operations of the Scott County Sheriff's Department. Findings, if any, resulting from this review will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

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

Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2023.

TCRS Stabilization Trust

Legal Provisions. The Scott County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each

member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

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

On June 30, 2023, the Scott County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

| Investment | Weighted Average Maturity (days) | Maturities | Fair Value |
|--|---|------------|-------------------|
| Investments at Fair Value: | | | |
| U.S. Equity | N/A | N/A | \$ 75,913 |
| Developed Market International Equity | N/A | N/A | 34,284 |
| Emerging Market International Equity | N/A | N/A | 9,795 |
| U.S. Fixed Income | N/A | N/A | 48,976 |
| Real Estate | N/A | N/A | 24,488 |
| Short-term Securities | N/A | N/A | 2,449 |
| NAV - Private Equity and Strategic Lending | N/A | N/A | <u>48,976</u> |
| Total | | | <u>\$ 244,881</u> |

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. Leases Receivable

The composition of lease receivables totaling \$2,866,735 as of June 30, 2023, was as follows:

Nursing Home

On January 19, 1998, Scott County began leasing its nursing home facility to Preferred Health Services of Tennessee, Inc. The current lease, as amended on August 15, 2022, extends until fiscal year 2045, with no provision for cancellation. Lease payments over the term of the lease are scheduled to increase by 2.5% each year. The lease contains a provision that any beds added that would reside in the current building would increase the lease payment by \$120 for each bed, or the current inflation adjusted bed amount based on the year the new beds would be placed in service. Any beds added that would require new construction would reflect a lease payment change based on who

incurred the construction cost. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the lease payments. During the fiscal year ended June 30, 2023, the county recognized lease revenue of \$40,636 and interest revenue of \$84,624 related to this agreement. The lease amendment approved by the county on August 15, 2022, extended the lease by ten years, and increased the present value of the lease receivable.

Minimum lease payments receivable over the next 22 years are as follows:

| Year Ending June 30 | Nursing Home | | |
|------------------------|--------------|--------------|--------------|
| | Principal | Interest | Total |
| 2024 | \$ 30,943 | \$ 97,449 | \$ 128,392 |
| 2025 | 35,636 | 95,960 | 131,596 |
| 2026 | 40,637 | 94,255 | 134,892 |
| 2027 | 45,946 | 92,318 | 138,264 |
| 2028 | 51,583 | 90,135 | 141,718 |
| 2029-2033 | 355,297 | 408,231 | 763,528 |
| 2034-2038 | 556,794 | 307,076 | 863,870 |
| 2039-2043 | 823,745 | 153,649 | 977,394 |
| 2044-2045 | 238,794 | 6,790 | 245,584 |
| Total | \$ 2,179,375 | \$ 1,345,863 | \$ 3,525,238 |

Departments of Children's & Human Services Building

In prior years, Scott County began leasing office space in a county owned building to the State of Tennessee Departments of Children's & Human Services. The current agreement, effective July 1, 2021, is for a period of three years plus two renewal options of one year each. The State of Tennessee will pay the county \$93,500 per year for the lease and it is considered reasonably certain that the State of Tennessee will exercise the renewal provisions. The State of Tennessee may terminate the lease at any time by giving written notice to the county at least 180 days prior to the date the termination becomes effective. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the expected lease payments. During the fiscal year ended June 30, 2023, the county recognized lease revenue of \$79,762 and interest revenue of \$13,738 related to this agreement.

Expected lease payments over the next 3 years are as follows:

| Year Ending June 30 | Deapartments of Children's & Human Services Building | | |
|------------------------|---|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 83,425 | \$ 10,075 | \$ 93,500 |
| 2025 | 87,256 | 6,244 | 93,500 |
| 2026 | 91,241 | 2,259 | 93,500 |
| Total | <u>\$ 261,922</u> | <u>\$ 18,578</u> | <u>\$ 280,500</u> |

District Attorney Office Space

In prior years, Scott County began leasing space in the Scott County Justice Center to the District Attorneys General Conference to be used as office space for the District Attorney for the 8th Judicial District. The prior agreement expired on August 31, 2022, and the current began September 1, 2022, and is for a period of eight years. At the expiration of the lease, both parties reserve the right to renegotiate and extend the lease for an additional eight-year term. The agreement provides for lease payments of \$41,573 per year. The District Attorneys General Conference may terminate the lease at any time by giving written notice to the county at least 90 days prior to the date the termination becomes effective. The county has used its incremental borrowing rate of 3.35 percent to discount the present value of the lease payments. During the fiscal year ended June 30, 2023, the county recognized lease revenue of \$33,587 and interest revenue of \$7,822 related to this agreement.

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

| Year Ending June 30 | District Attorney Office | | |
|------------------------|--------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 33,223 | \$ 8,350 | \$ 41,573 |
| 2025 | 34,356 | 7,217 | 41,573 |
| 2026 | 35,518 | 6,055 | 41,573 |
| 2027 | 36,727 | 4,846 | 41,573 |
| 2028 | 37,973 | 3,600 | 41,573 |
| 2029-3031 | 86,796 | 3,278 | 90,074 |
| Total | <u>\$ 264,593</u> | <u>\$ 33,346</u> | <u>\$ 297,939</u> |

Aircraft Hangar and Office Space

In prior years, the Scott County Airport Authority (currently a blended component unit of Scott County) began leasing hangar and office space at the Scott County Airport to ATS Tennessee, Inc. for the operation of an aircraft maintenance business. The current lease agreement became effective April 1, 2009, and extended for 10 years with no provision for termination, plus four renewal options of five-year terms. ATS has exercised the first five-year

renewal option, and the county considers it reasonably certain that ATS will exercise the second five-year renewal option. The agreement provides for lease payments of \$2,650 per month. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the expected lease payments. During the fiscal year ended June 30, 2023, the county recognized lease revenue of \$25,728 and interest revenue of \$7,805 related to this agreement.

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

| Year Ending June 30 | Scott County Airport Authority | | |
|------------------------|--------------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 25,075 | \$ 6,725 | \$ 31,800 |
| 2025 | 26,227 | 5,573 | 31,800 |
| 2026 | 27,432 | 4,368 | 31,800 |
| 2027 | 28,692 | 3,108 | 31,800 |
| 2028 | 30,010 | 1,790 | 31,800 |
| 2029 | 23,409 | 441 | 23,850 |
| Total | \$ 160,845 | \$ 22,005 | \$ 182,850 |

C. 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 | \$ 2,324,770 | \$ 0 | \$ 0 | \$ 2,324,770 |
| Construction in Progress | 1,509,894 | 0 | (1,477,098) | 32,796 |
| Total Capital Assets Not Depreciated | \$ 3,834,664 | \$ 0 | \$ (1,477,098) | \$ 2,357,566 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 20,226,007 | \$ 0 | \$ 0 | \$ 20,226,007 |
| Infrastructure | 6,129,817 | 6,220,987 | 0 | 12,350,804 |
| Other Capital Assets | 7,098,865 | 1,404,318 | (299,455) | 8,203,728 |
| Total Capital Assets Depreciated | \$ 33,454,689 | \$ 7,625,305 | \$ (299,455) | \$ 40,780,539 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 9,337,003 | \$ 484,292 | \$ 0 | \$ 9,821,295 |
| Infrastructure | 1,374,739 | 182,100 | 0 | 1,556,839 |
| Other Capital Assets | 5,197,414 | 459,530 | (281,331) | 5,375,613 |
| Total Accumulated Depreciation | \$ 15,909,156 | \$ 1,125,922 | \$ (281,331) | \$ 16,753,747 |
| Total Capital Assets Depreciated, Net | \$ 17,545,533 | \$ 6,499,383 | \$ (18,124) | \$ 24,026,792 |
| Governmental Activities | | | | |
| Capital Assets, Net | \$ 21,380,197 | \$ 6,499,383 | \$ (1,495,222) | \$ 26,384,358 |

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

Governmental Activities:

| | |
|---|---------------------|
| General Government | \$ 431,954 |
| Administration of Justice | 1,956 |
| Public Safety | 265,641 |
| Public Health and Welfare | 160,569 |
| Social, Cultural, and Recreational Services | 621 |
| Highways | <u>265,181</u> |
| Total Depreciation Expense - | |
| Governmental Activities | <u>\$ 1,125,922</u> |

Net Investment in Capital Assets

| | |
|---|----------------------|
| Capital Assets | \$ 26,384,358 |
| Less: | |
| Outstanding principal of capital debt and other capital borrowings | (6,280,708) |
| Outstanding principal balance of debt and other borrowing used to refund capital-related debt | (620,000) |
| Unamortized balance of original issue premiums on outstanding capital-related debt | (15,272) |
| Net Investment in Capital Assets | <u>\$ 19,468,378</u> |

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

| | Balance 7-1-22 | Increases | Decreases | Balance 6-30-23 |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 910,561 | \$ 0 | \$ 0 | \$ 910,561 |
| Construction in Progress | 457,634 | 2,387,367 | (457,634) | 2,387,367 |
| Total Capital Assets Not Depreciated | <u>\$ 1,368,195</u> | <u>\$ 2,387,367</u> | <u>\$ (457,634)</u> | <u>\$ 3,297,928</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 31,458,586 | \$ 938,821 | \$ 0 | \$ 32,397,407 |
| Infrastructure | 257,625 | 0 | 0 | 257,625 |
| Other Capital Assets | 8,272,559 | 348,933 | (504,502) | 8,116,990 |
| Total Capital Assets Depreciated | <u>\$ 39,988,770</u> | <u>\$ 1,287,754</u> | <u>\$ (504,502)</u> | <u>\$ 40,772,022</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 16,573,385 | \$ 835,798 | \$ 0 | \$ 17,409,183 |
| Infrastructure | 83,894 | 17,175 | 0 | 101,069 |
| Other Capital Assets | 5,477,420 | 432,894 | (504,502) | 5,405,812 |
| Total Accumulated Depreciation | <u>\$ 22,134,699</u> | <u>\$ 1,285,867</u> | <u>\$ (504,502)</u> | <u>\$ 22,916,064</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 17,854,071</u> | <u>\$ 1,887</u> | <u>\$ 0</u> | <u>\$ 17,855,958</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 19,222,266</u> | <u>\$ 2,389,254</u> | <u>\$ (457,634)</u> | <u>\$ 21,153,886</u> |

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

Governmental Activities:

| | |
|---|-------------------------|
| Instruction | \$ 63,214 |
| Support Services | 1,109,535 |
| Operation of Non-instructional Services | <u>113,118</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,285,867</u> |

D. Construction Commitments

At June 30, 2023, the discretely presented Scott County School Department's School Federal Projects Fund had an uncompleted construction contract of approximately \$2,188,287 for an elementary school gym. Funding for these future expenditures is expected to be received from federal grants.

E. 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 | \$ 3,616 |
| Nonmajor governmental | General | 5,445 |

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Discretely Presented Scott County School Department

| <u>Transfer Out</u> | <u>Transfer In</u> | |
|------------------------------|--------------------|----------------|
| | <u>Fund</u> | <u>Purpose</u> |
| School Federal Projects Fund | \$ 298,300 | Indirect costs |
| Total | \$ 298,300 | |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Purpose School Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Scott County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service and Rural Debt Service funds.

Direct Borrowing and Direct Placements – Scott County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to five years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes outstanding at June 30, 2023, will be retired from the Highway/Public Works Fund. All other loans 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 other loans 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 | 3 to 4.5 % | 6-1-28 | \$ 1,250,000 | \$ 475,000 |
| General Obligation Bonds - Refunding | 2 to 3.4 | 6-1-35 | 9,610,000 | 4,705,000 |
| Direct Borrowing and Direct Placement: | | | | |
| Capital Outlay Notes | 3.35 | 11-1-27 | 850,547 | 758,419 |
| Other Loans | Variable | 5-25-35 | 23,594,938 | 14,261,339 |

Scott County has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority (PBAs). These loan agreements provide for the PBAs to loan funds to Scott County for various renovation and construction projects on an as needed basis. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (administrative, letter of credit, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2023:

| Description | Original Amount of Loan Agreement | Outstanding Principal 6-30-23 | Interest Interest Type | Interest Rates as of 6-30-23 | Other Fees on Variable Rate Debt |
|--|--|-------------------------------------|------------------------------|---------------------------------------|--|
| <u>Montgomery County Public Building Authority</u> | | | | | |
| Justice Center | \$ 9,654,938 (1) | \$ 5,603,938 | Variable | 3.67 % | 0.63 % |
| <u>City of Clarksville Public Building Authority</u> | | | | | |
| School Renovations and Improvements | 13,940,000 | <u>8,657,401</u> | Variable | 4.03 | 0.62 |
| Total | | <u>\$ 14,261,339</u> | | | |

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

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

| Year Ending June 30 | Bonds | | | Total |
|------------------------|---------------------|-------------------|---------------------|-------|
| | Principal | Interest | | |
| 2024 | \$ 850,000 | \$ 159,820 | \$ 1,009,820 | |
| 2025 | 885,000 | 136,871 | 1,021,871 | |
| 2026 | 920,000 | 110,583 | 1,030,583 | |
| 2027 | 970,000 | 82,226 | 1,052,226 | |
| 2028 | 700,000 | 51,439 | 751,439 | |
| 2029-2033 | 780,000 | 50,573 | 830,573 | |
| 2034-2035 | 75,000 | 3,910 | 78,910 | |
| Total | \$ 5,180,000 | \$ 595,422 | \$ 5,775,422 | |

| Year Ending June 30 | Notes - Direct Placement | | | Total |
|------------------------|--------------------------|------------------|-------------------|-------|
| | Principal | Interest | | |
| 2024 | \$ 161,994 | \$ 22,998 | \$ 184,992 | |
| 2025 | 167,564 | 17,428 | 184,992 | |
| 2026 | 173,265 | 11,727 | 184,992 | |
| 2027 | 179,159 | 5,833 | 184,992 | |
| 2028 | 76,437 | 644 | 77,081 | |
| Total | \$ 758,419 | \$ 58,630 | \$ 817,049 | |

| Year Ending June 30 | Other Loans - Direct Placement | | | | Total |
|------------------------|--------------------------------|---------------------|-------------------|----------------------|-------|
| | Principal | Interest | Other Fees | | |
| 2024 | \$ 925,000 | \$ 567,623 | \$ 91,463 | \$ 1,584,086 | |
| 2025 | 970,000 | 531,692 | 85,675 | 1,587,367 | |
| 2026 | 1,019,000 | 494,012 | 79,606 | 1,592,618 | |
| 2027 | 1,071,000 | 454,430 | 73,230 | 1,598,660 | |
| 2028 | 1,123,000 | 412,827 | 66,529 | 1,602,356 | |
| 2029-2033 | 6,520,000 | 1,364,156 | 219,893 | 8,104,049 | |
| 2034-2035 | 2,633,339 | 149,524 | 23,907 | 2,806,770 | |
| Total | \$ 14,261,339 | \$ 3,974,264 | \$ 640,303 | \$ 18,875,906 | |

There is \$4,874,766 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$50, based on the 2020 federal census for residents living inside the Oneida Special School District and \$276 for residents living outside the Oneida Special School District. Debt per capita, including notes, bonds, other loans, and unamortized debt premiums, totaled \$739 for residents living inside the Oneida Special School District and \$965 for residents living outside the Oneida Special School District, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:

| | Bonds | Notes - Direct Placement | Other Loans - Direct Placement |
|-----------------------------|---------------------|--------------------------------|---|
| Balance, July 1, 2022 | \$ 5,795,000 | \$ 139,363 | \$ 15,142,339 |
| Additions | 0 | 850,547 | 0 |
| Reductions | (615,000) | (231,491) | (881,000) |
| Balance, June 30, 2023 | <u>\$ 5,180,000</u> | <u>\$ 758,419</u> | <u>\$ 14,261,339</u> |
| Balance Due Within One Year | <u>\$ 850,000</u> | <u>\$ 161,994</u> | <u>\$ 925,000</u> |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

| | |
|--|----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2023 | \$ 20,199,758 |
| Less: Balance Due Within One Year - Debt | (1,936,994) |
| Add: Unamortized Premium on Debt | <u>29,119</u> |
| Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A | <u>\$ 18,291,883</u> |

During the year, the discretely presented Scott County School Department contributed \$399,792 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

G. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

| Governmental Activities: | Compensated Absences | Landfill Closure/ Postclosure Care Costs | Other Post- employment Benefits |
|---------------------------------|-----------------------------|---|--|
| Balance, July 1, 2022 | \$ 256,724 | \$ 1,578,702 | \$ 38,532 |
| Additions | 242,972 | 2,315 | 2,764 |
| Reductions | (253,950) | 0 | (7,390) |
| Balance, June 30, 2023 | <u>\$ 245,746</u> | <u>\$ 1,581,017</u> | <u>\$ 33,906</u> |
| Balance Due Within One Year | <u>\$ 196,597</u> | <u>\$ 112,930</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

| | |
|---|------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023 | \$ 1,860,669 |
| Less: Balance Due Within One Year - Other | <u>(309,527)</u> |

| | |
|---|---------------------|
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 1,551,142</u> |
|---|---------------------|

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

Discretely Presented Scott County School Department

Changes in Long-term Obligations

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

| Governmental Activities: | | Other |
|---------------------------------|----------------------|-------------------------|
| | Compensated Absences | Postemployment Benefits |
| Balance, July 1, 2022 | \$ 242,169 | \$ 3,799,310 |
| Additions | 33,630 | 443,469 |
| Reductions | (89,134) | (666,199) |
| Balance, June 30, 2023 | \$ 186,665 | \$ 3,576,580 |
| Balance Due Within One Year | \$ 149,332 | \$ 0 |

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

| | |
|---|-------------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023 | \$ 3,763,245 |
| Less: Balance Due Within One Year - Other | <u>(149,332)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 3,613,913</u> |

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

H. Pledges of Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling \$30 for each motor-driven vehicle. The county pledged the tax collections to repay \$13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of Robbins Elementary, Burchfield Elementary, and Oneida schools. Upon payment and retirement of this debt, the tax will terminate. Future principal, estimated interest, and estimated fee requirements for the loans totaled \$11,484,338 payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were \$830,161 and \$643,867, respectively. Since March 2012, these pledged revenues have exceeded the debt service requirements on the loans by \$25,836.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2023, were \$94,130 and \$36,787, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Scott County and the discretely presented Scott County School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

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

B. Accounting Changes

GASB Statement No. 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.

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

D. Changes in Administration

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

E. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Scott County closed its sanitary landfill in 2007. The \$1,581,017 reported as postclosure care liability at June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual cost may be different due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operation of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Scott County made no contributions to the DTF for the year ended June 30, 2023, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of the District Attorney General
Eighth Judicial District
411 Blue Top Road
Tazewell, TN 37879

G. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2023.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.99 percent, the non-certified employees of the discretely presented school department comprise 35.01 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 | 286 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 487 |
| Active Employees | 399 |
| Total | <u>1,172</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. Scott County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contribution for Scott County was \$573,060 based on a rate of five percent of covered payroll. The rate set by the Board of Trustees as determined by an actuarial valuation was 4.31 percent. By law, employer contributions are required to be paid. The TCRS may intercept Scott County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Scott County's net pension liability (asset) was measured as of June 30, 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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a)-(b) |
| Balance, July 1, 2021 | \$ 36,203,516 | \$ 44,143,515 | \$ (7,939,999) |
| Changes for the Year: | | | |
| Service Cost | \$ 1,158,148 | \$ 0 | \$ 1,158,148 |
| Interest | 2,459,772 | 0 | 2,459,772 |
| Differences Between Expected and Actual Experience | 1,283,720 | 0 | 1,283,720 |
| Contributions-Employer | 0 | 581,039 | (581,039) |
| Contributions-Employees | 0 | 581,043 | (581,043) |
| Net Investment Income | 0 | (1,675,015) | 1,675,015 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,841,189) | (1,841,189) | 0 |
| Administrative Expense | 0 | (39,538) | 39,538 |
| Net Changes | \$ 3,060,451 | \$ (2,393,660) | \$ 5,454,111 |
| Balance, June 30, 2022 | \$ 39,263,967 | \$ 41,749,855 | \$ (2,485,888) |

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

| | | Plan | Net |
|--------------------|-------------------------------|------------------------------|---------------------------------|
| | Total Pension Liability | Fiduciary Net Position | Pension Liability (Asset) |
| Primary Government | 64.99% | \$ 25,517,652 | \$ 27,133,231 |
| School Department | 35.01% | 13,746,315 | 14,616,624 |
| Total | | \$ 39,263,967 | \$ 41,749,855 |
| | | | \$ (2,485,888) |

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---------------------|----------------|-----------------------------|----------------|
| <u>Scott County</u> | 5.75% | 6.75% | 7.75% |

Net Pension Liability (Asset) \$ 3,033,503 \$ (2,485,888) \$ (6,991,674)

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, Scott County recognized pension expense (negative pension expense) of \$295,058.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 1,026,976 | \$ 513,355 |
| Net Difference Between Projected and Actual Earnings on Pension Plan | | |
| Investments | 80,228 | 0 |
| Changes in Assumptions | 1,741,045 | 0 |
| Contributions Subsequent to the Measurement Date of June 30, 2022 (1) | 573,060 | N/A |
| Total | \$ 3,421,309 | \$ 513,355 |

(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 | \$ 2,227,342 | \$ 333,629 |
| School Department | <u>1,193,967</u> | 179,726 |
| Total | <u>\$ 3,421,309</u> | <u>\$ 513,355</u> |

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

| Year Ending <u>June 30</u> | <u>Amount</u> |
|-------------------------------|---------------|
| 2024 | \$ 315,803 |
| 2025 | 446,881 |
| 2026 | 389,379 |
| 2027 | 1,182,834 |
| 2028 | 0 |
| Thereafter | 0 |

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

Discretely Presented Scott County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.99 percent and the non-certified employees of the discretely presented school department comprise 35.01 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$106,831, which is 2.87 percent of covered payroll. In addition, employer contributions of \$37,467, 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 (\$54,131) 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 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 .178694 percent. The proportion as of June 30, 2021, was .170718 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense of \$75,262.

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 | \$ 2,960 | \$ 32,888 |
| Net Difference Between Projected and Actual Earnings on Pension Plan | | |
| Investments | 17,062 | 0 |
| Changes in Assumptions | 63,412 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 2,416 | 14,797 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022 | <u>106,831</u> | N/A |
| Total | <u>\$ 192,681</u> | <u>\$ 47,685</u> |

The school department's employer contributions of \$106,831, 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 | \$ 3 |
| 2025 | 177 |
| 2026 | (2,627) |
| 2027 | 27,092 |
| 2028 | 1,896 |
| Thereafter | 11,623 |

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

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

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

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

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

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability (Asset) \$ 284,156 | \$ (54,131) | \$ (301,185) | |

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Scott County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$829,629 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 (\$3,932,745) 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 .320673 percent. The proportion measured at June 30, 2021, was .318231 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$7,283.

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 | \$ 646,922 | \$ 664,514 |
| Changes in Assumptions | 2,463,675 | 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 67,248 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 0 | 50,166 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022 | 829,629 | N/A |
| Total | \$ 4,007,474 | \$ 714,680 |

The school department's employer contributions of \$829,629 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 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 | \$ 367,949 |
| 2025 | 715,171 |
| 2026 | (695,655) |
| 2027 | 2,075,699 |
| 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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability (Asset) \$ 7,789,412 | \$ (3,932,745) | \$ (13,696,522) | |

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 \$186,117 and teachers contributed \$79,819 to this deferred compensation plan.

I. Other Postemployment Benefits (OPEB)

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

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

The county and the school department's total OPEB liability for each plan was measured as of June 30, 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 | LEP: Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and gradually decreasing over a 7 year period to an ultimate trend rate of 4.5%. TNM: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable |
| Retirees Share of Benefit | |
| Related Cost | Discussed under each plan |

The discount rate was 3.54 percent, based on and 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 Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experiences. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected

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

Changes in Assumptions. The discount rate changed from 2.16 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.

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

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

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

Employees Covered by Benefit Terms

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

| | <u>Total</u> |
|---|---------------|
| Inactive Employees Currently Receiving Benefit Payments | 8 |
| Inactive Employees Entitled To But Not Yet Receiving Benefit Payments | 14 |
| Active Employees Eligible for Benefits | <u>25</u> |
| Total | <u>47</u> |

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

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA 8-27-201*, *8-27-301*, and *8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2023, the county paid \$4,299 (primary government - \$1,541, and school department - \$2,758) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

| | Primary Government 35.85% | School Department 64.15% | Total OPEB Liability |
|--|---------------------------------|--------------------------------|----------------------------|
| Balance July 1, 2021 | \$ 38,532 | \$ 68,950 | \$ 107,482 |
| Changes for the Year: | | | |
| Service Cost | \$ 684 | \$ 1,224 | \$ 1,908 |
| Interest | 830 | 1,485 | 2,315 |
| Difference between Expected and Actuarial Experience | 1,250 | 2,237 | 3,487 |
| Changes in Assumption and Other Inputs | (5,793) | (10,367) | (16,160) |
| Benefit Payments | (1,597) | (2,858) | (4,455) |
| Net Changes | <u>\$ (4,626)</u> | <u>\$ (8,279)</u> | <u>\$ (12,905)</u> |
| Balance June 30, 2022 | \$ 33,906 | \$ 60,671 | \$ 94,577 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized negative OPEB expense of \$52,541 (primary government – negative \$18,836, and school department – negative \$33,705). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 990 | \$ 87,282 |
| Changes of Assumptions/Inputs | 9,143 | 18,872 |
| Benefits Paid After the Measurement Date of June 30, 2022 | <u>1,541</u> | 0 |
| Total | <u>\$ 11,674</u> | <u>\$ 106,154</u> |

Discretely Presented School Department:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 1,771 | \$ 156,183 |
| Changes of Assumptions/Inputs | 16,360 | 33,769 |
| Benefits Paid After the Measurement Date of June 30, 2022 | <u>2,758</u> | 0 |
| Total | <u>\$ 20,889</u> | <u>\$ 189,952</u> |

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

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

| Year Ending June 30 | Primary Government 35.85% | School Department 64.15% | Total Amount |
|------------------------|---------------------------------|--------------------------------|-----------------|
| 2024 | \$ (20,350) | \$ (36,414) | \$ (56,764) |
| 2025 | (20,350) | (36,414) | (56,764) |
| 2026 | (20,350) | (36,414) | (56,764) |
| 2027 | (18,263) | (32,679) | (50,942) |
| 2028 | (13,964) | (24,986) | (38,950) |
| Thereafter | (2,744) | (4,914) | (7,658) |

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

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

| <u>Discount Rate</u> | Current | | |
|-----------------------------|----------|-------------------|------------------|
| | 1% | Discount | 1% |
| | Decrease | Rate | Increase |
| Primary Government | 35.85% | \$ 37,963 | \$ 33,906 |
| School Department | 64.15% | 67,932 | 60,671 |
| Total OPEB Liability | | \$ 105,895 | \$ 94,577 |
| | | | \$ 85,016 |

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

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

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

Benefits Provided. The Scott County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees including teachers, support staff, and disabled participants. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Scott County provided a direct subsidy of \$293 per month toward the cost of the insurance plan selected by eligible retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

| | School Department |
|---|----------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 31 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 2 |
| Active Employees Eligible for Benefits | 256 |
| Total | 289 |

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$196,853 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

| | Share of Collective Liability | | |
|--|---|----------------------------|-------------------------------------|
| | Scott County School Department 64.9176% | State of TN 35.0824% | Total LEP Plan OPEB Liability |
| Balance July 1, 2021 | \$ 3,435,919 | \$ 1,784,248 | \$ 5,220,167 |
| Changes for the Year: | | | |
| Service Cost | \$ 192,225 | \$ 103,881 | \$ 296,106 |
| Interest | 76,189 | 41,174 | 117,363 |
| Difference between Expected and Actuarial Experience | 101,282 | 54,734 | 156,016 |
| Changes in Assumption and Other Inputs | (329,040) | (177,818) | (506,858) |
| Benefit Payments | (108,067) | (58,401) | (166,468) |
| Change in Proportionate Share | (47,112) | 47,112 | 0 |
| Net Changes | \$ (114,523) | \$ 10,682 | \$ (103,841) |
| Balance June 30, 2022 | \$ 3,321,396 | \$ 1,794,930 | \$ 5,116,326 |

The Scott County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$229,914 in revenues for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department employees for the non-employer share of the collective OPEB expense.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability was 64.9176% and the State of Tennessee's share was 35.0824%.

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 \$503,709, which includes the state share of expenses. 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 | \$ 675,340 | \$ 226,562 |
| Changes of Assumptions/Inputs | 392,834 | 495,333 |
| Changes in Proportion | 39,378 | 356,568 |
| Benefits Paid After the Measurement Date of June 30, 2023 | <u>196,853</u> | 0 |
| Total | <u>\$ 1,304,405</u> | <u>\$ 1,078,463</u> |

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

| Year Ending June 30 | School Department |
|------------------------|----------------------|
| 2024 | \$ 5,381 |
| 2025 | 5,381 |
| 2026 | 5,381 |
| 2027 | 5,381 |
| 2028 | 15,679 |
| Thereafter | (8,114) |

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 | \$ 3,557,344 \$ 3,321,396 \$ 3,097,546 | | |

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

Healthcare Cost Trend Rate

| | 1% Decrease 7.37 to 3.5% | Current Rates 8.37 to 4.5% | 1% Increase 9.37 to 5.5% |
|--|--------------------------------|----------------------------------|--------------------------------|
|--|--------------------------------|----------------------------------|--------------------------------|

Proportionate Share of the
Collective Total OPEB
Liability \$ 2,995,573 \$ 3,321,396 \$ 3,701,374

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

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

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

provided a direct subsidy of \$25 to \$50 per month for eligible retirees based on years of service.

Employees Covered by Benefit Terms

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

| | School Department |
|--|----------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 82 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 43 |
| Active Employees Eligible for Benefits | 273 |
| Total | <u>398</u> |

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA 8-27-201*, *8-27-301*, and *8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2023, the discretely presented Scott County School Department paid \$8,685 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability for TNM Plan

| | Share of Collective Liability | | Total |
|--|-----------------------------------|----------------|---------------------------------------|
| | Scott County School Department | State of TN | Teacher TNM Plan OPEB Liability |
| | 19.1004% | 80.8996% | |
| Balance July 1, 2021 | \$ 294,442 | \$ 994,859 | \$ 1,289,301 |
| Changes for the Year: | | | |
| Service Cost | \$ 7,387 | \$ 31,288 | \$ 38,675 |
| Interest | 5,388 | 22,820 | 28,208 |
| Difference between Expected and Actuarial Experience | 16,172 | (100,838) | (84,666) |
| Changes in Assumption and Other Inputs | 39,880 | (248,672) | (208,792) |
| Benefit Payments | (8,472) | (35,885) | (44,357) |
| Change in Proportion | (160,284) | 160,284 | 0 |
| Net Changes | \$ (99,929) | \$ (171,003) | \$ (270,932) |
| Balance June 30, 2022 | \$ 194,513 | \$ 823,856 | \$ 1,018,369 |

The Scott County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$164,232 in revenue for subsidies provided by the non-employer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability for the teacher plan was 19.1004 percent and the State of Tennessee's share was 80.8996 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized TNM Plan OPEB expense of \$33,420, which includes the state's share of expenses. 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 | \$ 5,988 | \$ 24,887 |
| Changes of Assumptions/Inputs | 54,643 | 72,102 |
| Changes in Proportion | 134,286 | 519,903 |
| Benefits Paid After the Measurement Date of June 30, 2022 | 8,685 | 0 |
| Total | \$ 203,602 | \$ 616,892 |

The amounts shown above for "Benefits Paid After the Measurement Date" will be recognized as a reduction to OPEB liability in the subsequent fiscal period.

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

| Year Ending June 30 | School Department |
|------------------------|----------------------|
| 2024 | \$ (143,587) |
| 2025 | (143,587) |
| 2026 | (143,583) |
| 2027 | 23,850 |
| 2028 | 670 |
| Thereafter | (15,738) |

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

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

| <u>Discount Rate</u> | Current | | |
|--|----------------|------------------|----------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 2.54% | 3.54% | 4.54% |
| Proportionate Share of the Collective Total OPEB Liability | \$ 222,312 | \$ 194,513 | \$ 171,554 |

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

J. Office of Central Accounting, Budgeting, and Purchasing

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

K. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Scott County. All purchase orders are issued by the finance department. Purchases of \$25,000 and greater are required to be competitively bid for all departments.

The Scott County Board of Education approved to raise this threshold from \$10,000 to \$25,000 on July 14, 2022. The Scott County Commission had raised the threshold to \$25,000 for purchases of the primary government on June 20, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Scott County, Tennessee

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ 707,578 | \$ 761,122 | \$ 798,442 | \$ 796,601 | \$ 860,123 | \$ 877,670 | \$ 942,166 | \$ 939,963 | \$ 1,158,148 |
| Interest | 1,788,261 | 1,833,841 | 1,930,160 | 2,006,895 | 2,075,246 | 2,162,521 | 2,237,926 | 2,323,199 | 2,459,772 |
| Differences Between Actual and Expected Experience | (858,120) | (170,820) | (488,496) | (412,439) | (397,742) | (592,987) | (489,647) | (331,494) | 1,283,720 |
| Changes in Assumptions | 0 | 0 | 0 | 674,274 | 0 | 0 | 0 | 2,901,741 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,031,694) | (1,135,369) | (1,219,037) | (1,211,234) | (1,315,516) | (1,387,229) | (1,556,033) | (1,468,104) | (1,841,189) |
| Net Change in Total Pension Liability | \$ 606,025 | \$ 1,288,774 | \$ 1,021,069 | \$ 1,854,097 | \$ 1,222,111 | \$ 1,059,975 | \$ 1,134,412 | \$ 4,365,305 | \$ 3,060,451 |
| Total Pension Liability, Beginning | 23,651,748 | 24,257,773 | 25,546,547 | 26,567,616 | 28,421,713 | 29,643,824 | 30,703,799 | 31,838,211 | 36,203,516 |
| Total Pension Liability, Ending (a) | \$ 24,257,773 | \$ 25,546,547 | \$ 26,567,616 | \$ 28,421,713 | \$ 29,643,824 | \$ 30,703,799 | \$ 31,838,211 | \$ 36,203,516 | \$ 39,263,967 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 599,915 | \$ 627,706 | \$ 640,528 | \$ 664,651 | \$ 668,599 | \$ 701,289 | \$ 717,019 | \$ 551,349 | \$ 581,039 |
| Contributions - Employee | 437,771 | 458,184 | 473,281 | 491,666 | 488,744 | 512,637 | 524,143 | 557,283 | 581,043 |
| Net Investment Income | 3,621,707 | 783,535 | 692,957 | 3,026,444 | 2,456,199 | 2,371,243 | 1,683,373 | 9,093,043 | (1,675,015) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,031,694) | (1,135,369) | (1,219,037) | (1,211,234) | (1,315,516) | (1,387,229) | (1,556,033) | (1,468,104) | (1,841,189) |
| Administrative Expense | (14,181) | (19,101) | (28,324) | (32,874) | (35,604) | (34,586) | (35,086) | (36,790) | (39,538) |
| Net Change in Plan Fiduciary Net Position | \$ 3,613,518 | \$ 714,955 | \$ 559,405 | \$ 2,938,653 | \$ 2,262,422 | \$ 2,163,354 | \$ 1,333,416 | \$ 8,696,781 | \$ (2,393,660) |
| Plan Fiduciary Net Position, Beginning | 21,861,011 | 25,474,529 | 26,189,484 | 26,748,889 | 29,687,542 | 31,949,964 | 34,113,318 | 35,446,734 | 44,143,515 |
| Plan Fiduciary Net Position, Ending (b) | \$ 25,474,529 | \$ 26,189,484 | \$ 26,748,889 | \$ 29,687,542 | \$ 31,949,964 | \$ 34,113,318 | \$ 35,446,734 | \$ 44,143,515 | \$ 41,749,855 |
| Net Pension Liability (Asset), Ending (a - b) | \$ (1,216,756) | \$ (642,937) | \$ (181,273) | \$ (1,265,829) | \$ (2,306,140) | \$ (3,409,519) | \$ (3,608,523) | \$ (7,939,999) | \$ (2,485,888) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 105.02% | 102.52% | 100.68% | 104.45% | 107.78% | 111.10% | 111.33% | 121.93% | 106.33% |
| Covered Payroll | \$ 8,783,504 | \$ 9,163,587 | \$ 9,352,653 | \$ 9,702,928 | \$ 9,774,854 | \$ 10,252,776 | \$ 10,482,751 | \$ 11,040,692 | \$ 11,620,753 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | (13.85%) | (7.02%) | (1.94%) | (13.05%) | (23.59%) | (33.25%) | (34.42%) | (71.92%) | (21.39%) |

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

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

Exhibit E-2

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 599,915 | \$ 627,706 | \$ 640,528 | \$ 664,651 | \$ 668,599 | \$ 701,289 | \$ 533,571 | \$ 433,361 | \$ 103,425 | \$ 493,105 |
| Less: Contributions in Relation to the Actuarially Determined Contribution | (599,915) | (627,706) | (640,528) | (664,651) | (668,599) | (701,289) | (717,019) | (551,349) | (581,039) | (573,060) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (183,448) | \$ (117,988) | \$ (477,614) | \$ (79,955) |
| Covered Payroll | \$ 8,783,504 | \$ 9,163,587 | \$ 9,352,653 | \$ 9,702,928 | \$ 9,774,854 | \$ 10,252,776 | \$ 10,482,751 | \$ 11,040,692 | \$ 11,620,753 | \$ 11,440,948 |
| Contributions as a Percentage of Covered Payroll | 6.83% | 6.85% | 6.85% | 6.85% | 6.84% | 6.84% | 6.84% | 4.99% | 5.00% | 5.01% |

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

Exhibit E-3

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution | \$ 10,385 | \$ 26,542 | \$ 38,549 | \$ 50,845 | \$ 36,021 | \$ 44,542 | \$ 49,770 | \$ 61,336 | \$ 106,831 |
| Less: Contributions in Relation to the Contractually Required Contribution | (10,385) | (26,542) | (38,549) | (50,845) | (36,021) | (44,542) | (49,770) | (61,336) | (106,831) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 259,629 | \$ 663,548 | \$ 963,709 | \$ 1,271,106 | \$ 1,856,751 | \$ 2,194,189 | \$ 2,463,824 | \$ 3,051,573 | \$ 3,722,339 |
| Contributions as a Percentage of Covered Payroll | 4.00% | 4.00% | 4.00% | 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 E-4

Scott County, TennesseeSchedule of Contributions Based on Participation in the TeacherLegacy Pension Plan of TCRSDiscretely Presented Scott County School DepartmentFor the Fiscal Year Ended June 30

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Contractually Required Contribution | \$ 971,075 | \$ 978,048 | \$ 974,896 | \$ 965,129 | \$ 956,139 | \$ 1,084,794 | \$ 1,110,234 | \$ 1,072,690 | \$ 1,086,973 | \$ 829,629 |
| Less: Contributions in Relation to the Contractually Required Contribution | (971,075) | (978,048) | (974,896) | (965,129) | (956,139) | (1,084,794) | (1,110,234) | (1,072,690) | (1,086,973) | (829,629) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 10,935,526 | \$ 10,819,137 | \$ 10,784,278 | \$ 10,676,229 | \$ 10,530,145 | \$ 10,370,866 | \$ 10,437,877 | \$ 10,445,063 | \$ 10,553,137 | \$ 9,546,943 |
| Contributions as a Percentage of Covered Payroll | 8.88% | 9.04% | 9.04% | 9.04% | 9.08% | 10.46% | 10.64% | 10.27% | 10.30% | 8.69% |

Exhibit E-5

Scott County, TennesseeSchedule of Proportionate Share of the Net Pension Assetin the Teacher Retirement Plan of TCRSDiscretely Presented Scott County School DepartmentFor the Fiscal Year Ended June 30

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| School Department's Proportion of the Net Pension Liability (Asset) | 0.122379% | 0.150805% | 0.146833% | 0.145457% | 0.175463% | 0.173877% | 0.170718% | 0.178694% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (5,028) | \$ (15,699) | \$ (38,740) | \$ (65,969) | \$ (99,046) | \$ (98,874) | \$ (184,924) | \$ (54,131) |
| Covered Payroll | \$ 256,629 | \$ 663,548 | \$ 963,709 | \$ 1,271,106 | \$ 1,856,751 | \$ 2,194,189 | \$ 2,463,824 | \$ 3,051,573 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)% | (2.37%) | (4.02%) | (5.19%) | (5.33%) | (4.51%) | (7.51%) | (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.

Scott County, Tennessee

Schedule of Proportionate Share of the Net Pension Liability (Asset)in the Teacher Legacy Pension Plan of TCRSDiscretely Presented Scott County School DepartmentFor 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) | 0.278613% | 0.289010% | 0.298749% | 0.302019% | 0.300718% | 0.309288% | 0.313808% | 0.318231% | 0.320673% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (45,273) | \$ 118,387 | \$ 1,867,018 | \$ (98,816) | \$ (1,058,201) | \$ (3,180,040) | \$ (2,393,020) | \$ (13,726,075) | \$ (3,932,745) |
| Covered Payroll | \$ 10,935,526 | \$ 10,819,137 | \$ 10,784,278 | \$ 10,676,229 | \$ 10,530,145 | \$ 10,370,866 | \$ 10,437,877 | \$ 10,445,063 | \$ 10,553,137 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 0.41% | 1.09% | 17.31% | (0.93%) | (10.05%) | (30.66%) | (22.93%) | (131.41%) | (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.

Scott County, Tennessee

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

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|--------------|-------------|--------------|-------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 22,393 | \$ 19,132 | \$ 17,411 | \$ 7,374 | \$ 7,625 | \$ 1,908 |
| Interest | 14,089 | 16,480 | 14,861 | 8,201 | 4,858 | 2,315 |
| Differences Between Actual and Expected Experience | 0 | (76,784) | (197,645) | (61,576) | (84,485) | 3,487 |
| Changes in Assumptions or Other Inputs | (47,594) | (3,685) | 4,729 | 37,472 | (30,466) | (16,160) |
| Benefit Payments | (4,500) | (5,900) | (5,813) | (6,588) | (4,470) | (4,455) |
| Net Change in Total OPEB Liability | \$ (15,612) | \$ (50,757) | \$ (166,457) | \$ (15,117) | \$ (106,938) | \$ (12,905) |
| Total OPEB Liability, Beginning | 462,363 | 446,751 | 395,994 | 229,537 | 214,420 | 107,482 |
| Total OPEB Liability, Ending | \$ 446,751 | \$ 395,994 | \$ 229,537 | \$ 214,420 | \$ 107,482 | \$ 94,577 |
| Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A |
| Scott County Proportion of Total OPEB Liability | \$ 125,091 | \$ 110,878 | \$ 64,270 | \$ 60,038 | \$ 38,532 | \$ 33,906 |
| Scott County School Department Proportion of Total OPEB Liability | 321,660 | 285,116 | 165,267 | 154,382 | 68,950 | 60,671 |

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

| | |
|------|-------|
| 2016 | 2.92% |
| 2017 | 3.56% |
| 2018 | 3.62% |
| 2019 | 3.51% |
| 2020 | 3.51% |
| 2021 | 2.21% |
| 2022 | 2.16% |
| 2023 | 3.54% |

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

Scott County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Education PlanDiscretely Presented Scott County School DepartmentFor the Fiscal Year Ended June 30

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 453,311 | \$ 419,647 | \$ 333,743 | \$ 188,035 | \$ 250,326 | \$ 296,106 |
| Interest | 205,071 | 253,202 | 225,172 | 142,871 | 107,112 | 117,363 |
| Changes in Benefit Terms | 0 | 2,682,544 | 825,344 | 2,841 | 0 | 0 |
| Differences Between Actual and Expected Experience | 0 | (666,270) | 1,414,498 | 30,725 | 87,334 | 156,016 |
| Changes in Assumptions or Other Inputs | (333,097) | 123,883 | (300,496) | 508,446 | 254,408 | (506,858) |
| Benefit Payments | (181,827) | (222,517) | (174,740) | (167,322) | (149,908) | (166,468) |
| Net Change in Total OPEB Liability | \$ 143,458 | \$ (2,774,599) | \$ 2,323,521 | \$ 705,596 | \$ 549,272 | \$ (103,841) |
| Total OPEB Liability, Beginning | 6,660,565 | 6,804,023 | 4,029,424 | 3,965,299 | 4,670,895 | 5,220,167 |
| Total OPEB Liability, Ending | <u>\$ 6,804,023</u> | <u>\$ 4,029,424</u> | <u>\$ 6,352,945</u> | <u>\$ 4,670,895</u> | <u>\$ 5,220,167</u> | <u>\$ 5,116,326</u> |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 1,792,384 | \$ 1,289,222 | \$ 1,311,950 | \$ 1,459,912 | \$ 1,784,248 | \$ 1,794,930 |
| Employer Proportionate Share of the Total OPEB Liability | 5,011,639 | 2,740,202 | 2,653,349 | 3,210,983 | 3,435,919 | 3,321,396 |
| Covered Employee Payroll | \$ 15,396,919 | \$ 15,540,075 | \$ 16,234,921 | \$ 16,665,829 | \$ 17,647,052 | \$ 18,006,608 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 32.55% | 17.63% | 16.34% | 19.27% | 19.47% | 18.45% |

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 2022 plan year - from 9.02% to 7.36%
- For the 2023 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 E-9

Scott County, Tennessee

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

| | 2019 | 2020 | 2021 | 2022 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 15,379 | \$ 30,045 | \$ 43,720 | \$ 38,675 |
| Interest | 31,268 | 41,738 | 32,055 | 28,208 |
| Differences Between Actual and Expected Experience | 60,578 | (28,734) | (7,466) | (84,666) |
| Changes in Assumptions or Other Inputs | 244,517 | 247,690 | (163,664) | (208,792) |
| Benefit Payments | (39,977) | (42,124) | (43,912) | (44,357) |
| Net Change in Total OPEB Liability | \$ 311,765 | \$ 248,615 | \$ (139,267) | \$ (270,932) |
| Total OPEB Liability, Beginning | 868,188 | 1,179,953 | 1,428,568 | 1,289,301 |
| Total OPEB Liability, Ending | <u>\$ 1,179,953</u> | <u>\$ 1,428,568</u> | <u>\$ 1,289,301</u> | <u>\$ 1,018,369</u> |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 946,815 | \$ 1,126,443 | \$ 994,859 | \$ 823,856 |
| Employer Proportionate Share of the Total OPEB Liability | 233,138 | 302,125 | 294,442 | 194,513 |
| Covered Employee Payroll | N/A | N/A | N/A | N/A |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | N/A | N/A | N/A | N/A |

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

| | |
|------|-------|
| 2019 | 3.51% |
| 2020 | 2.21% |
| 2021 | 2.16% |
| 2022 | 3.54% |

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

SCOTT COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 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 the investment rate of return from 7.50 to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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 transactions related to opioid lawsuit settlement funds.

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

Capital Projects Funds

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

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

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

Exhibit F-1

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

| | Special Revenue Funds | | | | | | Constitu - tional Officers - Fees | Total |
|--|--------------------------------|----------------------|-------------------|-----------------------------|-----------------|---------------------|--|-------|
| | Solid Waste / Sanitation | Ambulance Service | Drug Control | Other Special Revenue | | | | |
| ASSETS | | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,105 | \$ 2,105 | | |
| Equity in Pooled Cash and Investments | \$ 600,818 | \$ 202,811 | \$ 150,967 | \$ 206,941 | \$ 0 | \$ 1,161,537 | | |
| Accounts Receivable | 0 | 586,919 | 0 | 0 | 1,511 | 588,430 | | |
| Allowance for Uncollectibles | 0 | (227,411) | 0 | 0 | 0 | (227,411) | | |
| Due from Other Governments | 19,875 | 86,813 | 0 | 0 | 0 | 106,688 | | |
| Due from Other Funds | 5,445 | 0 | 0 | 0 | 0 | 5,445 | | |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Total Assets | \$ 626,138 | \$ 649,132 | \$ 150,967 | \$ 206,941 | \$ 3,616 | \$ 1,636,794 | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable | \$ 4,599 | \$ 23,100 | \$ 0 | \$ 0 | \$ 0 | \$ 27,699 | | |
| Accrued Payroll | 1,134 | 18,749 | 0 | 0 | 0 | 19,883 | | |
| Payroll Deductions Payable | 1,229 | 13,696 | 0 | 0 | 0 | 14,925 | | |
| Due to Other Funds | 0 | 0 | 0 | 0 | 3,616 | 3,616 | | |
| Due to State of Tennessee | 0 | 4,643 | 0 | 0 | 0 | 4,643 | | |
| Due to Litigants, Heirs, and Others | 0 | 0 | 102,689 | 0 | 0 | 102,689 | | |
| Total Liabilities | \$ 6,962 | \$ 60,188 | \$ 102,689 | \$ 0 | \$ 3,616 | \$ 173,455 | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | |

(Continued)

Exhibit F-1

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

| | Special Revenue Funds | | | | | Constitu - tional Officers - Fees | Total |
|---|--------------------------------|----------------------|-----------------|-----------------------------|----------|--|--------------|
| | Solid Waste / Sanitation | Ambulance Service | Drug Control | Other Special Revenue | | | |
| <u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u> | | | | | | | |
| Deferred Delinquent Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other Deferred/Unavailable Revenue | 0 | 286,774 | 0 | 0 | 0 | 0 | 286,774 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 286,774 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 286,774 |
| <u>FUND BALANCES</u> | | | | | | | |
| Restricted: | | | | | | | |
| Restricted for Public Safety | \$ 0 | \$ 0 | \$ 48,278 | \$ 0 | \$ 0 | \$ 0 | \$ 48,278 |
| Restricted for Public Health and Welfare | 619,176 | 0 | 0 | 106,528 | 0 | 0 | 725,704 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed: | | | | | | | |
| Committed for General Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed for Public Health and Welfare | 0 | 302,170 | 0 | 100,413 | 0 | 0 | 402,583 |
| Total Fund Balances | \$ 619,176 | \$ 302,170 | \$ 48,278 | \$ 206,941 | \$ 0 | \$ 0 | \$ 1,176,565 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 626,138 | \$ 649,132 | \$ 150,967 | \$ 206,941 | \$ 3,616 | \$ 0 | \$ 1,636,794 |

(Continued)

Exhibit F-1

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

| | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|----------------------------------|-------------------|--|
| | General Capital Projects | Education Capital Projects | Total | |
| ASSETS | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 2,105 |
| Equity in Pooled Cash and Investments | 308,234 | 88,809 | 397,043 | 1,558,580 |
| Accounts Receivable | 0 | 0 | 0 | 588,430 |
| Allowance for Uncollectibles | 0 | 0 | 0 | (227,411) |
| Due from Other Governments | 0 | 0 | 0 | 106,688 |
| Due from Other Funds | 0 | 0 | 0 | 5,445 |
| Property Taxes Receivable | 55,434 | 0 | 55,434 | 55,434 |
| Allowance for Uncollectible Property Taxes | (2,303) | 0 | (2,303) | (2,303) |
| Total Assets | \$ 361,365 | \$ 88,809 | \$ 450,174 | \$ 2,086,968 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 27,699 |
| Accrued Payroll | 0 | 0 | 0 | 19,883 |
| Payroll Deductions Payable | 0 | 0 | 0 | 14,925 |
| Due to Other Funds | 0 | 0 | 0 | 3,616 |
| Due to State of Tennessee | 0 | 0 | 0 | 4,643 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 102,689 |
| Total Liabilities | \$ 0 | \$ 0 | \$ 0 | \$ 173,455 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Current Property Taxes | \$ 49,696 | \$ 0 | \$ 49,696 | \$ 49,696 |

(Continued)

Exhibit F-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

| | Capital Projects Funds | | | Total |
|-------------------------------------|--------------------------|----------------------------|------------------|-----------------------------|
| | General Capital Projects | Education Capital Projects | Total | Nonmajor Governmental Funds |
| Deferred Delinquent Property Taxes | \$ 3,307 | \$ 0 | \$ 3,307 | \$ 3,307 |
| Other Deferred/Unavailable Revenue | 0 | 0 | 0 | 286,774 |
| Total Deferred Inflows of Resources | <u>\$ 53,003</u> | <u>\$ 0</u> | <u>\$ 53,003</u> | <u>\$ 339,777</u> |

FUND BALANCES

Restricted:

| | | | | |
|--|------|--------|--------|-----------|
| Restricted for Public Safety | \$ 0 | \$ 0 | \$ 0 | \$ 48,278 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 725,704 |
| Restricted for Capital Projects | 0 | 88,809 | 88,809 | 88,809 |

Committed:

| | | | | |
|---|-------------------|------------------|-------------------|---------------------|
| Committed for General Government | 308,362 | 0 | 308,362 | 308,362 |
| Committed for Public Health and Welfare | 0 | 0 | 0 | 402,583 |
| Total Fund Balances | <u>\$ 308,362</u> | <u>\$ 88,809</u> | <u>\$ 397,171</u> | <u>\$ 1,573,736</u> |

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 361,365 \$ 88,809 \$ 450,174 \$ 2,086,968

Exhibit F-2

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

| | Special Revenue Funds | | | | | Constitu - tional Officers - Fees | Total |
|--|--------------------------------|----------------------|-----------------|-----------------------------|----------|--|-----------|
| | Solid Waste / Sanitation | Ambulance Service | Drug Control | Other Special Revenue | | | |
| Revenues | | | | | | | |
| Local Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 15,211 | 0 | 0 | 0 | 15,211 |
| Charges for Current Services | 236,707 | 1,684,809 | 0 | 0 | 9,157 | 1,930,673 | |
| Other Local Revenues | 18,058 | 4,849 | 740 | 0 | 0 | 0 | 23,647 |
| State of Tennessee | 48,357 | 0 | 0 | 106,528 | 0 | 0 | 154,885 |
| Federal Government | 0 | 67,261 | 0 | 0 | 0 | 0 | 67,261 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 100,413 | 0 | 0 | 100,413 |
| Total Revenues | \$ 303,122 | \$ 1,756,919 | \$ 15,951 | \$ 206,941 | \$ 9,157 | \$ 2,292,090 | |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Finance | 0 | 0 | 0 | 0 | 188 | 188 | |
| Administration of Justice | 0 | 0 | 0 | 0 | 8,969 | 8,969 | |
| Public Safety | 0 | 0 | 21,776 | 0 | 0 | 0 | 21,776 |
| Public Health and Welfare | 425,389 | 1,810,096 | 0 | 0 | 0 | 0 | 2,235,485 |
| Highways | 26,486 | 0 | 0 | 0 | 0 | 0 | 26,486 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 451,875 | \$ 1,810,096 | \$ 21,776 | \$ 206,941 | \$ 9,157 | \$ 2,292,904 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (148,753) | \$ (53,177) | \$ (5,825) | \$ 206,941 | \$ 0 | \$ (814) | |
| Net Change in Fund Balances | \$ (148,753) | \$ (53,177) | \$ (5,825) | \$ 206,941 | \$ 0 | \$ (814) | |
| Fund Balance, July 1, 2022 | 767,929 | 355,347 | 54,103 | 0 | 0 | 1,177,379 | |
| Fund Balance, June 30, 2023 | \$ 619,176 | \$ 302,170 | \$ 48,278 | \$ 206,941 | \$ 0 | \$ 1,176,565 | |

(Continued)

Exhibit F-2

Scott County, Tennessee

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

| | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|----------------------------------|-------------|--|
| | General Capital Projects | Education Capital Projects | Total | |
| Revenues | | | | |
| Local Taxes | \$ 59,718 | \$ 196 | \$ 59,914 | \$ 59,914 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 15,211 |
| Charges for Current Services | 0 | 0 | 0 | 1,930,673 |
| Other Local Revenues | 0 | 0 | 0 | 23,647 |
| State of Tennessee | 0 | 0 | 0 | 154,885 |
| Federal Government | 0 | 0 | 0 | 67,261 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 100,413 |
| Total Revenues | \$ 59,718 | \$ 196 | \$ 59,914 | \$ 2,352,004 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | \$ 3,735 | \$ 0 | \$ 3,735 | \$ 3,735 |
| Finance | 0 | 0 | 0 | 188 |
| Administration of Justice | 0 | 0 | 0 | 8,969 |
| Public Safety | 66,379 | 0 | 66,379 | 88,155 |
| Public Health and Welfare | 0 | 0 | 0 | 2,235,485 |
| Highways | 1,198 | 0 | 1,198 | 27,684 |
| Capital Projects | 0 | 3 | 3 | 3 |
| Total Expenditures | \$ 71,312 | \$ 3 | \$ 71,315 | \$ 2,364,219 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (11,594) | \$ 193 | \$ (11,401) | \$ (12,215) |
| Net Change in Fund Balances | \$ (11,594) | \$ 193 | \$ (11,401) | \$ (12,215) |
| Fund Balance, July 1, 2022 | 319,956 | 88,616 | 408,572 | 1,585,951 |
| Fund Balance, June 30, 2023 | \$ 308,362 | \$ 88,809 | \$ 397,171 | \$ 1,573,736 |

Exhibit F-3

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Solid Waste/Sanitation Fund

For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Charges for Current Services | \$ 236,707 | \$ 237,000 | \$ 237,000 | \$ (293) |
| Other Local Revenues | 18,058 | 31,000 | 31,000 | (12,942) |
| State of Tennessee | 48,357 | 59,200 | 59,200 | (10,843) |
| Total Revenues | \$ 303,122 | \$ 327,200 | \$ 327,200 | \$ (24,078) |
| Expenditures | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Recycling Center | \$ 414,499 | \$ 274,225 | \$ 445,131 | \$ 30,632 |
| Postclosure Care Costs | 10,890 | 22,500 | 22,500 | 11,610 |
| <u>Highways</u> | | | | |
| Litter and Trash Collection | 26,486 | 17,000 | 28,000 | 1,514 |
| Total Expenditures | \$ 451,875 | \$ 313,725 | \$ 495,631 | \$ 43,756 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (148,753) | \$ 13,475 | \$ (168,431) | \$ 19,678 |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ 767,929 | \$ 726,047 | \$ 726,047 | \$ 41,882 |
| Fund Balance, June 30, 2023 | \$ 619,176 | \$ 739,522 | \$ 557,616 | \$ 61,560 |

Exhibit F-4

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Ambulance Service Fund

For the Year Ended June 30, 2023

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Actual | Original | Final | |
| Revenues | | | | |
| Charges for Current Services | \$ 1,684,809 | \$ 1,756,057 | \$ 1,757,679 | \$ (72,870) |
| Other Local Revenues | 4,849 | 20,000 | 20,000 | (15,151) |
| Federal Government | 67,261 | 0 | 399,566 | (332,305) |
| Total Revenues | <u>\$ 1,756,919</u> | <u>\$ 1,776,057</u> | <u>\$ 2,177,245</u> | <u>\$ (420,326)</u> |
| Expenditures | | | | |
| Public Health and Welfare | | | | |
| Ambulance/Emergency Medical Services | \$ 1,810,096 | \$ 1,735,819 | \$ 2,237,651 | \$ 427,555 |
| Total Expenditures | <u>\$ 1,810,096</u> | <u>\$ 1,735,819</u> | <u>\$ 2,237,651</u> | <u>\$ 427,555</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (53,177) | \$ 40,238 | \$ (60,406) | \$ 7,229 |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ (53,177) | \$ 40,238 | \$ (60,406) | \$ 7,229 |
| | <u>\$ 355,347</u> | <u>\$ 305,294</u> | <u>\$ 305,294</u> | <u>\$ 50,053</u> |
| Fund Balance, June 30, 2023 | <u>\$ 302,170</u> | <u>\$ 345,532</u> | <u>\$ 244,888</u> | <u>\$ 57,282</u> |

Exhibit F-5

Scott 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 | |
| Revenues | | | | |
| Fines, Forfeitures, and Penalties | \$ 15,211 | \$ 15,000 | \$ 15,000 | \$ 211 |
| Other Local Revenues | 740 | 0 | 0 | 740 |
| Total Revenues | <u>\$ 15,951</u> | <u>\$ 15,000</u> | <u>\$ 15,000</u> | <u>\$ 951</u> |
| Expenditures | | | | |
| <u>Public Safety</u> | | | | |
| Other Public Safety | \$ 21,776 | \$ 15,000 | \$ 33,000 | \$ 11,224 |
| Total Expenditures | <u>\$ 21,776</u> | <u>\$ 15,000</u> | <u>\$ 33,000</u> | <u>\$ 11,224</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (5,825) | \$ 0 | \$ (18,000) | \$ 12,175 |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ (5,825) | \$ 0 | \$ (18,000) | \$ 12,175 |
| | 54,103 | 48,116 | 48,116 | 5,987 |
| Fund Balance, June 30, 2023 | <u>\$ 48,278</u> | <u>\$ 48,116</u> | <u>\$ 30,116</u> | <u>\$ 18,162</u> |

Exhibit F-6

Scott 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 | |
| Revenues | | | | |
| State of Tennessee | \$ 106,528 | \$ 0 | \$ 106,528 | \$ 0 |
| Other Governments and Citizens Groups | 100,413 | 0 | 100,413 | 0 |
| Total Revenues | <u>\$ 206,941</u> | <u>\$ 0</u> | <u>\$ 206,941</u> | <u>\$ 0</u> |
| Total Expenditures | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 206,941</u> | <u>\$ 0</u> | <u>\$ 206,941</u> | <u>\$ 0</u> |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | <u>\$ 206,941</u> | <u>\$ 0</u> | <u>\$ 206,941</u> | <u>\$ 0</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 206,941</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 206,941</u></u> | <u><u>\$ 0</u></u> |

Exhibit F-7

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

General Capital Projects Fund

For the Year Ended June 30, 2023

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
| | Actual | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 59,718 | \$ 50,212 | \$ 50,312 | \$ 9,406 |
| Total Revenues | <u>\$ 59,718</u> | <u>\$ 50,212</u> | <u>\$ 50,312</u> | <u>\$ 9,406</u> |
| <u>Expenditures</u> | | | | |
| General Government | | | | |
| County Buildings | \$ 3,735 | \$ 0 | \$ 3,735 | \$ 0 |
| Public Safety | | | | |
| Sheriff's Department | 66,379 | 72,000 | 72,000 | 5,621 |
| Highways | | | | |
| Capital Outlay | 1,198 | 1,200 | 1,300 | 102 |
| Total Expenditures | <u>\$ 71,312</u> | <u>\$ 73,200</u> | <u>\$ 77,035</u> | <u>\$ 5,723</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (11,594)</u> | <u>\$ (22,988)</u> | <u>\$ (26,723)</u> | <u>\$ 15,129</u> |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | <u>\$ (11,594)</u> | <u>\$ (22,988)</u> | <u>\$ (26,723)</u> | <u>\$ 15,129</u> |
| | <u>319,956</u> | <u>205,279</u> | <u>205,279</u> | <u>114,677</u> |
| Fund Balance, June 30, 2023 | <u>\$ 308,362</u> | <u>\$ 182,291</u> | <u>\$ 178,556</u> | <u>\$ 129,806</u> |

Major Governmental Funds

Debt Service Funds

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

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

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

Exhibit G-1

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget

General Debt Service Fund

For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 1,367,102 | \$ 1,405,576 | \$ 1,405,576 | \$ (38,474) |
| Licenses and Permits | 770 | 800 | 800 | (30) |
| Other Local Revenues | 194,270 | 166,873 | 166,873 | 27,397 |
| Total Revenues | <u>\$ 1,562,142</u> | <u>\$ 1,573,249</u> | <u>\$ 1,573,249</u> | <u>\$ (11,107)</u> |
| Expenditures | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 1,031,000 | \$ 1,031,000 | \$ 1,031,000 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 434,134 | 385,239 | 435,239 | 1,105 |
| <u>Other Debt Service</u> | | | | |
| General Government | 123,191 | 132,407 | 132,407 | 9,216 |
| Total Expenditures | <u>\$ 1,588,325</u> | <u>\$ 1,548,646</u> | <u>\$ 1,598,646</u> | <u>\$ 10,321</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (26,183)</u> | <u>\$ 24,603</u> | <u>\$ (25,397)</u> | <u>\$ (786)</u> |
| Net Change in Fund Balance | | | | |
| Fund Balance, July 1, 2022 | <u>\$ 1,850,607</u> | <u>\$ 1,821,387</u> | <u>\$ 1,821,387</u> | <u>\$ 29,220</u> |
| Fund Balance, June 30, 2023 | <u>\$ 1,824,424</u> | <u>\$ 1,845,990</u> | <u>\$ 1,795,990</u> | <u>\$ 28,434</u> |

Exhibit G-2

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Rural Debt Service Fund

For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 784,629 | \$ 814,063 | \$ 814,063 | \$ (29,434) |
| Other Governments and Citizens Groups | 399,792 | 399,792 | 399,792 | 0 |
| Total Revenues | \$ 1,184,421 | \$ 1,213,855 | \$ 1,213,855 | \$ (29,434) |
| Expenditures | | | | |
| Principal on Debt | | | | |
| Education | \$ 465,000 | \$ 465,000 | \$ 465,000 | \$ 0 |
| Interest on Debt | | | | |
| Education | 130,171 | 129,519 | 130,219 | 48 |
| Other Debt Service | | | | |
| Education | 15,858 | 27,200 | 26,500 | 10,642 |
| Total Expenditures | \$ 611,029 | \$ 621,719 | \$ 621,719 | \$ 10,690 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 573,392 | \$ 592,136 | \$ 592,136 | \$ (18,744) |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ 573,392 | \$ 592,136 | \$ 592,136 | \$ (18,744) |
| | 2,476,950 | 2,456,901 | 2,456,901 | 20,049 |
| Fund Balance, June 30, 2023 | \$ 3,050,342 | \$ 3,049,037 | \$ 3,049,037 | \$ 1,305 |

Custodial Funds

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

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

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

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

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

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

Exhibit H-1

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

| | Custodial Funds | | | | | |
|--|--------------------------|-------------------------------|-----------------------------------|---|------------------------------|--------------|
| | Cities - Sales Tax | Special School District | City School ADA - Oneida | Constitu - tional Officers - Custodial | Judicial District Drug | Total |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 1,426,375 | \$ 0 | \$ 0 | \$ 1,426,375 |
| Equity in Pooled Cash and Investments | 0 | 578 | 116,319 | 0 | 144,166 | 261,063 |
| Due from Other Governments | 414,137 | 0 | 199,132 | 0 | 808 | 614,077 |
| Property Taxes Receivable | 0 | 509,696 | 1,209,788 | 0 | 0 | 1,719,484 |
| Allowance for Uncollectible Property Taxes | 0 | (20,149) | (50,298) | 0 | 0 | (70,447) |
| Total Assets | \$ 414,137 | \$ 490,125 | \$ 1,474,941 | \$ 1,426,375 | \$ 144,974 | \$ 3,950,552 |
| <u>LIABILITIES</u> | | | | | | |
| Due to Other Taxing Units | \$ 414,137 | \$ 32,045 | \$ 390,506 | \$ 0 | \$ 0 | \$ 836,688 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 0 | 4,841 | 4,841 |
| Total Liabilities | \$ 414,137 | \$ 32,045 | \$ 390,506 | \$ 0 | \$ 4,841 | \$ 841,529 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 458,080 | \$ 1,084,435 | \$ 0 | \$ 0 | \$ 1,542,515 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 458,080 | \$ 1,084,435 | \$ 0 | \$ 0 | \$ 1,542,515 |
| <u>NET POSITION</u> | | | | | | |
| Restricted for Individuals, Organizations, and Other Governments | \$ 0 | \$ 0 | \$ 1,426,375 | \$ 140,133 | \$ 1,566,508 | |
| Total Net Position | \$ 0 | \$ 0 | \$ 1,426,375 | \$ 140,133 | \$ 1,566,508 | |

Exhibit H-2

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

| | Custodial Funds | | | | | |
|--|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | Cities - | Special | City | Constitu - | Judicial | |
| | Sales | School | School | tional | District | |
| | Tax | District | Oneida | Custodial | Drug | Total |
| <u>Additions</u> | | | | | | |
| Sales Tax Collections for Other Governments | \$ 2,356,553 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,356,553 |
| SSD - Educational Funds Collected for Cities | 0 | 403,412 | 0 | 0 | 0 | 403,412 |
| ADA- Education Funds Collected for Cities | 0 | 0 | 2,187,660 | 0 | 0 | 2,187,660 |
| Fines/Fees and Other Collections | 0 | 0 | 0 | 4,518,184 | 0 | 4,518,184 |
| Drug Task Force Collections | 0 | 0 | 0 | 0 | 22,642 | 22,642 |
| Total Additions | \$ 2,356,553 | \$ 403,412 | \$ 2,187,660 | \$ 4,518,184 | \$ 22,642 | \$ 9,488,451 |
| <u>Deductions</u> | | | | | | |
| Payment of Sales Tax Collections for Other Governments | \$ 2,356,553 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,356,553 |
| Payments to City School Systems | 0 | 403,412 | 2,187,660 | 0 | 0 | 2,591,072 |
| Payments to State | 0 | 0 | 0 | 2,588,861 | 0 | 2,588,861 |
| Payments to Individuals and Others | 0 | 0 | 0 | 1,352,291 | 0 | 1,352,291 |
| Payment of Drug Task Force Expenses | 0 | 0 | 0 | 0 | 2,394 | 2,394 |
| Total Deductions | \$ 2,356,553 | \$ 403,412 | \$ 2,187,660 | \$ 3,941,152 | \$ 2,394 | \$ 8,891,171 |
| Change in Net Position | \$ 0 | \$ 0 | \$ 0 | \$ 577,032 | \$ 20,248 | \$ 597,280 |
| Net Position July 1, 2022 | 0 | 0 | 0 | 849,343 | 119,885 | 969,228 |
| Net Position June 30, 2023 | \$ 0 | \$ 0 | \$ 0 | \$ 1,426,375 | \$ 140,133 | \$ 1,566,508 |

Scott County School Department

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

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

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

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

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

Exhibit I-1

Scott County, Tennessee

Statement of Activities

Discretely Presented Scott County School Department

For the Year Ended June 30, 2023

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | |
|--|-------------------------|-------------------|--|--|--|
| | | | Operating Grants and Contributions | | |
| | Charges for Services | Expenses | | | |
| Governmental Activities: | | | | | |
| Instruction | \$ 17,912,238 | \$ 13,103 | \$ 6,791,488 | \$ (11,107,647) | |
| Support Services | 10,303,405 | 0 | 976,828 | (9,326,577) | |
| Operation of Non-instructional Services | 3,955,912 | 177,793 | 4,191,000 | 412,881 | |
| Total Governmental Activities | \$ 32,171,555 | \$ 190,896 | \$ 11,959,316 | \$ (20,021,343) | |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 1,802,596 | |
| Local Option Sales Taxes | | | | 1,973,889 | |
| Other Local Taxes | | | | 496 | |
| Grants and Contributions Not Restricted to Specific Programs | | | | 19,642,430 | |
| Miscellaneous | | | | 50,927 | |
| Total General Revenues | | | | \$ 23,470,338 | |
| Change in Net Position | | | | \$ 3,448,995 | |
| Net Position, July 1, 2022 | | | | <u>30,842,244</u> | |
| Net Position, June 30, 2023 | | | | \$ 34,291,239 | |

Exhibit I-2

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

| | Major Funds | | | | Nonmajor Fund | | Total Governmental Funds |
|--|------------------------------|-------------------------------|----------------------|--------------------|----------------------|--|--------------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | | | |
| | | | | | | | |
| ASSETS | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 26,814 | \$ 667,086 | \$ 693,900 | | |
| Equity in Pooled Cash and Investments | 6,166,773 | 940,833 | 1,694,852 | 0 | 8,802,458 | | |
| Accounts Receivable | 0 | 0 | 45 | 0 | 45 | | |
| Due from Other Governments | 1,744,844 | 990,658 | 16,687 | 0 | 2,752,189 | | |
| Property Taxes Receivable | 2,065,379 | 0 | 0 | 0 | 2,065,379 | | |
| Allowance for Uncollectible Property Taxes | (85,870) | 0 | 0 | 0 | (85,870) | | |
| Restricted Assets | 244,881 | 0 | 0 | 0 | 244,881 | | |
| Total Assets | \$ 10,136,007 | \$ 1,931,491 | \$ 1,738,398 | \$ 667,086 | \$ 14,472,982 | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 320,384 | \$ 9,795 | \$ 443 | \$ 0 | \$ 330,622 | | |
| Accrued Payroll | 2,732,985 | 396,466 | 98,100 | 0 | 3,227,551 | | |
| Payroll Deductions Payable | 198,149 | 31,923 | 7,375 | 0 | 237,447 | | |
| Contracts Payable | 0 | 355,610 | 0 | 0 | 355,610 | | |
| Retainage Payable | 0 | 108,585 | 0 | 0 | 108,585 | | |
| Due to State of Tennessee | 680 | 286 | 219 | 0 | 1,185 | | |
| Other Current Liabilities | 344,170 | 53,744 | 14,901 | 0 | 412,815 | | |
| Total Liabilities | \$ 3,596,368 | \$ 956,409 | \$ 121,038 | \$ 0 | \$ 4,673,815 | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Current Property Taxes | \$ 1,851,374 | \$ 0 | \$ 0 | \$ 0 | \$ 1,851,374 | | |
| Deferred Delinquent Property Taxes | 124,894 | 0 | 0 | 0 | 124,894 | | |
| Other Deferred/Unavailable Revenue | 170,110 | 108,585 | 0 | 0 | 278,695 | | |
| Total Deferred Inflows of Resources | \$ 2,146,378 | \$ 108,585 | \$ 0 | \$ 0 | \$ 2,254,963 | | |

(Continued)

Exhibit I-2

Scott County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Scott County School Department (Cont.)

FUND BALANCES

Restricted:

Restricted for Education

Restricted for Hybrid Retirement Stabilization Funds

Committed:

Committed for Education

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| | Major Funds | | | Nonmajor Fund | | Total Governmental Funds |
|---|------------------------------|-------------------------------|----------------------|--------------------|---------------|--------------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | | |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| Restricted for Education | \$ 0 | \$ 360 | \$ 1,617,360 | \$ 667,086 | \$ 2,284,806 | |
| Restricted for Hybrid Retirement Stabilization Funds | 244,881 | 0 | 0 | 0 | 0 | 244,881 |
| Committed: | | | | | | |
| Committed for Education | 0 | 974,722 | 0 | 0 | 0 | 974,722 |
| Unassigned | 4,148,380 | (108,585) | 0 | 0 | 0 | 4,039,795 |
| Total Fund Balances | \$ 4,393,261 | \$ 866,497 | \$ 1,617,360 | \$ 667,086 | \$ 7,544,204 | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 10,136,007 | \$ 1,931,491 | \$ 1,738,398 | \$ 667,086 | \$ 14,472,982 | |

Exhibit I-3

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Scott County School Department
June 30, 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) | \$ 7,544,204 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | |
| Add: land | \$ 910,561 |
| Add: construction in progress | 2,387,367 |
| Add: building and improvements net of accumulated depreciation | 14,988,224 |
| Add: infrastructure net of accumulated depreciation | 156,556 |
| Add: other capital assets net of accumulated depreciation | <u>2,711,178</u> |
| | 21,153,886 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | |
| Less: other postemployment benefits liability (OPEB) | \$ (3,576,580) |
| Less: compensated absences payable | <u>(186,665)</u> |
| | (3,763,245) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions and OPEB will be amortized and recognized as components of expense in future years. | |
| Add: deferred outflows of resources related to pensions | \$ 5,394,122 |
| Less: deferred inflows of resources related to pensions | (942,091) |
| Add: deferred outflows of resources related to OPEB | 1,528,897 |
| Less: deferred inflows of resources related to OPEB | <u>(1,885,308)</u> |
| | 4,095,620 |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | |
| Add: net pension assets - agent plan | \$ 870,309 |
| Add: net pension assets - teacher retirement plan | 54,131 |
| Add: net pension assets - teacher legacy pension plan | <u>3,932,745</u> |
| | 4,857,185 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | |
| | <u>403,589</u> |
| Net position of governmental activities (Exhibit A) | <u>\$ 34,291,239</u> |

Exhibit I-4

Scott County, Tennessee

Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds

Discretely Presented Scott County School Department
For the Year Ended June 30, 2023

| | Major Funds | | | | Nonmajor Fund | Total Governmental Funds |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|--------------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | | |
| Revenues | | | | | | |
| Local Taxes | \$ 3,711,542 | \$ 0 | \$ 0 | \$ 0 | \$ 3,711,542 | |
| Licenses and Permits | 496 | 0 | 0 | 0 | 0 | 496 |
| Charges for Current Services | 33,739 | 0 | 144,054 | 0 | 0 | 177,793 |
| Other Local Revenues | 45,698 | 0 | 2,434 | 870,734 | 0 | 918,866 |
| State of Tennessee | 20,216,766 | 0 | 13,175 | 0 | 0 | 20,229,941 |
| Federal Government | 154,275 | 7,758,235 | 2,190,394 | 0 | 0 | 10,102,904 |
| Total Revenues | \$ 24,162,516 | \$ 7,758,235 | \$ 2,350,057 | \$ 870,734 | \$ 35,141,542 | |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Instruction | \$ 14,601,309 | \$ 3,289,198 | \$ 0 | \$ 0 | \$ 0 | 17,890,507 |
| Support Services | 7,929,810 | 1,439,568 | 0 | 0 | 0 | 9,369,378 |
| Operation of Non-Instructional Services | 1,010,406 | 217 | 2,050,789 | 844,852 | 0 | 3,906,264 |
| Capital Outlay | 476,001 | 2,853,695 | 0 | 0 | 0 | 3,329,696 |
| Debt Service: | | | | | | |
| Other Debt Service | 399,792 | 0 | 0 | 0 | 0 | 399,792 |
| Total Expenditures | \$ 24,417,318 | \$ 7,582,678 | \$ 2,050,789 | \$ 844,852 | \$ 34,895,637 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (254,802) | \$ 175,557 | \$ 299,268 | \$ 25,882 | \$ 245,905 | |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 28,351 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 28,351 |
| Insurance Recovery | 13,900 | 0 | 0 | 0 | 0 | 13,900 |
| Transfers In | 298,300 | 0 | 0 | 0 | 0 | 298,300 |
| Transfers Out | 0 | (298,300) | 0 | 0 | 0 | (298,300) |
| Total Other Financing Sources (Uses) | \$ 340,551 | \$ (298,300) | \$ 0 | \$ 0 | \$ 0 | 42,251 |
| Net Change in Fund Balances | \$ 85,749 | \$ (122,743) | \$ 299,268 | \$ 25,882 | \$ 288,156 | |
| Fund Balance, July 1, 2022 | 4,307,512 | 989,240 | 1,318,092 | 641,204 | 0 | 7,256,048 |
| Fund Balance, June 30, 2023 | \$ 4,393,261 | \$ 866,497 | \$ 1,617,360 | \$ 667,086 | \$ 0 | 7,544,204 |

Exhibit I-5

Scott County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Scott County School Department
For the Year Ended June 30, 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) | \$ 288,156 |
| (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 | \$ 3,217,487 |
| Less: current-year depreciation expense | <u>(1,285,867)</u> 1,931,620 |
| (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 | \$ 403,589 |
| Less: deferred delinquent property taxes and other deferred June 30, 2022 | <u>(230,061)</u> 173,528 |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | |
| Change in compensated absences | \$ 55,504 |
| Change in net pension asset/liability | (11,900,304) |
| Change in deferred outflows related to pensions | (584,073) |
| Change in deferred inflows related to pensions | 13,385,547 |
| Change in OPEB liability | 222,730 |
| Change in deferred outflows related to OPEB | (71,243) |
| Change in deferred inflows related to OPEB | <u>(52,470)</u> 1,055,691 |
| Change in net position of governmental activities (Exhibit B) | <u>\$ 3,448,995</u> |

Exhibit I-6

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget

Discretely Presented Scott County School Department

General Purpose School Fund

For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | Original | Final | |
| Revenues | | | | | | |
| Local Taxes | \$ 3,711,542 | \$ 0 | \$ 3,711,542 | \$ 3,247,200 | \$ 3,247,200 | \$ 464,342 |
| Licenses and Permits | 496 | 0 | 496 | 500 | 500 | (4) |
| Charges for Current Services | 33,739 | 0 | 33,739 | 57,000 | 57,000 | (23,261) |
| Other Local Revenues | 45,698 | 0 | 45,698 | 0 | 3,500 | 42,198 |
| State of Tennessee | 20,216,766 | 0 | 20,216,766 | 19,350,817 | 22,892,458 | (2,675,692) |
| Federal Government | 154,275 | 0 | 154,275 | 5,500 | 117,775 | 36,500 |
| Total Revenues | \$ 24,162,516 | \$ 0 | \$ 24,162,516 | \$ 22,661,017 | \$ 26,318,433 | \$ (2,155,917) |
| Expenditures | | | | | | |
| Instruction | | | | | | |
| Regular Instruction Program | \$ 12,005,010 | \$ 0 | \$ 12,005,010 | \$ 12,028,253 | \$ 12,350,339 | \$ 345,329 |
| Alternative Instruction Program | 138,036 | 0 | 138,036 | 93,730 | 140,230 | 2,194 |
| Special Education Program | 1,297,948 | 0 | 1,297,948 | 1,441,879 | 1,431,879 | 133,931 |
| Career and Technical Education Program | 1,160,315 | 0 | 1,160,315 | 756,355 | 3,620,155 | 2,459,840 |
| Support Services | | | | | | |
| Attendance | 111,394 | 0 | 111,394 | 111,575 | 114,575 | 3,181 |
| Health Services | 240,228 | 0 | 240,228 | 99,145 | 249,069 | 8,841 |
| Other Student Support | 552,305 | 0 | 552,305 | 349,691 | 581,007 | 28,702 |
| Regular Instruction Program | 808,587 | 0 | 808,587 | 709,116 | 847,409 | 38,822 |
| Special Education Program | 281,165 | 0 | 281,165 | 273,346 | 287,446 | 6,281 |
| Career and Technical Education Program | 97,675 | 0 | 97,675 | 98,140 | 99,640 | 1,965 |
| Technology | 365,951 | (6,450) | 359,501 | 490,650 | 475,550 | 116,049 |
| Other Programs | 130,917 | 0 | 130,917 | 0 | 130,917 | 0 |
| Board of Education | 480,982 | 0 | 480,982 | 477,887 | 513,637 | 32,655 |
| Director of Schools | 313,097 | 0 | 313,097 | 243,148 | 337,568 | 24,471 |

(Continued)

Exhibit I-6

Scott County, Tennessee

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | |
| Office of the Principal | \$ 972,992 | \$ 0 | \$ 972,992 | \$ 1,064,439 | \$ 1,014,596 | \$ 41,604 |
| Operation of Plant | 1,794,973 | 0 | 1,794,973 | 1,635,096 | 1,853,894 | 58,921 |
| Maintenance of Plant | 464,976 | (6,995) | 457,981 | 288,115 | 510,465 | 52,484 |
| Transportation | 1,314,568 | 0 | 1,314,568 | 1,214,480 | 1,383,148 | 68,580 |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | 32,539 | 0 | 32,539 | 0 | 34,468 | 1,929 |
| Community Services | 60,145 | 0 | 60,145 | 28,965 | 62,302 | 2,157 |
| Early Childhood Education | 917,722 | 0 | 917,722 | 941,215 | 941,215 | 23,493 |
| <u>Capital Outlay</u> | | | | | | |
| Regular Capital Outlay | 476,001 | 0 | 476,001 | 0 | 1,385,825 | 909,824 |
| <u>Principal on Debt</u> | | | | | | |
| Education | 0 | 0 | 0 | 185,000 | 0 | 0 |
| <u>Interest on Debt</u> | | | | | | |
| Education | 0 | 0 | 0 | 29,019 | 0 | 0 |
| <u>Other Debt Service</u> | | | | | | |
| Education | 399,792 | 0 | 399,792 | 185,773 | 399,792 | 0 |
| Total Expenditures | \$ 24,417,318 | \$ (13,445) | \$ 24,403,873 | \$ 22,745,017 | \$ 28,765,126 | \$ 4,361,253 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (254,802) | \$ 13,445 | \$ (241,357) | \$ (84,000) | \$ (2,446,693) | \$ 2,205,336 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 28,351 | \$ 0 | \$ 28,351 | \$ 0 | \$ 0 | \$ 28,351 |
| Insurance Recovery | 13,900 | 0 | 13,900 | 0 | 0 | 13,900 |

(Continued)

Exhibit I-6

Scott County, Tennessee

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | Original | Final | |
| <u>Other Financing Sources (Uses) (Cont.)</u> | | | | | | |
| Transfers In | \$ 298,300 | \$ 0 | \$ 298,300 | \$ 50,000 | \$ 65,000 | \$ 233,300 |
| Transfers Out | 0 | 0 | 0 | (15,000) | (30,000) | 30,000 |
| Total Other Financing Sources | <u>\$ 340,551</u> | <u>\$ 0</u> | <u>\$ 340,551</u> | <u>\$ 35,000</u> | <u>\$ 35,000</u> | <u>\$ 305,551</u> |
| Net Change in Fund Balance | \$ 85,749 | \$ 13,445 | \$ 99,194 | \$ (49,000) | \$ (2,411,693) | \$ 2,510,887 |
| Fund Balance, July 1, 2022 | 4,307,512 | (13,445) | 4,294,067 | 3,414,135 | 3,414,135 | 879,932 |
| Fund Balance, June 30, 2023 | <u>\$ 4,393,261</u> | <u>\$ 0</u> | <u>\$ 4,393,261</u> | <u>\$ 3,365,135</u> | <u>\$ 1,002,442</u> | <u>\$ 3,390,819</u> |

Exhibit I-7

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Scott County School Department
School Federal Projects Fund
For the Year Ended June 30, 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 | |
| Revenues | | | | | | | |
| Federal Government | \$ 7,758,235 | \$ 0 | \$ 0 | \$ 7,758,235 | \$ 2,519,491 | \$ 13,192,603 | \$ (5,434,368) |
| Total Revenues | \$ 7,758,235 | \$ 0 | \$ 0 | \$ 7,758,235 | \$ 2,519,491 | \$ 13,192,603 | \$ (5,434,368) |
| Expenditures | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 2,519,674 | \$ 0 | \$ 0 | \$ 2,519,674 | \$ 1,341,734 | \$ 4,225,480 | \$ 1,705,806 |
| Special Education Program | 703,567 | 0 | 0 | 703,567 | 602,116 | 1,226,595 | 523,028 |
| Career and Technical Education Program | 65,957 | 0 | 0 | 65,957 | 39,801 | 65,957 | 0 |
| <u>Support Services</u> | | | | | | | |
| Health Services | 224,183 | 0 | 0 | 224,183 | 0 | 255,292 | 31,109 |
| Other Student Support | 522,805 | 0 | 0 | 522,805 | 42,501 | 888,459 | 365,654 |
| Regular Instruction Program | 499,083 | 0 | 0 | 499,083 | 296,050 | 593,671 | 94,588 |
| Special Education Program | 44,321 | 0 | 0 | 44,321 | 82,878 | 148,716 | 104,395 |
| Career and Technical Education Program | 3,860 | 0 | 0 | 3,860 | 5,000 | 3,860 | 0 |
| Technology | 86,346 | 0 | 0 | 86,346 | 0 | 172,525 | 86,179 |
| Fiscal Services | 19,100 | 0 | 0 | 19,100 | 67,233 | 67,233 | 48,133 |
| Operation of Plant | 0 | 0 | 0 | 0 | 0 | 10,000 | 10,000 |
| Transportation | 39,870 | 0 | 0 | 39,870 | 39,978 | 42,120 | 2,250 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Food Service | 217 | 0 | 0 | 217 | 0 | 2,538 | 2,321 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 2,853,695 | (394,851) | 2,188,287 | 4,647,131 | 0 | 5,191,857 | 544,726 |
| Total Expenditures | \$ 7,582,678 | \$ (394,851) | \$ 2,188,287 | \$ 9,376,114 | \$ 2,517,291 | \$ 12,894,303 | \$ 3,518,189 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 175,557 | \$ 394,851 | \$ (2,188,287) | \$ (1,617,879) | \$ 2,200 | \$ 298,300 | \$ (1,916,179) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers Out | \$ (298,300) | \$ 0 | \$ 0 | \$ (298,300) | \$ (2,201) | \$ (298,300) | \$ 0 |
| Total Other Financing Sources | \$ (298,300) | \$ 0 | \$ 0 | \$ (298,300) | \$ (2,201) | \$ (298,300) | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ (122,743) | \$ 394,851 | \$ (2,188,287) | \$ (1,916,179) | \$ (1) | \$ 0 | \$ (1,916,179) |
| Fund Balance, June 30, 2023 | \$ 989,240 | \$ (394,851) | \$ 0 | \$ 594,389 | \$ 974,721 | \$ 974,721 | \$ (380,332) |
| | \$ 866,497 | \$ 0 | \$ (2,188,287) | \$ (1,321,790) | \$ 974,720 | \$ 974,721 | \$ (2,296,511) |

Exhibit I-8

Scott County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Discretely Presented Scott County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2023

| | Actual | Original | Budgeted Amounts | Final | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--------------------|--|
| Revenues | | | | | |
| Charges for Current Services | \$ 144,054 | \$ 180,000 | \$ 180,000 | \$ (35,946) | |
| Other Local Revenues | 2,434 | 21,000 | 21,000 | | (18,566) |
| State of Tennessee | 13,175 | 20,000 | 20,000 | | (6,825) |
| Federal Government | 2,190,394 | 2,209,705 | 2,212,840 | | (22,446) |
| Total Revenues | \$ 2,350,057 | \$ 2,430,705 | \$ 2,433,840 | \$ (83,783) | |
| Expenditures | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | |
| Food Service | \$ 2,050,789 | \$ 2,430,705 | \$ 2,433,839 | \$ 383,050 | |
| Total Expenditures | \$ 2,050,789 | \$ 2,430,705 | \$ 2,433,839 | \$ 383,050 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 299,268 | \$ 0 | \$ 1 | \$ 299,267 | |
| Net Change in Fund Balance Fund Balance, July 1, 2022 | \$ 299,268 | \$ 0 | \$ 1 | \$ 299,267 | |
| | 1,318,092 | 1,008,680 | 1,008,680 | | 309,412 |
| Fund Balance, June 30, 2023 | \$ 1,617,360 | \$ 1,008,680 | \$ 1,008,681 | \$ 608,679 | |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Scott County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Other Loans
For the Year Ended June 30, 2023

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-22 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-23 |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| NOTES PAYABLE | | | | | | | | |
| <u>Payable through Highway/Public Works Fund</u> | | | | | | | | |
| Heavy Equipment | \$ 330,000 | 3.75 % | 2-15-19 | 2-15-24 (2) | \$ 139,363 | \$ 0 | \$ 139,363 | \$ 0 |
| Highway Equipment | 850,547 | 3.35 | 11-1-22 | 11-1-27 | 0 | 850,547 | 92,128 | 758,419 |
| Total Notes Payable | | | | | \$ 139,363 | \$ 850,547 | \$ 231,491 | \$ 758,419 |
| OTHER LOANS PAYABLE | | | | | | | | |
| <u>Public Building Authority Loan Agreement</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Justice Center | 9,654,938 (1) | Variable | 2-27-07 | 5-25-34 | \$ 5,959,938 | \$ 0 | \$ 356,000 | \$ 5,603,938 |
| School Renovations and Improvements | 13,940,000 | Variable | 12-15-09 | 5-25-35 | 9,182,401 | 0 | 525,000 | 8,657,401 |
| Total Other Loans Payable | | | | | \$ 15,142,339 | \$ 0 | \$ 881,000 | \$ 14,261,339 |
| BONDS PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| General Obligation Bonds, Series 2008 | 1,250,000 | 3 to 4.5 | 2-14-08 | 6-1-28 | \$ 560,000 | \$ 0 | \$ 85,000 | \$ 475,000 |
| Refunding Bonds, Series 2014A | 1,490,000 | 2 to 3.4 | 6-30-14 | 6-1-35 | 685,000 | 0 | 65,000 | 620,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 1,245,000 | \$ 0 | \$ 150,000 | \$ 1,095,000 |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | | |
| Rural School Refunding Bonds, Series 2014B | 8,120,000 | 2 to 3.25 | 6-30-14 | 6-1-29 | \$ 4,550,000 | \$ 0 | \$ 465,000 | \$ 4,085,000 |
| Total Payable through Rural Debt Service Fund | | | | | \$ 4,550,000 | \$ 0 | \$ 465,000 | \$ 4,085,000 |
| Total Bonds Payable | | | | | \$ 5,795,000 | \$ 0 | \$ 615,000 | \$ 5,180,000 |

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

(2) Scott County elected to retire this debt instrument prior to maturity.

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

| Year Ending June 30 | Notes | | |
|---------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 161,994 | \$ 22,998 | \$ 184,992 |
| 2025 | 167,564 | 17,428 | 184,992 |
| 2026 | 173,265 | 11,727 | 184,992 |
| 2027 | 179,159 | 5,833 | 184,992 |
| 2028 | 76,437 | 644 | 77,081 |
| Total | \$ 758,419 | \$ 58,630 | \$ 817,049 |

| Year Ending June 30 | Other Loans - Direct Placement | | |
|---------------------------|--------------------------------|---------------------|----------------------|
| | Principal | Interest | Other Fees |
| 2024 | \$ 925,000 | \$ 567,623 | \$ 91,463 |
| 2025 | 970,000 | 531,692 | 85,675 |
| 2026 | 1,019,000 | 494,012 | 79,606 |
| 2027 | 1,071,000 | 454,430 | 73,230 |
| 2028 | 1,123,000 | 412,827 | 66,529 |
| 2029 | 1,180,000 | 369,205 | 59,502 |
| 2030 | 1,239,000 | 323,368 | 52,119 |
| 2031 | 1,301,000 | 275,240 | 44,367 |
| 2032 | 1,366,000 | 224,703 | 36,226 |
| 2033 | 1,434,000 | 171,640 | 27,679 |
| 2034 | 1,506,000 | 115,938 | 18,707 |
| 2035 | 1,127,339 | 33,586 | 5,200 |
| Total | \$ 14,261,339 | \$ 3,974,264 | \$ 640,303 |
| | | | \$ 18,875,906 |

| Ending June 30 | Bonds | | |
|-------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 850,000 | \$ 159,820 | \$ 1,009,820 |
| 2025 | 885,000 | 136,871 | 1,021,871 |
| 2026 | 920,000 | 110,583 | 1,030,583 |
| 2027 | 970,000 | 82,226 | 1,052,226 |
| 2028 | 700,000 | 51,439 | 751,439 |
| 2029 | 625,000 | 28,133 | 653,133 |
| 2030 | 55,000 | 7,820 | 62,820 |
| 2031 | 30,000 | 5,950 | 35,950 |
| 2032 | 35,000 | 4,930 | 39,930 |
| 2033 | 35,000 | 3,740 | 38,740 |
| 2034 | 35,000 | 2,550 | 37,550 |
| 2035 | 40,000 | 1,360 | 41,360 |
| Total | \$ 5,180,000 | \$ 595,422 | \$ 5,775,422 |

Scott County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2023

| Description | Debtor | Original Amount of Lease | Date of Issue | Date of Maturity | Interest Rate | Balance 7-1-22 | Additions | Deductions | Balance 6-30-23 |
|---|---|--------------------------|---------------|------------------|---------------|----------------|--------------|------------|-----------------|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | | | |
| <u>General Fund</u> | | | | | | | | | |
| Nursing Home | Preferred Health Services of Tennessee, Inc. | \$ 1,489,436 | (1) 1-19-98 | 8-31-44 (2) | 4.5 % | \$ 1,427,296 | \$ 792,715 | \$ 40,636 | \$ 2,179,375 |
| Total General Fund Leases Receivable | | | | | | \$ 1,427,296 | \$ 792,715 | \$ 40,636 | \$ 2,179,375 |
| <u>General Debt Service Fund</u> | | | | | | | | | |
| District Attorney General Office Space | Tennessee District Attorneys General Conference | 47,164 | (1) 9-1-14 | 8-31-22 | 4.5 | \$ 6,895 | \$ 0 | \$ 6,895 | \$ 0 |
| District Attorney General Office Space | Tennessee District Attorneys General Conference | 291,444 | 9-1-22 | 8-31-30 | 3.35 | 0 | 291,444 | 26,851 | 264,593 |
| DHS/DCS Building | State of Tennessee | 417,940 | 7-1-21 | 6-30-26 | 4.5 | 341,684 | 0 | 79,762 | 261,922 |
| Aircraft Hangar and Office Space | ATS Tennessee, Inc. | 199,393 | (1) 4-1-09 | 3-31-29 | 4.5 | 180,620 | 0 | 19,775 | 160,845 |
| Total General Debt Service Fund Leases Receivable | | | | | | \$ 529,199 | \$ 291,444 | \$ 133,283 | \$ 687,360 |
| Total Leases Receivable | | | | | | \$ 1,956,495 | \$ 1,084,159 | \$ 173,919 | \$ 2,866,735 |

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

(2) The maturity date was extended during the year from 8-31-35 to 8-31-44.

Exhibit J-4

Scott County, Tennessee

Schedule of Transfers

Discretely Presented Scott County School Department

For the Year Ended June 30, 2023

| From Fund | To Fund | Purpose | Amount |
|--|------------------------|----------------|-------------------|
| <u>DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT</u> | | | |
| School Federal Projects | General Purpose School | Indirect costs | \$ 298,300 |
| Total Transfers Discretely Presented Scott County School Department | | | \$ <u>298,300</u> |

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

| Official | Authorization | Bond | Surety |
|--|---|------------|---------------------------------|
| County Mayor - Jeff Tibbals (7/1/22-8/31/22) | Section 8-24-102, TCA | \$ 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u>\$ 15,861</u> | | |
| County Mayor - Jerried Jeffers (9/1/22-6/30/23) | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u>\$ 79,307</u> | | |
| Total County Mayor compensation | <u><u>\$ 95,168</u></u> | | |
| Superintendent of Roads | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 90,636</u></u> | | |
| Director of Schools | State Board of Education and County Board of Education | 100,000 | RLI Insurance Company |
| Base salary | <u>\$ 98,153</u> | | |
| Chief executive officer training supplement | <u>1,000</u> | | |
| Total compensation | <u><u>\$ 99,153</u></u> | | |
| Trustee - Jimmy Byrd (7/1/22-8/31/22) | Section 8-24-102, TCA | 983,916 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 13,733</u></u> | | |
| Trustee - Rena Erwin (9/1/22-6/30/23) | Section 8-24-102, TCA | 1,265,373 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 68,663</u></u> | | |
| Total Trustee compensation | <u><u>\$ 82,396</u></u> | | |
| Assessor of Property | Section 8-24-102, TCA | 50,300 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 82,396</u></u> | | |
| County Clerk | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 82,396</u></u> | | |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 82,396</u></u> | | |
| Clerk and Master | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary | <u>\$ 82,396</u> | | |
| Special commissioner fees | <u>8,969</u> | | |
| Total Clerk and Master compensation | <u><u>\$ 91,365</u></u> | | |
| Register of Deeds | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 82,396</u></u> | | |
| Sheriff- Ronnie Phillips (7/1/22-8/31/22) | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary | <u>\$ 15,106</u> | | |
| Law enforcement training supplement | <u>800</u> | | |
| Total compensation | <u><u>\$ 15,906</u></u> | | |
| Sheriff- Brian Keeton (9/1/22-6/30/23) | Section 8-24-102, TCA | 100,000 | RLI Insurance Company |
| Base salary | <u>\$ 75,530</u> | | |
| Law enforcement training supplement | <u>800</u> | | |
| Total compensation | <u><u>\$ 76,330</u></u> | | |
| Total Sheriff compensation | <u><u>\$ 92,236</u></u> | | |
| Director of Finance | County Commission | 100,000 | RLI Insurance Company |
| Base salary/Total compensation | <u><u>\$ 82,395</u></u> | | |
| Employee Blanket Bonds: | | | |
| Employee Fidelity - County Departments | | 400,000 | Tennessee Risk Management Trust |
| Employee Fidelity - School Department | | 400,000 | " |

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | Other General Government Fund |
|--|-----------------------|--------------------------------|----------------------|-----------------|------|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 3,506,900 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Discount on Property Taxes | (36,690) | 0 | 0 | 0 | 0 | 0 |
| Trustee's Collections - Prior Year | 137,405 | 0 | 0 | 0 | 0 | 0 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 73,933 | 0 | 0 | 0 | 0 | 0 |
| Interest and Penalty | 28,840 | 0 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 90 | 0 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 276,817 | 0 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 652,468 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 149,942 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 19,000 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 68,819 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 1,250 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 241,161 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 101,100 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 62,302 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 5,283,337 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Cable TV Franchise | | 29,831 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | Other General Government Fund | |
|--|-----------------------|--------------------------------|----------------------|-----------------|------|--|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | | |
| <u>Licenses and Permits (Cont.)</u> | | | | | | | |
| <u>Permits</u> | | | | | | | |
| Beer Permits | \$ 834 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 | |
| Total Licenses and Permits | \$ 30,665 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Fines | \$ 3,828 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 | |
| Officers Costs | 2,942 | 0 | 0 | 0 | 0 | 0 | |
| Drug Control Fines | 0 | 0 | 0 | 6,294 | 0 | 0 | |
| Data Entry Fee - Circuit Court | 354 | 0 | 0 | 0 | 0 | 0 | |
| <u>Criminal Court</u> | | | | | | | |
| DUI Treatment Fines | 380 | 0 | 0 | 0 | 0 | 0 | |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | 55,010 | 0 | 0 | 0 | 0 | 0 | |
| Officers Costs | 7,874 | 0 | 0 | 0 | 0 | 0 | |
| Game and Fish Fines | 176 | 0 | 0 | 0 | 0 | 0 | |
| Drug Control Fines | 0 | 0 | 0 | 8,851 | 0 | 0 | |
| Drug Court Fees | 2,083 | 0 | 0 | 0 | 0 | 0 | |
| Jail Fees | 1,557 | 0 | 0 | 0 | 0 | 0 | |
| Data Entry Fee - General Sessions Court | 2,905 | 0 | 0 | 0 | 0 | 0 | |
| <u>Chancery Court</u> | | | | | | | |
| Data Entry Fee - Chancery Court | 4,903 | 0 | 0 | 0 | 0 | 0 | |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 66 | 0 | 0 | |
| Total Fines, Forfeitures, and Penalties | \$ 82,012 | \$ 0 | \$ 0 | \$ 15,211 | \$ 0 | 0 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | Other General Government Fund |
|---|-----------------------|--------------------------------|----------------------|-----------------|----------|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Convenience Waste Centers Collection Charge | \$ 0 | \$ 5,068 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Surcharge - Host Agency | 0 | 231,639 | 0 | 0 | 0 | 0 |
| Patient Charges | 0 | 0 | 1,684,809 | 0 | 0 | 0 |
| Other General Service Charges | 2,529 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Airport Fees | 373,690 | 0 | 0 | 0 | 0 | 0 |
| Additional Fees - Titling and Registration | 20,637 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Commissioner Fees/Special Master Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 6,498 | 0 | 0 | 0 | 0 | 0 |
| Probation Fees | 24,204 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 5,700 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 2,610 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Registration Reinstatement Fees | 655 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 436,523 | \$ 236,707 | \$ 1,684,809 | \$ 0 | \$ 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 148,254 | \$ 0 | \$ 0 | \$ 0 | \$ 6,700 | 0 |
| Lease/Rentals | 78,955 | 0 | 0 | 0 | 0 | 0 |
| Lease Interest | 84,624 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 53,423 | 0 | 0 | 0 | 0 | 0 |
| Sale of Maps | 70 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 18,058 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 83,211 | 0 | 4,849 | 740 | 0 | 0 |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | Other General Government Fund | |
|--|-----------------------|--------------------------------|----------------------|-----------------|----------|--|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | |
| <u>Nonrecurring Items</u> | | | | | | | |
| Contributions and Gifts | \$ 182,791 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Total Other Local Revenues | \$ 631,328 | \$ 18,058 | \$ 4,849 | \$ 740 | \$ 6,700 | | |
| <u>Fees Received From County Officials</u> | | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | | |
| County Clerk | \$ 274,189 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Circuit Court Clerk | 30,243 | 0 | 0 | 0 | 0 | 0 | |
| General Sessions Court Clerk | 73,472 | 0 | 0 | 0 | 0 | 0 | |
| Clerk and Master | 54,775 | 0 | 0 | 0 | 0 | 0 | |
| Register | 84,790 | 0 | 0 | 0 | 0 | 0 | |
| Sheriff | 10,622 | 0 | 0 | 0 | 0 | 0 | |
| Trustee | 363,002 | 0 | 0 | 0 | 0 | 0 | |
| Total Fees Received From County Officials | \$ 891,093 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| <u>Public Safety Grants</u> | | | | | | | |
| Law Enforcement Training Programs | 26,400 | 0 | 0 | 0 | 0 | 0 | |
| <u>Public Works Grants</u> | | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litter Program | 0 | 31,146 | 0 | 0 | 0 | 0 | |
| <u>Other State Revenues</u> | | | | | | | |
| Beer Tax | 19,200 | 0 | 0 | 0 | 0 | 0 | |
| Vehicle Certificate of Title Fees | 7,125 | 0 | 0 | 0 | 0 | 0 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | Other General Government Fund | |
|--|-----------------------|--------------------------------|----------------------|-----------------|------|--|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | |
| Alcoholic Beverage Tax | \$ 82,737 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 | |
| Opioid Settlement Funds - TN Abatement Council | 0 | 0 | 0 | 0 | 0 | 0 | |
| State Revenue Sharing - T.V.A. | 665,149 | 0 | 0 | 0 | 0 | 0 | |
| State Revenue Sharing - Telecommunications | 81,479 | 0 | 0 | 0 | 0 | 0 | |
| State Shared Sports Gaming Privilege Tax | 26,054 | 0 | 0 | 0 | 0 | 0 | |
| Contracted Prisoner Boarding | 1,036,123 | 0 | 0 | 0 | 0 | 0 | |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 | |
| Other State Grants | 221,066 | 17,211 | 0 | 0 | 0 | 0 | |
| Other State Revenues | 171,695 | 0 | 0 | 0 | 0 | 0 | |
| Total State of Tennessee | \$ 2,361,192 | \$ 48,357 | \$ 0 | \$ 0 | \$ 0 | 0 | |
| <u>Federal Government</u> | | | | | | | |
| <u>Federal Through State</u> | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 4,650 | \$ 0 | \$ 0 | 0 | |
| American Rescue Plan Act Grant #1 | 0 | 0 | 0 | 0 | 0 | 1,109,335 | |
| American Rescue Plan Act Grant #2 | 0 | 0 | 0 | 0 | 0 | 141,620 | |
| Other Federal through State | 4,893,022 | 0 | 0 | 0 | 0 | 0 | |
| <u>Direct Federal Revenue</u> | | | | | | | |
| COVID-19 Grant #6 | 0 | 0 | 62,611 | 0 | 0 | 0 | |
| Total Federal Government | \$ 4,893,022 | \$ 0 | \$ 67,261 | \$ 0 | \$ 0 | 1,250,955 | |

(Continued)

Exhibit J-6

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

| | Special Revenue Funds | | | | | Other General Government Fund |
|--|-----------------------|--------------------------------|----------------------|-----------------|------------------|--|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | | |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 6,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Other</u> | | | | | | |
| Opioid Settlement Funds - Past Remediation | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 6,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Total | \$ 14,615,172 | \$ 303,122 | \$ 1,756,919 | \$ 15,951 | \$ 1,257,655 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | Debt Service Funds | | | Capital Projects Funds |
|--|-----------------------|-------------------------|---------------|------------------------|----------------------|--------------------|--------------------------|
| | Other Special Revenue | Constitu - | | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects |
| | | Special Officers - Fees | Other Fees | | | | |
| Local Taxes | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 0 | \$ 0 | \$ 0 | \$ 589,134 | \$ 735,678 | \$ 57,069 | |
| Discount on Property Taxes | 0 | 0 | 0 | (6,162) | (7,659) | (598) | |
| Trustee's Collections - Prior Year | 0 | 0 | 0 | 22,241 | 33,213 | 1,746 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 0 | 0 | 0 | 13,214 | 16,619 | 1,124 | |
| Interest and Penalty | 0 | 0 | 0 | 4,812 | 6,778 | 377 | |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 0 | 0 | 0 | 0 | 0 | |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 0 | 0 | 0 | 0 | |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 99,996 | 0 | 0 | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Wheel Tax | 0 | 0 | 0 | 643,867 | 0 | 0 | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 | |
| Business Tax | 0 | 0 | 235 | 0 | 0 | 0 | |
| <u>Statutory Local Taxes</u> | | | | | | | |
| Bank Excise Tax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Local Taxes | \$ 0 | \$ 0 | \$ 235 | \$ 1,367,102 | \$ 784,629 | \$ 59,718 | |
| Licenses and Permits | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Marriage Licenses | \$ 0 | \$ 0 | \$ 0 | \$ 770 | \$ 0 | \$ 0 | |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 0 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Funds |
|--|-----------------------|-------------------------|------------------------|----------------------|--------------------|--------------------------|
| | Other Special Revenue | Constitu - | | General Debt Service | Rural Debt Service | General Capital Projects |
| | | tion al Officers - Fees | Highway / Public Works | | | |
| <u>Licenses and Permits (Cont.)</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Beer Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Licenses and Permits | \$ 0 | \$ 0 | \$ 0 | \$ 770 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Criminal Court</u> | | | | | | |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Funds | | | | |
|---|-----------------------|-----------------------------------|-------|------------------------|----------------------|--------------------------|--|--|--|--|
| | Other Special Revenue | Constitu - tional Officers - Fees | | Highway / Public Works | General Debt Service | General Capital Projects | | | | |
| | | | | | | | | | | |
| Charges for Current Services | | | | | | | | | | |
| General Service Charges | | | | | | | | | | |
| Convenience Waste Centers Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | | | |
| Surcharge - Host Agency | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Other General Service Charges | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Fees | | | | | | | | | | |
| Airport Fees | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Additional Fees - Titling and Registration | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Constitutional Officers' Fees and Commissions | 0 | 188 | 0 | 0 | 0 | 0 | | | | |
| Special Commissioner Fees/Special Master Fees | 0 | 8,969 | 0 | 0 | 0 | 0 | | | | |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Probation Fees | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Vehicle Registration Reinstatement Fees | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Total Charges for Current Services | \$ 0 | \$ 9,157 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | | | |
| Other Local Revenues | | | | | | | | | | |
| Recurring Items | | | | | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | | | |
| Lease/Rentals | 0 | 0 | 0 | 164,901 | 0 | 0 | | | | |
| Lease Interest | 0 | 0 | 0 | 29,369 | 0 | 0 | | | | |
| Sale of Materials and Supplies | 0 | 0 | 9,865 | 0 | 0 | 0 | | | | |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Sale of Maps | 0 | 0 | 15 | 0 | 0 | 0 | | | | |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Miscellaneous Refunds | 0 | 0 | 7,973 | 0 | 0 | 0 | | | | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Funds | |
|--|-----------------------|-----------------------|-----------------|----------------------|--------------------|--------------------------|------|
| | Other Special Revenue | Constitu - | | General Debt Service | Rural Debt Service | General Capital Projects | |
| | | Other Special Revenue | Officers - Fees | | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | |
| <u>Nonrecurring Items</u> | | | | | | | |
| Contributions and Gifts | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Local Revenues | \$ 0 | \$ 0 | \$ 17,853 | \$ 194,270 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fees Received From County Officials</u> | | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received From County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Public Safety Grants</u> | | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | | |
| Bridge Program | 0 | 0 | 97,139 | 0 | 0 | 0 | 0 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Funds | | | | |
|--|-----------------------|--------------------|------------------------|----------------------|--------------------|--------------------------|--|--|--|--|
| | Other Special Revenue | Constitu - | | General Debt Service | Rural Debt Service | General Capital Projects | | | | |
| | | Other Special Fees | tional Officers - Fees | | | | | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | | | | |
| Alcoholic Beverage Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | | | |
| Opioid Settlement Funds - TN Abatement Council | | 106,528 | | 0 | 0 | 0 | | | | |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| State Revenue Sharing - Telecommunications | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| State Shared Sports Gaming Privilege Tax | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Gasoline and Motor Fuel Tax | 0 | 0 | 2,582,764 | 0 | 0 | 0 | | | | |
| Petroleum Special Tax | 0 | 0 | 14,477 | 0 | 0 | 0 | | | | |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Other State Revenues | 0 | 0 | 58,624 | 0 | 0 | 0 | | | | |
| Total State of Tennessee | \$ 106,528 | \$ 0 | \$ 2,753,004 | \$ 0 | \$ 0 | \$ 0 | | | | |
| <u>Federal Government</u> | | | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | | | |
| American Rescue Plan Act Grant #1 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| American Rescue Plan Act Grant #2 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Other Federal through State | 0 | 0 | 232,014 | 0 | 0 | 0 | | | | |
| <u>Direct Federal Revenue</u> | | | | | | | | | | |
| COVID-19 Grant #6 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Total Federal Government | \$ 0 | \$ 0 | \$ 232,014 | \$ 0 | \$ 0 | \$ 0 | | | | |

(Continued)

Exhibit J-6

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

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Funds | |
|--|-----------------------|------------|-------------------------|----------------------|--------------------|--------------------------|---|
| | Other Special Revenue | Constitu - | | General Debt Service | Rural Debt Service | General Capital Projects | |
| | | Other Fees | Special Officers - Fees | | | | |
| <u>Other Governments and Citizens Groups</u> | | | | | | | |
| <u>Other Governments</u> | | | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 399,792 | \$ 0 | 0 |
| <u>Other</u> | | | | | | | |
| Opioid Settlement Funds - Past Remediation | 100,413 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 100,413 | \$ 0 | \$ 0 | \$ 0 | \$ 399,792 | \$ 0 | 0 |
| Total | \$ 206,941 | \$ 9,157 | \$ 3,003,106 | \$ 1,562,142 | \$ 1,184,421 | \$ 59,718 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | | | Capital Projects Fund |
|--|--|--------|----------------------------------|
| | | | Education Capital Projects |
| | | | Total |
| Local Taxes | | | |
| <u>County Property Taxes</u> | | | |
| Current Property Tax | | \$ 0 | \$ 4,888,781 |
| Discount on Property Taxes | | 0 | (51,109) |
| Trustee's Collections - Prior Year | | 60 | 194,665 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | | 0 | 104,890 |
| Interest and Penalty | | 136 | 40,943 |
| Payments in-Lieu-of Taxes - T.V.A. | | 0 | 90 |
| Payments in-Lieu-of Taxes - Other | | 0 | 276,817 |
| <u>County Local Option Taxes</u> | | | |
| Local Option Sales Tax | | 0 | 752,464 |
| Hotel/Motel Tax | | 0 | 149,942 |
| Wheel Tax | | 0 | 643,867 |
| Litigation Tax - General | | 0 | 19,000 |
| Litigation Tax - Special Purpose | | 0 | 68,819 |
| Litigation Tax - Jail, Workhouse, or Courthouse | | 0 | 1,250 |
| Business Tax | | 0 | 241,396 |
| <u>Statutory Local Taxes</u> | | | |
| Bank Excise Tax | | 0 | 101,100 |
| Wholesale Beer Tax | | 0 | 62,302 |
| Total Local Taxes | | \$ 196 | \$ 7,495,217 |
| Licenses and Permits | | | |
| <u>Licenses</u> | | | |
| Marriage Licenses | | \$ 0 | \$ 770 |
| Cable TV Franchise | | 0 | 29,831 |

(Continued)

Exhibit J-6

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

| | | | <u>Capital Projects Fund</u> |
|--|--|------|----------------------------------|
| | | | Education Capital Projects |
| | | | Total |
| Licenses and Permits (Cont.) | | | |
| <u>Permits</u> | | | |
| Beer Permits | | \$ 0 | \$ 834 |
| Total Licenses and Permits | | \$ 0 | \$ 31,435 |
| Fines, Forfeitures, and Penalties | | | |
| <u>Circuit Court</u> | | | |
| Fines | | \$ 0 | \$ 3,828 |
| Officers Costs | | 0 | 2,942 |
| Drug Control Fines | | 0 | 6,294 |
| Data Entry Fee - Circuit Court | | 0 | 354 |
| <u>Criminal Court</u> | | | |
| DUI Treatment Fines | | 0 | 380 |
| <u>General Sessions Court</u> | | | |
| Fines | | 0 | 55,010 |
| Officers Costs | | 0 | 7,874 |
| Game and Fish Fines | | 0 | 176 |
| Drug Control Fines | | 0 | 8,851 |
| Drug Court Fees | | 0 | 2,083 |
| Jail Fees | | 0 | 1,557 |
| Data Entry Fee - General Sessions Court | | 0 | 2,905 |
| <u>Chancery Court</u> | | | |
| Data Entry Fee - Chancery Court | | 0 | 4,903 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | |
| Other Fines, Forfeitures, and Penalties | | 0 | 66 |
| Total Fines, Forfeitures, and Penalties | | \$ 0 | \$ 97,223 |

(Continued)

Exhibit J-6

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

| | | | Capital Projects Fund | |
|---|--|-------------|----------------------------------|-------|
| | | | Education Capital Projects | Total |
| Charges for Current Services | | | | |
| General Service Charges | | | | |
| Convenience Waste Centers Collection Charge | | \$ 0 | \$ 5,068 | |
| Surcharge - Host Agency | | 0 | 231,639 | |
| Patient Charges | | 0 | 1,684,809 | |
| Other General Service Charges | | 0 | 2,529 | |
| Fees | | | | |
| Airport Fees | | 0 | 373,690 | |
| Additional Fees - Titling and Registration | | 0 | 20,637 | |
| Constitutional Officers' Fees and Commissions | | 0 | 188 | |
| Special Commissioner Fees/Special Master Fees | | 0 | 8,969 | |
| Data Processing Fee - Register | | 0 | 6,498 | |
| Probation Fees | | 0 | 24,204 | |
| Sexual Offender Registration Fee - Sheriff | | 0 | 5,700 | |
| Data Processing Fee - County Clerk | | 0 | 2,610 | |
| Vehicle Registration Reinstatement Fees | | 0 | 655 | |
| Total Charges for Current Services | | \$ 0 | \$ 2,367,196 | |
| Other Local Revenues | | | | |
| Recurring Items | | | | |
| Investment Income | | \$ 0 | \$ 154,954 | |
| Lease/Rentals | | 0 | 243,856 | |
| Lease Interest | | 0 | 113,993 | |
| Sale of Materials and Supplies | | 0 | 9,865 | |
| Commissary Sales | | 0 | 53,423 | |
| Sale of Maps | | 0 | 85 | |
| Sale of Recycled Materials | | 0 | 18,058 | |
| Miscellaneous Refunds | | 0 | 96,773 | |

(Continued)

Exhibit J-6

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

| | | | Capital Projects Fund | |
|--|--|------|----------------------------------|-------|
| | | | Education Capital Projects | Total |
| <u>Other Local Revenues (Cont.)</u> | | | | |
| <u>Nonrecurring Items</u> | | | | |
| Contributions and Gifts | | \$ 0 | \$ 182,791 | |
| Total Other Local Revenues | | \$ 0 | \$ 873,798 | |
| <u>Fees Received From County Officials</u> | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | |
| County Clerk | | \$ 0 | \$ 274,189 | |
| Circuit Court Clerk | | 0 | 30,243 | |
| General Sessions Court Clerk | | 0 | 73,472 | |
| Clerk and Master | | 0 | 54,775 | |
| Register | | 0 | 84,790 | |
| Sheriff | | 0 | 10,622 | |
| Trustee | | 0 | 363,002 | |
| Total Fees Received From County Officials | | \$ 0 | \$ 891,093 | |
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| Juvenile Services Program | | \$ 0 | \$ 9,000 | |
| <u>Public Safety Grants</u> | | | | |
| Law Enforcement Training Programs | | 0 | 26,400 | |
| <u>Public Works Grants</u> | | | | |
| Bridge Program | | 0 | 97,139 | |
| Litter Program | | 0 | 31,146 | |
| <u>Other State Revenues</u> | | | | |
| Beer Tax | | 0 | 19,200 | |
| Vehicle Certificate of Title Fees | | 0 | 7,125 | |

(Continued)

Exhibit J-6

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | | | Capital Projects Fund | |
|--|--|------|----------------------------------|-------|
| | | | Education Capital Projects | Total |
| <u>State of Tennessee (Cont.)</u> | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | |
| Alcoholic Beverage Tax | | \$ 0 | \$ 82,737 | |
| Opioid Settlement Funds - TN Abatement Council | | 0 | 106,528 | |
| State Revenue Sharing - T.V.A. | | 0 | 665,149 | |
| State Revenue Sharing - Telecommunications | | 0 | 81,479 | |
| State Shared Sports Gaming Privilege Tax | | 0 | 26,054 | |
| Contracted Prisoner Boarding | | 0 | 1,036,123 | |
| Gasoline and Motor Fuel Tax | | 0 | 2,582,764 | |
| Petroleum Special Tax | | 0 | 14,477 | |
| Registrar's Salary Supplement | | 0 | 15,164 | |
| Other State Grants | | 0 | 238,277 | |
| Other State Revenues | | 0 | 230,319 | |
| Total State of Tennessee | | \$ 0 | \$ 5,269,081 | |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| Community Development | | \$ 0 | \$ 4,650 | |
| American Rescue Plan Act Grant #1 | | 0 | 1,109,335 | |
| American Rescue Plan Act Grant #2 | | 0 | 141,620 | |
| Other Federal through State | | 0 | 5,125,036 | |
| <u>Direct Federal Revenue</u> | | | | |
| COVID-19 Grant #6 | | 0 | 62,611 | |
| Total Federal Government | | \$ 0 | \$ 6,443,252 | |

(Continued)

Exhibit J-6

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

| | <u>Capital Projects Fund</u> | | |
|--|------------------------------|------------------|-------|
| | Education | Capital Projects | Total |
| <u>Other Governments and Citizens Groups</u> | | | |
| <u>Other Governments</u> | | | |
| Contributions | \$ 0 | \$ 405,792 | |
| <u>Other</u> | | | |
| Opioid Settlement Funds - Past Remediation | 0 | 100,413 | |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 506,205 | |
| Total | \$ 196 | \$ 23,974,500 | |

Exhibit J-7

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Scott County School Department

For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|--------------|--|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total | |
| Local Taxes | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 1,634,748 | \$ 0 | \$ 0 | \$ 0 | \$ 1,634,748 | |
| Discount on Property Taxes | (17,826) | 0 | 0 | 0 | (17,826) | |
| Trustee's Collections - Prior Year | 79,608 | 0 | 0 | 0 | 79,608 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 36,467 | 0 | 0 | 0 | 36,467 | |
| Interest and Penalty | 13,895 | 0 | 0 | 0 | 13,895 | |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 1,964,138 | 0 | 0 | 0 | 1,964,138 | |
| Mixed Drink Tax | 512 | 0 | 0 | 0 | 512 | |
| Total Local Taxes | \$ 3,711,542 | \$ 0 | \$ 0 | \$ 0 | \$ 3,711,542 | |
| Licenses and Permits | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 496 | \$ 0 | \$ 0 | \$ 0 | \$ 496 | |
| Total Licenses and Permits | \$ 496 | \$ 0 | \$ 0 | \$ 0 | \$ 496 | |
| Charges for Current Services | | | | | | |
| <u>Education Charges</u> | | | | | | |
| Lunch Payments - Children | \$ 0 | \$ 0 | \$ 68,957 | \$ 0 | \$ 68,957 | |
| Lunch Payments - Adults | 0 | 0 | 29,410 | 0 | 29,410 | |
| Income from Breakfast | 0 | 0 | 31,977 | 0 | 31,977 | |
| Special Milk Sales | 0 | 0 | 7,143 | 0 | 7,143 | |
| Other Charges for Services | 33,739 | 0 | 6,567 | 0 | 40,306 | |
| Total Charges for Current Services | \$ 33,739 | \$ 0 | \$ 144,054 | \$ 0 | \$ 177,793 | |

(Continued)

Exhibit J-7

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

| | Special Revenue Funds | | | | |
|----------------------------------|------------------------------|-------------------------------|----------------------|--------------------|------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 5 | \$ 0 | \$ 2,119 | \$ 0 | \$ 2,124 |
| Lease/Rentals | 200 | 0 | 0 | 0 | 200 |
| Miscellaneous Refunds | 6,037 | 0 | 315 | 0 | 6,352 |
| <u>Nonrecurring Items</u> | | | | | |
| Contributions and Gifts | 39,421 | 0 | 0 | 0 | 39,421 |
| <u>Other Local Revenues</u> | | | | | |
| Other Local Revenues | 35 | 0 | 0 | 870,734 | 870,769 |
| Total Other Local Revenues | \$ 45,698 | \$ 0 | \$ 2,434 | \$ 870,734 | \$ 918,866 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-behalf Contributions for OPEB | \$ 130,917 | \$ 0 | \$ 0 | \$ 0 | \$ 130,917 |
| <u>State Education Funds</u> | | | | | |
| Basic Education Program | 17,763,342 | 0 | 0 | 0 | 17,763,342 |
| Early Childhood Education | 932,721 | 0 | 0 | 0 | 932,721 |
| School Food Service | 0 | 0 | 13,175 | 0 | 13,175 |
| Driver Education | 13,103 | 0 | 0 | 0 | 13,103 |
| Other State Education Funds | 525,592 | 0 | 0 | 0 | 525,592 |
| Coordinated School Health | 99,712 | 0 | 0 | 0 | 99,712 |
| Career Ladder Program | 55,235 | 0 | 0 | 0 | 55,235 |
| Other Vocational | 427,103 | 0 | 0 | 0 | 427,103 |
| <u>Other State Revenues</u> | | | | | |
| State Revenue Sharing - T.V.A. | 103,000 | 0 | 0 | 0 | 103,000 |
| Other State Grants | 39,457 | 0 | 0 | 0 | 39,457 |

(Continued)

Exhibit J-7

Scott County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

| | Special Revenue Funds | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | |
| Safe Schools | \$ 126,584 | \$ 0 | \$ 0 | \$ 0 | \$ 126,584 |
| Total State of Tennessee | \$ 20,216,766 | \$ 0 | \$ 13,175 | \$ 0 | \$ 20,229,941 |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,318,048 | \$ 0 | \$ 1,318,048 |
| USDA - Commodities | 0 | 0 | 154,923 | 0 | 154,923 |
| Breakfast | 0 | 0 | 552,418 | 0 | 552,418 |
| USDA - Other | 0 | 0 | 165,005 | 0 | 165,005 |
| Vocational Education - Basic Grants to States | 0 | 77,721 | 0 | 0 | 77,721 |
| Title I Grants to Local Education Agencies | 0 | 1,427,164 | 0 | 0 | 1,427,164 |
| Special Education - Grants to States | 0 | 581,348 | 0 | 0 | 581,348 |
| Special Education Preschool Grants | 0 | 22,082 | 0 | 0 | 22,082 |
| Rural Education | 0 | 64,691 | 0 | 0 | 64,691 |
| Eisenhower Professional Development State Grants | 0 | 229,332 | 0 | 0 | 229,332 |
| COVID-19 Grant B | 0 | 1,062,518 | 0 | 0 | 1,062,518 |
| COVID-19 Grant D | 42,000 | 40,000 | 0 | 0 | 82,000 |
| American Rescue Plan Act Grant #1 | 0 | 3,469,694 | 0 | 0 | 3,469,694 |
| American Rescue Plan Act Grant #2 | 0 | 103,286 | 0 | 0 | 103,286 |
| American Rescue Plan Act Grant #3 | 0 | 6,108 | 0 | 0 | 6,108 |
| American Rescue Plan Act Grant #4 | 0 | 834 | 0 | 0 | 834 |
| Other Federal through State | 112,275 | 673,457 | 0 | 0 | 785,732 |
| Total Federal Government | \$ 154,275 | \$ 7,758,235 | \$ 2,190,394 | \$ 0 | \$ 10,102,904 |
| Total | \$ 24,162,516 | \$ 7,758,235 | \$ 2,350,057 | \$ 870,734 | \$ 35,141,542 |

Scott County, Tennessee

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

General FundGeneral GovernmentCounty Commission

| | | |
|---|-----------|----------------|
| Board and Committee Members Fees | \$ | 87,450 |
| Social Security | | 5,458 |
| Pensions | | 3,061 |
| Employer Medicare | | 1,268 |
| Audit Services | | 9,177 |
| Dues and Memberships | | 7,619 |
| Legal Notices, Recording, and Court Costs | | 1,387 |
| Travel | | 5,464 |
| Other Contracted Services | | 26,524 |
| Other Supplies and Materials | | 8,060 |
| Premiums on Corporate Surety Bonds | | 17,427 |
| Other Charges | | 3,768 |
| Total County Commission | \$ | 176,663 |

County Mayor/Executive

| | | |
|---|----|----------------|
| County Official/Administrative Officer | \$ | 95,168 |
| Secretary(ies) | | 36,789 |
| Clerical Personnel | | 27,014 |
| Part-time Personnel | | 2,746 |
| Social Security | | 9,656 |
| Pensions | | 7,949 |
| Employer Medicare | | 2,258 |
| Communication | | 7,203 |
| Legal Notices, Recording, and Court Costs | | 1,336 |
| Travel | | 275 |
| Office Supplies | | 4,432 |
| Other Charges | | 227 |
| Total County Mayor/Executive | | 195,053 |

County Attorney

| | | |
|--|----|---------------|
| County Official/Administrative Officer | \$ | 50,000 |
| Other Salaries and Wages | | 9,856 |
| Social Security | | 3,711 |
| Pensions | | 2,500 |
| Employer Medicare | | 868 |
| Communication | | 2,497 |
| Dues and Memberships | | 1,569 |
| Total County Attorney | | 71,001 |

Election Commission

| | | |
|--|----|--------|
| County Official/Administrative Officer | \$ | 74,156 |
| Deputy(ies) | | 35,797 |
| Other Salaries and Wages | | 23,192 |
| Election Commission | | 17,400 |
| Election Workers | | 53,267 |
| Social Security | | 11,766 |
| Pensions | | 6,865 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

| | |
|---|------------|
| Employer Medicare | \$ 2,752 |
| Communication | 3,808 |
| Data Processing Services | 26,942 |
| Legal Notices, Recording, and Court Costs | 3,435 |
| Postal Charges | 58 |
| Printing, Stationery, and Forms | 149 |
| Travel | 2,713 |
| Office Supplies | 14,179 |
| Other Charges | 876 |
| Total Election Commission | \$ 277,355 |

Register of Deeds

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 82,396 |
| Deputy(ies) | 35,108 |
| Other Salaries and Wages | 47,773 |
| Social Security | 9,919 |
| Pensions | 10,544 |
| Employer Medicare | 2,320 |
| Communication | 3,350 |
| Dues and Memberships | 745 |
| Printing, Stationery, and Forms | 5,880 |
| Other Contracted Services | 1,200 |
| Office Supplies | 6,502 |
| Other Supplies and Materials | 6,283 |
| Total Register of Deeds | 212,020 |

County Buildings

| | |
|--|---------|
| Salary Supplements | \$ 800 |
| Mechanic(s) | 27,212 |
| Custodial Personnel | 24,673 |
| Other Salaries and Wages | 30,116 |
| Social Security | 4,866 |
| Pensions | 4,140 |
| Employer Medicare | 1,138 |
| Maintenance and Repair Services - Buildings | 171,216 |
| Maintenance and Repair Services - Equipment | 36,692 |
| Maintenance and Repair Services - Office Equipment | 4,589 |
| Maintenance and Repair Services - Vehicles | 2,951 |
| Other Contracted Services | 37,521 |
| Custodial Supplies | 14,813 |
| Electricity | 130,177 |
| Gasoline | 7,411 |
| Natural Gas | 52,292 |
| Road Signs | 1,457 |
| Water and Sewer | 135,561 |
| Other Supplies and Materials | 10,722 |
| Other Charges | 14,295 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

| | |
|--------------------------|--------------|
| Administration Equipment | \$ 7,029 |
| Building Improvements | 25,936 |
| Communication Equipment | 66,000 |
| Maintenance Equipment | 10,838 |
| Motor Vehicles | 356,223 |
| Health Equipment | 30,940 |
| Other Equipment | 18,566 |
| Total County Buildings | \$ 1,228,174 |

FinanceAccounting and Budgeting

| | |
|--------------------------------|-----------|
| Supervisor/Director | \$ 82,395 |
| Data Processing Personnel | 181,546 |
| Social Security | 15,342 |
| Pensions | 13,197 |
| Employer Medicare | 3,588 |
| Communication | 4,241 |
| Data Processing Services | 23,515 |
| Travel | 70 |
| Office Supplies | 9,938 |
| Total Accounting and Budgeting | 333,832 |

Property Assessor's Office

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 82,396 |
| Assistant(s) | 56,816 |
| Deputy(ies) | 34,569 |
| Part-time Personnel | 8,472 |
| Board and Committee Members Fees | 4,150 |
| Social Security | 11,169 |
| Pensions | 8,689 |
| Employer Medicare | 2,612 |
| Communication | 2,252 |
| Data Processing Services | 14,904 |
| Dues and Memberships | 1,450 |
| Maintenance and Repair Services - Vehicles | 468 |
| Travel | 1,476 |
| Other Contracted Services | 14,475 |
| Office Supplies | 3,133 |
| Other Supplies and Materials | 527 |
| Total Property Assessor's Office | 247,558 |

County Trustee's Office

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 82,396 |
| Deputy(ies) | 34,602 |
| Other Salaries and Wages | 40,399 |
| Social Security | 9,157 |
| Pensions | 7,380 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

| | |
|--------------------------------------|-------------------|
| Employer Medicare | \$ 2,142 |
| Communication | 1,904 |
| Contracts with Other Public Agencies | 9,348 |
| Data Processing Services | 13,241 |
| Dues and Memberships | 1,000 |
| Travel | 275 |
| Office Supplies | 2,875 |
| Office Equipment | 375 |
| Total County Trustee's Office | \$ 205,094 |

County Clerk's Office

| | |
|--|----------------|
| County Official/Administrative Officer | \$ 82,396 |
| Assistant(s) | 43,853 |
| Deputy(ies) | 32,480 |
| Other Salaries and Wages | 62,099 |
| Social Security | 12,981 |
| Pensions | 11,041 |
| Employer Medicare | 3,036 |
| Communication | 3,949 |
| Dues and Memberships | 745 |
| Printing, Stationery, and Forms | 1,643 |
| Other Contracted Services | 14,179 |
| Office Supplies | 10,367 |
| Office Equipment | 1,405 |
| Total County Clerk's Office | 280,174 |

Administration of JusticeCircuit Court

| | |
|--|----------------|
| County Official/Administrative Officer | \$ 82,396 |
| Assistant(s) | 117,850 |
| Deputy(ies) | 34,590 |
| Part-time Personnel | 13,228 |
| Other Salaries and Wages | 32,284 |
| Jury and Witness Expense | 4,376 |
| Social Security | 16,719 |
| Pensions | 13,441 |
| Life Insurance | 38 |
| Medical Insurance | 8,038 |
| Employer Medicare | 3,910 |
| Communication | 4,540 |
| Data Processing Services | 19,938 |
| Dues and Memberships | 820 |
| Printing, Stationery, and Forms | 503 |
| Travel | 12,720 |
| Office Supplies | 12,772 |
| Workers' Compensation Insurance | 136 |
| Other Charges | 1,336 |
| Data Processing Equipment | 6,616 |
| Total Circuit Court | 386,251 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court

| | |
|----------------------------------|------------|
| Judge(s) | \$ 123,716 |
| Assistant(s) | 55,042 |
| Salary Supplements | 9,114 |
| Secretary(ies) | 25,428 |
| Clerical Personnel | 29,122 |
| Part-time Personnel | 12,740 |
| Other Salaries and Wages | 128,010 |
| Board and Committee Members Fees | 4,731 |
| Social Security | 23,701 |
| Pensions | 18,522 |
| Life Insurance | 113 |
| Medical Insurance | 5,869 |
| Employer Medicare | 5,543 |
| Communication | 4,691 |
| Dues and Memberships | 595 |
| Travel | 4,768 |
| Other Contracted Services | 70 |
| Office Supplies | 14,771 |
| Other Supplies and Materials | 25,695 |
| Workers' Compensation Insurance | 236 |
| Other Charges | 772 |
| Data Processing Equipment | 4,684 |
| Total General Sessions Court | \$ 497,933 |

Chancery Court

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 82,396 |
| Deputy(ies) | 34,587 |
| Other Salaries and Wages | 24,382 |
| Social Security | 8,366 |
| Pensions | 7,068 |
| Employer Medicare | 1,957 |
| Communication | 2,164 |
| Data Processing Services | 6,500 |
| Dues and Memberships | 645 |
| Printing, Stationery, and Forms | 240 |
| Office Supplies | 5,217 |
| Other Charges | 871 |
| Total Chancery Court | 174,393 |

District Attorney General

| | |
|--------------------------|-----------|
| Other Salaries and Wages | \$ 40,500 |
| Social Security | 2,300 |
| Pensions | 2,025 |
| Life Insurance | 25 |
| Medical Insurance | 5,052 |
| Employer Medicare | 538 |
| Travel | 1,238 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)Administration of Justice (Cont.)District Attorney General (Cont.)

| | |
|---------------------------------|-----------|
| Other Contracted Services | \$ 7,340 |
| Office Supplies | 120 |
| Other Supplies and Materials | 17,585 |
| Workers' Compensation Insurance | 82 |
| Other Charges | 9,994 |
| Total District Attorney General | \$ 86,799 |

Office of Public Defender

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

Public SafetySheriff's Department

| | |
|---|-----------|
| County Official/Administrative Officer | \$ 90,636 |
| Deputy(ies) | 1,157,092 |
| Salary Supplements | 26,400 |
| Secretary(ies) | 43,127 |
| Social Security | 78,005 |
| Pensions | 64,647 |
| Life Insurance | 189 |
| Medical Insurance | 5,877 |
| Employer Medicare | 18,243 |
| Communication | 28,351 |
| Dues and Memberships | 1,642 |
| Maintenance and Repair Services - Buildings | 5,151 |
| Maintenance and Repair Services - Equipment | 7,018 |
| Maintenance and Repair Services - Vehicles | 45,074 |
| Printing, Stationery, and Forms | 2,009 |
| Towing Services | 3,435 |
| Travel | 11,798 |
| Tuition | 5,318 |
| Other Contracted Services | 8,159 |
| Gasoline | 151,570 |
| Law Enforcement Supplies | 466 |
| Office Supplies | 11,091 |
| Tires and Tubes | 9,338 |
| Uniforms | 21,967 |
| Other Supplies and Materials | 12,417 |
| Liability Insurance | 73,275 |
| Workers' Compensation Insurance | 79,997 |
| Furniture and Fixtures | 1,400 |
| Motor Vehicles | 43,836 |
| Office Equipment | 4,048 |
| Other Equipment | 15,702 |
| Total Sheriff's Department | 2,027,278 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)Public Safety (Cont.)Administration of the Sexual Offender Registry

| | | |
|--|----------|----------|
| Other Charges | \$ 4,810 | \$ 4,810 |
| Total Administration of the Sexual Offender Registry | | |

Jail

| | | |
|------------------------------|------------|-----------|
| Deputy(ies) | \$ 682,022 | |
| Dispatchers/Radio Operators | 328,205 | |
| Social Security | 59,522 | |
| Pensions | 50,334 | |
| Employer Medicare | 13,921 | |
| Medical and Dental Services | 481,247 | |
| Travel | 5,118 | |
| Tuition | 600 | |
| Other Contracted Services | 3,540 | |
| Food Supplies | 268,930 | |
| Office Supplies | 3,552 | |
| Uniforms | 2,822 | |
| Other Supplies and Materials | 80,322 | |
| Building Improvements | 2,999 | |
| Motor Vehicles | 92,629 | |
| Total Jail | | 2,075,763 |

Juvenile Services

| | | |
|---|-----------|---------|
| Supervisor/Director | \$ 39,562 | |
| Deputy(ies) | 144,822 | |
| Youth Service Officer(s) | 8,092 | |
| Part-time Personnel | 26,493 | |
| Social Security | 13,471 | |
| Pensions | 9,484 | |
| Employer Medicare | 3,150 | |
| Communication | 5,624 | |
| Maintenance and Repair Services - Buildings | 440 | |
| Travel | 1,209 | |
| Other Contracted Services | 415 | |
| Food Supplies | 12,801 | |
| Office Supplies | 587 | |
| Other Supplies and Materials | 9,055 | |
| Total Juvenile Services | | 275,205 |

Fire Prevention and Control

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

Civil Defense

| | | |
|---------------------|-----------|--|
| Supervisor/Director | \$ 13,941 | |
| Social Security | 818 | |
| Pensions | 697 | |
| Employer Medicare | 191 | |

(Continued)

Exhibit J-8

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

| | |
|--|-----------|
| Communication | \$ 1,063 |
| Dues and Memberships | 55 |
| Maintenance and Repair Services - Vehicles | 668 |
| Travel | 847 |
| Electricity | 11,423 |
| Natural Gas | 2,171 |
| Office Supplies | 517 |
| Water and Sewer | 701 |
| Other Supplies and Materials | 500 |
| Other Charges | 8,288 |
| Total Civil Defense | \$ 41,880 |

Rescue Squad

| | |
|--------------------|-----------|
| Contributions | \$ 12,000 |
| Total Rescue Squad | 12,000 |

County Coroner/Medical Examiner

| | |
|--|----------|
| County Official/Administrative Officer | \$ 5,769 |
| Social Security | 358 |
| Employer Medicare | 84 |
| Other Charges | 15,200 |
| Total County Coroner/Medical Examiner | 21,411 |

Public Health and Welfare

Local Health Center

| | |
|---------------------------|----------|
| Social Security | \$ 2,094 |
| Pensions | 1,174 |
| Employer Medicare | 490 |
| Contributions | 58,921 |
| Total Local Health Center | 62,679 |

Other Local Health Services

| | |
|-----------------------------------|------------|
| Medical Personnel | \$ 268,861 |
| Social Security | 15,382 |
| Pensions | 13,443 |
| Medical Insurance | 37,548 |
| Employer Medicare | 3,598 |
| Travel | 6,831 |
| Other Supplies and Materials | 116 |
| Workers' Compensation Insurance | 13,602 |
| Total Other Local Health Services | 359,381 |

General Welfare Assistance

| | |
|----------------------------------|----------|
| Contributions | \$ 1,235 |
| Total General Welfare Assistance | 1,235 |

(Continued)

Exhibit J-8

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

| | | |
|------------------------------------|----------|----------|
| Pauper Burials | \$ 1,067 | |
| Total Other Local Welfare Services | | \$ 1,067 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | |
|--|-----------|--------|
| Deputy(ies) | \$ 33,654 | |
| Part-time Personnel | 17,415 | |
| Social Security | 3,166 | |
| Pensions | 1,683 | |
| Employer Medicare | 741 | |
| Communication | 2,211 | |
| Contributions | 7,000 | |
| Maintenance and Repair Services - Vehicles | 322 | |
| Travel | 5,125 | |
| Utilities | 9,909 | |
| Other Supplies and Materials | 316 | |
| Total Senior Citizens Assistance | | 81,542 |

Libraries

| | | |
|---------------------------------|-----------|--------|
| Part-time Personnel | \$ 33,220 | |
| Social Security | 2,060 | |
| Pensions | 526 | |
| Employer Medicare | 482 | |
| Communication | 3,853 | |
| Postal Charges | 75 | |
| Library Books/Media | 10,628 | |
| Office Supplies | 3,818 | |
| Periodicals | 671 | |
| Utilities | 5,272 | |
| Workers' Compensation Insurance | 74 | |
| Other Charges | 2,091 | |
| Total Libraries | | 62,770 |

Agriculture and Natural Resources

Agricultural Extension Service

| | | |
|--------------------------------------|-----------|--------|
| Assistant(s) | \$ 19,237 | |
| Supervisor/Director | 3,165 | |
| Secretary(ies) | 7,908 | |
| Social Security | 1,788 | |
| Pensions | 4,949 | |
| Medical Insurance | 5,742 | |
| Employer Medicare | 418 | |
| Communication | 2,372 | |
| Dues and Memberships | 180 | |
| Travel | 3,007 | |
| Other Charges | 1,127 | |
| Total Agricultural Extension Service | | 49,893 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)General Fund (Cont.)Other OperationsTourism

| | |
|---------------------|---------------|
| Supervisor/Director | \$ 34,590 |
| Part-time Personnel | 6,670 |
| Social Security | 2,558 |
| Pensions | 1,730 |
| Employer Medicare | 598 |
| Contributions | <u>15,319</u> |
| Total Tourism | \$ 61,465 |

Airport

| | |
|---|------------------|
| Supervisor/Director | \$ 36,633 |
| Temporary Personnel | 28,596 |
| Part-time Personnel | 2,674 |
| Social Security | 3,718 |
| Pensions | 3,261 |
| Medical Insurance | 13,951 |
| Employer Medicare | 869 |
| Communication | 4,105 |
| Maintenance and Repair Services - Buildings | 81 |
| Maintenance and Repair Services - Equipment | 5,219 |
| Maintenance and Repair Services - Vehicles | 1,677 |
| Travel | 1,664 |
| Other Contracted Services | 2,496 |
| Diesel Fuel | 194,035 |
| Electricity | 15,895 |
| Gasoline | 85,672 |
| Office Supplies | 110 |
| Water and Sewer | 1,433 |
| Other Supplies and Materials | 2,591 |
| Liability Insurance | 4,251 |
| Workers' Compensation Insurance | 3,561 |
| Airport Improvement | <u>4,296,073</u> |
| Total Airport | 4,708,565 |

Veterans' Services

| | |
|--------------------------------------|------------|
| Supervisor/Director | \$ 43,668 |
| Social Security | 2,707 |
| Pensions | 2,184 |
| Employer Medicare | 633 |
| Contracts with Other Public Agencies | 449 |
| Travel | 1,815 |
| Other Supplies and Materials | <u>150</u> |
| Total Veterans' Services | 51,606 |

Contributions to Other Agencies

| | |
|---------------------------------------|------------|
| Contributions | \$ 136,987 |
| Total Contributions to Other Agencies | 136,987 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant #1

Other Charges

\$ 25,846

Total COVID-19 Grant #1

\$ 25,846

Miscellaneous

| | |
|---------------------------------|----------|
| Life Insurance | \$ 6,595 |
| Medical Insurance | 430,646 |
| Unemployment Compensation | 14,976 |
| Other Fringe Benefits | 2,875 |
| Postal Charges | 24,617 |
| Other Supplies and Materials | 21,768 |
| Liability Insurance | 96,488 |
| Trustee's Commission | 105,064 |
| Workers' Compensation Insurance | 9,165 |
| Other Charges | 2,375 |

Total Miscellaneous

714,569

HighwaysHighway and Bridge Maintenance

Transfers to Other Funds

\$ 235

Total Highway and Bridge Maintenance

235

Total General Fund

\$ 15,162,487

Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

| | |
|---|------------|
| Laborers | \$ 121,425 |
| Other Salaries and Wages | 11,999 |
| Social Security | 8,215 |
| Pensions | 6,694 |
| Life Insurance | 164 |
| Medical Insurance | 827 |
| Employer Medicare | 1,928 |
| Communication | 2,200 |
| Maintenance and Repair Services - Equipment | 142 |
| Maintenance and Repair Services - Vehicles | 2,000 |
| Travel | 161 |
| Other Contracted Services | 59,947 |
| Diesel Fuel | 3,039 |
| Electricity | 4,489 |
| Equipment and Machinery Parts | 870 |
| Gasoline | 3,382 |
| Natural Gas | 1,868 |
| Office Supplies | 236 |
| Propane Gas | 1,513 |
| Tires and Tubes | 1,181 |
| Uniforms | 7,134 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Recycling Center (Cont.)

| | |
|---------------------------------|---------------|
| Water and Sewer | \$ 684 |
| Other Supplies and Materials | 28,206 |
| Trustee's Commission | 2,572 |
| Vehicle and Equipment Insurance | 2,170 |
| Workers' Compensation Insurance | 7,172 |
| Other Charges | 23,470 |
| Maintenance Equipment | 16,998 |
| Motor Vehicles | 37,242 |
| Solid Waste Equipment | <u>56,571</u> |
| Total Recycling Center | \$ 414,499 |

Postclosure Care Costs

| | |
|------------------------------|-----------|
| Other Contracted Services | \$ 10,890 |
| Total Postclosure Care Costs | 10,890 |

HighwaysLitter and Trash Collection

| | |
|-----------------------------------|---------------|
| Other Supplies and Materials | \$ 26,486 |
| Total Litter and Trash Collection | <u>26,486</u> |

Total Solid Waste/Sanitation Fund

\$ 451,875

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

| | |
|---|-----------|
| Supervisor/Director | \$ 83,356 |
| Medical Personnel | 547,738 |
| Part-time Personnel | 20,301 |
| Overtime Pay | 327,053 |
| Bonus Payments | 500 |
| Other Salaries and Wages | 25,359 |
| Social Security | 60,958 |
| Pensions | 49,836 |
| Life Insurance | 2,027 |
| Medical Insurance | 54,888 |
| Unemployment Compensation | 501 |
| Employer Medicare | 14,254 |
| Communication | 10,700 |
| Contracts with Other Public Agencies | 97,670 |
| Dues and Memberships | 395 |
| Licenses | 2,680 |
| Maintenance and Repair Services - Buildings | 165 |
| Maintenance and Repair Services - Vehicles | 20,741 |
| Postal Charges | 76 |
| Towing Services | 410 |
| Travel | 1,150 |
| Tuition | 8,558 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

| | |
|--|--------------|
| Disposal Fees | \$ 1,651 |
| Other Contracted Services | 1,236 |
| Custodial Supplies | 1,048 |
| Diesel Fuel | 3,049 |
| Drugs and Medical Supplies | 75,362 |
| Electricity | 3,773 |
| Equipment and Machinery Parts | 3,074 |
| Gasoline | 36,393 |
| Natural Gas | 3,689 |
| Office Supplies | 1,257 |
| Propane Gas | 7,046 |
| Tires and Tubes | 680 |
| Uniforms | 351 |
| Water and Sewer | 1,721 |
| Other Supplies and Materials | 11,462 |
| Refunds | 9,836 |
| Trustee's Commission | 15,024 |
| Vehicle and Equipment Insurance | 57,156 |
| Workers' Compensation Insurance | 81,664 |
| Other Charges | 59,897 |
| Health Equipment | 105,411 |
| Total Ambulance/Emergency Medical Services | \$ 1,810,096 |

Total Ambulance Service Fund

\$ 1,810,096

Drug Control FundPublic SafetyOther Public Safety

| | |
|--|-----------|
| Confidential Drug Enforcement Payments | \$ 500 |
| Maintenance and Repair Services - Vehicles | 4,204 |
| Veterinary Services | 442 |
| Animal Food and Supplies | 926 |
| Other Supplies and Materials | 3,830 |
| Trustee's Commission | 874 |
| Other Charges | 11,000 |
| Total Other Public Safety | \$ 21,776 |

Total Drug Control Fund

21,776

Other General Government Special Revenue FundOther OperationsAmerican Rescue Plan Act Grant #1

| | |
|---|------------|
| Bonus Payments | \$ 125,950 |
| Social Security | 7,809 |
| Pensions | 6,035 |
| Employer Medicare | 1,826 |
| Other Contracted Services | 160,100 |
| Total American Rescue Plan Act Grant #1 | \$ 301,720 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)Other General Government Special Revenue Fund (Cont.)HighwaysAmerican Rescue Plan Act Grant #1

| | |
|---|---------------|
| Asphalt - Hot Mix | \$ 775,094 |
| Bridge Construction | <u>54,038</u> |
| Total American Rescue Plan Act Grant #1 | \$ 829,132 |

Capital ProjectsAmerican Rescue Plan Act Grant #1

| | |
|---|----------------|
| Building Construction | \$ 165,240 |
| Total American Rescue Plan Act Grant #1 | <u>165,240</u> |

Total Other General Government Special Revenue Fund

\$ 1,296,092

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

| | |
|---|--------|
| Constitutional Officers' Operating Expenses | \$ 188 |
| Total County Trustee's Office | \$ 188 |

Administration of JusticeChancery Court

| | |
|---|--------------|
| Special Commissioner Fees/Special Master Fees | \$ 8,969 |
| Total Chancery Court | <u>8,969</u> |

Total Constitutional Officers - Fees Fund

9,157

Highway/Public Works FundHighwaysAdministration

| | |
|--|---------------|
| County Official/Administrative Officer | \$ 90,636 |
| Clerical Personnel | 34,877 |
| Overtime Pay | 456 |
| Social Security | 7,358 |
| Pensions | 6,258 |
| Unemployment Compensation | 210 |
| Employer Medicare | 1,748 |
| Dues and Memberships | 3,438 |
| Postal Charges | 76 |
| Travel | 1,959 |
| Office Supplies | 739 |
| Uniforms | <u>12,344</u> |
| Total Administration | \$ 160,099 |

Highway and Bridge Maintenance

| | |
|---------------------|-----------|
| Mechanic(s) | \$ 40,219 |
| Equipment Operators | 295,072 |
| Truck Drivers | 196,940 |
| Laborers | 54,158 |
| Overtime Pay | 22,268 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund Types (Cont.)Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

| | |
|--------------------------------------|--------------|
| Social Security | \$ 36,095 |
| Pensions | 30,445 |
| Unemployment Compensation | 3,528 |
| Employer Medicare | 8,442 |
| Rentals | 26,412 |
| Asphalt - Cold Mix | 68,729 |
| Asphalt - Hot Mix | 78,617 |
| Concrete | 195 |
| Crushed Stone | 196,356 |
| Other Road Materials | 93,245 |
| Pipe - Metal | 45,047 |
| Road Signs | 4,905 |
| Wood Products | 310 |
| Bridge Construction | 100,151 |
| Total Highway and Bridge Maintenance | \$ 1,301,134 |

Operation and Maintenance of Equipment

| | |
|--|------------|
| Foremen | \$ 103,157 |
| Mechanic(s) | 28,779 |
| Overtime Pay | 1,027 |
| Social Security | 7,922 |
| Pensions | 6,463 |
| Unemployment Compensation | 630 |
| Employer Medicare | 8,382 |
| Maintenance and Repair Services - Equipment | 8,519 |
| Maintenance and Repair Services - Vehicles | 471 |
| Towing Services | 1,200 |
| Other Contracted Services | 2,841 |
| Diesel Fuel | 122,617 |
| Equipment and Machinery Parts | 94,089 |
| Garage Supplies | 1,658 |
| Gasoline | 22,540 |
| Lubricants | 14,370 |
| Propane Gas | 2,257 |
| Tires and Tubes | 14,252 |
| Other Supplies and Materials | 27,379 |
| Highway Equipment | 578,706 |
| Total Operation and Maintenance of Equipment | 1,047,259 |

Other Charges

| | |
|---------------------------------|----------|
| Communication | \$ 6,188 |
| Electricity | 6,461 |
| Natural Gas | 4,102 |
| Water and Sewer | 407 |
| Trustee's Commission | 26,566 |
| Vehicle and Equipment Insurance | 26,871 |
| Other Charges | 39,640 |
| Motor Vehicles | 22,000 |
| Total Other Charges | 132,235 |

(Continued)

Exhibit J-8

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

| | |
|----------------------------------|---------------|
| Employee and Dependent Insurance | \$ 81,639 |
| Life Insurance | 834 |
| Workers' Compensation Insurance | <u>65,686</u> |
| Total Employee Benefits | \$ 148,159 |

Principal on Debt

Highways and Streets

| | |
|----------------------------|------------|
| Principal on Notes | \$ 231,491 |
| Total Highways and Streets | 231,491 |

Interest on Debt

Highways and Streets

| | |
|----------------------------|---------------|
| Interest on Notes | \$ 19,144 |
| Total Highways and Streets | <u>19,144</u> |

Total Highway/Public Works Fund

\$ 3,039,521

General Debt Service Fund

Principal on Debt

General Government

| | |
|--------------------------|----------------|
| Principal on Bonds | \$ 150,000 |
| Principal on Other Loans | <u>881,000</u> |
| Total General Government | \$ 1,031,000 |

Interest on Debt

General Government

| | |
|--------------------------|----------------|
| Interest on Bonds | \$ 46,795 |
| Interest on Other Loans | <u>387,339</u> |
| Total General Government | 434,134 |

Other Debt Service

General Government

| | |
|--------------------------|----------------|
| Trustee's Commission | \$ 20,514 |
| Other Debt Service | <u>102,677</u> |
| Total General Government | <u>123,191</u> |

Total General Debt Service Fund

1,588,325

Rural Debt Service Fund

Principal on Debt

Education

| | |
|--------------------|------------|
| Principal on Bonds | \$ 465,000 |
| Total Education | \$ 465,000 |

Interest on Debt

Education

| | |
|-------------------|------------|
| Interest on Bonds | \$ 130,171 |
| Total Education | 130,171 |

(Continued)

Exhibit J-8

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types (Cont.)

Rural Debt Service Fund (Cont.)

Other Debt Service

Education

 Trustee's Commission

 Total Education

\$ 15,858

\$ 15,858

Total Rural Debt Service Fund

\$ 611,029

General Capital Projects Fund

General Government

County Buildings

 Building Improvements

 Total County Buildings

\$ 3,735

\$ 3,735

Public Safety

Sheriff's Department

 Motor Vehicles

 Total Sheriff's Department

\$ 66,379

66,379

Highways

Capital Outlay

 Trustee's Commission

 Total Capital Outlay

\$ 1,198

1,198

Total General Capital Projects Fund

71,312

Education Capital Projects Fund

Capital Projects

Education Capital Projects

 Trustee's Commission

 Total Education Capital Projects

\$ 3

\$ 3

Total Education Capital Projects Fund

3

Total Governmental Funds - Primary Government

\$ 24,061,673

Exhibit J-9

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Scott County School Department

For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

| | |
|--|----------------------|
| Teachers | \$ 7,243,197 |
| Career Ladder Program | 19,668 |
| Homebound Teachers | 53,396 |
| Educational Assistants | 340,824 |
| Other Salaries and Wages | 644,026 |
| Certified Substitute Teachers | 124,625 |
| Social Security | 497,899 |
| Pensions | 651,320 |
| Life Insurance | 12,994 |
| Medical Insurance | 1,454,003 |
| Unemployment Compensation | 4,101 |
| Employer Medicare | 116,122 |
| Other Fringe Benefits | 5,025 |
| Instructional Supplies and Materials | 175,533 |
| Textbooks - Bound | 566,184 |
| Software | 36,345 |
| Other Charges | 39,680 |
| Regular Instruction Equipment | 20,068 |
| Total Regular Instruction Program | \$ 12,005,010 |

Alternative Instruction Program

| | |
|--|----------------|
| Teachers | \$ 86,023 |
| Educational Assistants | 22,545 |
| Social Security | 6,196 |
| Pensions | 5,602 |
| Medical Insurance | 16,122 |
| Unemployment Compensation | 99 |
| Employer Medicare | 1,449 |
| Total Alternative Instruction Program | 138,036 |

Special Education Program

| | |
|--|------------------|
| Teachers | \$ 771,794 |
| Career Ladder Program | 2,000 |
| Homebound Teachers | 49,549 |
| Educational Assistants | 129,345 |
| Certified Substitute Teachers | 15,492 |
| Social Security | 57,047 |
| Pensions | 73,581 |
| Medical Insurance | 144,596 |
| Unemployment Compensation | 665 |
| Employer Medicare | 13,352 |
| Contracts with Private Agencies | 17,265 |
| Instructional Supplies and Materials | 9,841 |
| Other Supplies and Materials | 10,149 |
| Special Education Equipment | 3,272 |
| Total Special Education Program | 1,297,948 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Scott County School Department (Cont.)General Purpose School Fund (Cont.)Instruction (Cont.)Career and Technical Education Program

| | |
|--|--------------|
| Teachers | \$ 631,588 |
| Bus Drivers | 105 |
| Educational Assistants | 52,378 |
| Other Salaries and Wages | 20,428 |
| Social Security | 41,572 |
| Pensions | 55,852 |
| Medical Insurance | 100,717 |
| Unemployment Compensation | 432 |
| Employer Medicare | 9,722 |
| Instructional Supplies and Materials | 85,118 |
| Vocational Instruction Equipment | 162,403 |
| Total Career and Technical Education Program | \$ 1,160,315 |

Support ServicesAttendance

| | |
|---------------------------|-----------|
| Supervisor/Director | \$ 80,218 |
| Career Ladder Program | 1,042 |
| Social Security | 4,636 |
| Pensions | 6,990 |
| Medical Insurance | 13,072 |
| Unemployment Compensation | 17 |
| Employer Medicare | 1,084 |
| Travel | 4,335 |
| Total Attendance | 111,394 |

Health Services

| | |
|------------------------------|-----------|
| Supervisor/Director | \$ 70,583 |
| Medical Personnel | 56,551 |
| Other Salaries and Wages | 36,763 |
| Social Security | 9,093 |
| Pensions | 11,821 |
| Medical Insurance | 22,013 |
| Unemployment Compensation | 102 |
| Employer Medicare | 2,127 |
| Travel | 12,706 |
| Other Supplies and Materials | 15,177 |
| Other Charges | 3,292 |
| Total Health Services | 240,228 |

Other Student Support

| | |
|-------------------------|----------|
| Career Ladder Program | \$ 1,000 |
| Guidance Personnel | 272,870 |
| Secretary(ies) | 24,075 |
| School Resource Officer | 135,820 |
| Social Security | 25,268 |
| Pensions | 29,332 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Scott County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

| | |
|-----------------------------|------------|
| Life Insurance | \$ 166 |
| Medical Insurance | 49,757 |
| Unemployment Compensation | 130 |
| Employer Medicare | 5,754 |
| Other Fringe Benefits | 5,400 |
| Evaluation and Testing | 2,336 |
| Travel | 109 |
| Other Charges | 288 |
| Total Other Student Support | \$ 552,305 |

Regular Instruction Program

| | |
|-----------------------------------|-----------|
| Supervisor/Director | \$ 89,500 |
| Career Ladder Program | 12,000 |
| Librarians | 370,583 |
| Secretary(ies) | 15,877 |
| Other Salaries and Wages | 21,828 |
| Social Security | 29,965 |
| Pensions | 42,159 |
| Medical Insurance | 45,845 |
| Unemployment Compensation | 218 |
| Employer Medicare | 7,010 |
| Travel | 18,509 |
| Library Books/Media | 17,793 |
| Software | 3,870 |
| In Service/Staff Development | 13,856 |
| Other Charges | 70,852 |
| Other Equipment | 21,217 |
| Other Capital Outlay | 27,505 |
| Total Regular Instruction Program | 808,587 |

Special Education Program

| | |
|---------------------------------|-----------|
| Supervisor/Director | \$ 79,500 |
| Career Ladder Program | 1,000 |
| Psychological Personnel | 55,399 |
| Secretary(ies) | 26,138 |
| Social Security | 9,248 |
| Pensions | 12,785 |
| Medical Insurance | 22,965 |
| Unemployment Compensation | 71 |
| Employer Medicare | 2,163 |
| Contracts with Private Agencies | 52,414 |
| Travel | 10,526 |
| Other Contracted Services | 8,956 |
| Total Special Education Program | 281,165 |

(Continued)

Exhibit J-9

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

| | |
|--|------------|
| Supervisor/Director | \$ 73,000 |
| Social Security | 4,245 |
| Pensions | 6,344 |
| Medical Insurance | 13,072 |
| Unemployment Compensation | 21 |
| Employer Medicare | <u>993</u> |
| Total Career and Technical Education Program | \$ 97,675 |

Technology

| | |
|---------------------------|--------------|
| Supervisor/Director | \$ 58,622 |
| Other Salaries and Wages | 184,513 |
| Social Security | 14,441 |
| Pensions | 10,601 |
| Medical Insurance | 24,226 |
| Unemployment Compensation | 135 |
| Employer Medicare | 3,377 |
| Internet Connectivity | 47,530 |
| Cabling | 2,849 |
| Software | 10,318 |
| Other Equipment | <u>9,339</u> |
| Total Technology | 365,951 |

Other Programs

| | |
|----------------------------|------------|
| On-behalf Payments to OPEB | \$ 130,917 |
| Total Other Programs | 130,917 |

Board of Education

| | |
|------------------------------------|---------------|
| Secretary to Board | \$ 42,433 |
| Board and Committee Members Fees | 39,900 |
| Social Security | 5,054 |
| Pensions | 2,052 |
| Medical Insurance | 8,106 |
| Unemployment Compensation | 165 |
| Employer Medicare | 1,182 |
| Audit Services | 11,500 |
| Dues and Memberships | 13,486 |
| Legal Services | 1,935 |
| Travel | 17,540 |
| Other Contracted Services | 40,000 |
| Other Supplies and Materials | 4,228 |
| Premiums on Corporate Surety Bonds | 699 |
| Trustee's Commission | 94,814 |
| Workers' Compensation Insurance | 155,084 |
| Other Charges | <u>42,804</u> |
| Total Board of Education | 480,982 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Scott County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools

| | |
|--|-------------------|
| County Official/Administrative Officer | \$ 98,153 |
| Assistant(s) | 6,548 |
| Career Ladder Program | 1,000 |
| Secretary(ies) | 26,282 |
| Social Security | 8,372 |
| Pensions | 9,955 |
| Medical Insurance | 23,532 |
| Unemployment Compensation | 46 |
| Employer Medicare | 1,958 |
| Communication | 108,331 |
| Postal Charges | 1,424 |
| Travel | 18,156 |
| Other Charges | 9,340 |
| Total Director of Schools | \$ 313,097 |

Office of the Principal

| | |
|--------------------------------------|----------------|
| Principals | \$ 534,653 |
| Career Ladder Program | 8,000 |
| Assistant Principals | 74,748 |
| Secretary(ies) | 160,945 |
| Social Security | 47,095 |
| Pensions | 56,702 |
| Medical Insurance | 50,269 |
| Unemployment Compensation | 316 |
| Employer Medicare | 11,017 |
| Communication | 29,247 |
| Total Office of the Principal | 972,992 |

Operation of Plant

| | |
|---------------------------------|------------------|
| Supervisor/Director | \$ 37,081 |
| Custodial Personnel | 367,008 |
| Social Security | 24,388 |
| Pensions | 20,278 |
| Medical Insurance | 39,734 |
| Unemployment Compensation | 427 |
| Employer Medicare | 5,703 |
| Disposal Fees | 26,045 |
| Other Contracted Services | 35,839 |
| Electricity | 683,980 |
| Natural Gas | 100,299 |
| Water and Sewer | 77,576 |
| Other Supplies and Materials | 176,339 |
| Building and Contents Insurance | 194,975 |
| Other Charges | 5,301 |
| Total Operation of Plant | 1,794,973 |

(Continued)

Exhibit J-9

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

| | |
|------------------------------|----------------|
| Maintenance Personnel | \$ 154,874 |
| Social Security | 9,511 |
| Pensions | 7,744 |
| Medical Insurance | 24,509 |
| Unemployment Compensation | 110 |
| Employer Medicare | 2,224 |
| Other Supplies and Materials | <u>266,004</u> |
| Total Maintenance of Plant | \$ 464,976 |

Transportation

| | |
|------------------------------|---------------|
| Supervisor/Director | \$ 39,500 |
| Mechanic(s) | 54,382 |
| Bus Drivers | 710,931 |
| Other Salaries and Wages | 5,788 |
| Social Security | 49,284 |
| Pensions | 30,373 |
| Medical Insurance | 5,746 |
| Unemployment Compensation | 767 |
| Employer Medicare | 11,518 |
| Diesel Fuel | 176,066 |
| Gasoline | 19,339 |
| Tires and Tubes | 15,975 |
| Vehicle Parts | 81,927 |
| Other Supplies and Materials | 43,892 |
| Other Charges | <u>69,080</u> |
| Total Transportation | 1,314,568 |

Operation of Non-Instructional Services

Food Service

| | |
|---------------------------|------------|
| Supervisor/Director | \$ 4,500 |
| Clerical Personnel | 1,875 |
| Cafeteria Personnel | 22,500 |
| Social Security | 1,790 |
| Pensions | 1,450 |
| Unemployment Compensation | 5 |
| Employer Medicare | <u>419</u> |
| Total Food Service | 32,539 |

Community Services

| | |
|------------------------------|--------------|
| Other Salaries and Wages | \$ 40,500 |
| Social Security | 2,511 |
| Pensions | 3,416 |
| Medical Insurance | 7,267 |
| Unemployment Compensation | 10 |
| Employer Medicare | 587 |
| Travel | 4,109 |
| Other Supplies and Materials | <u>1,745</u> |
| Total Community Services | 60,145 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Scott County School Department (Cont.)General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education

| | |
|--------------------------------------|------------|
| Supervisor/Director | \$ 40,500 |
| Teachers | 423,164 |
| Educational Assistants | 157,175 |
| Other Salaries and Wages | 21,569 |
| Certified Substitute Teachers | 20,910 |
| Social Security | 38,822 |
| Pensions | 46,247 |
| Medical Insurance | 84,661 |
| Unemployment Compensation | 491 |
| Employer Medicare | 9,156 |
| Travel | 3,080 |
| Instructional Supplies and Materials | 66,445 |
| In Service/Staff Development | 5,502 |
| Total Early Childhood Education | \$ 917,722 |

Capital OutlayRegular Capital Outlay

| | |
|------------------------------|------------|
| Building Improvements | \$ 195,471 |
| Motor Vehicles | 280,530 |
| Total Regular Capital Outlay | 476,001 |

Other Debt ServiceEducation

| | |
|---|------------|
| Debt Service Contribution to Primary Government | \$ 399,792 |
| Total Education | 399,792 |

Total General Purpose School Fund \$ 24,417,318

School Federal Projects FundInstructionRegular Instruction Program

| | |
|--------------------------------------|--------------|
| Teachers | \$ 900,945 |
| Educational Assistants | 277,575 |
| Bonus Payments | 2,000 |
| Non-certified Substitute Teachers | 26,652 |
| Social Security | 71,474 |
| Pensions | 91,076 |
| Medical Insurance | 182,734 |
| Unemployment Compensation | 980 |
| Employer Medicare | 16,716 |
| Instructional Supplies and Materials | 318,835 |
| Software | 112,262 |
| Other Supplies and Materials | 16,128 |
| Other Charges | 5,925 |
| Regular Instruction Equipment | 496,372 |
| Total Regular Instruction Program | \$ 2,519,674 |

(Continued)

Scott County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Scott County School Department (Cont.)School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program

| | |
|--|-------------------|
| Teachers | \$ 121,063 |
| Educational Assistants | 317,674 |
| Non-certified Substitute Teachers | 12,200 |
| Social Security | 27,108 |
| Pensions | 25,639 |
| Medical Insurance | 55,379 |
| Unemployment Compensation | 631 |
| Employer Medicare | 6,329 |
| Contracts with Private Agencies | 64,838 |
| Instructional Supplies and Materials | 55,219 |
| Other Supplies and Materials | 17,487 |
| Total Special Education Program | \$ 703,567 |

Career and Technical Education Program

| | |
|---|---------------|
| Instructional Supplies and Materials | \$ 39,101 |
| Other Supplies and Materials | 4,850 |
| Vocational Instruction Equipment | 22,006 |
| Total Career and Technical Education Program | 65,957 |

Support ServicesHealth Services

| | |
|------------------------------|----------------|
| Medical Personnel | \$ 128,824 |
| Bonus Payments | 13,200 |
| Social Security | 8,720 |
| Pensions | 7,175 |
| Medical Insurance | 19,863 |
| Unemployment Compensation | 138 |
| Employer Medicare | 2,039 |
| Other Charges | 602 |
| Health Equipment | 43,622 |
| Total Health Services | 224,183 |

Other Student Support

| | |
|-----------------------------------|-----------|
| Supervisor/Director | \$ 37,874 |
| Guidance Personnel | 45,171 |
| Social Workers | 132,630 |
| Bus Drivers | 231 |
| Other Salaries and Wages | 41,577 |
| Non-certified Substitute Teachers | 5,485 |
| Social Security | 15,960 |
| Pensions | 19,216 |
| Medical Insurance | 39,467 |
| Unemployment Compensation | 120 |
| Employer Medicare | 3,733 |
| Communication | 536 |
| Contracts with Private Agencies | 22,662 |

(Continued)

Exhibit J-9

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | |
|------------------------------------|-------------------|
| Travel | \$ 16,881 |
| Office Supplies | 809 |
| Other Supplies and Materials | 76,390 |
| In Service/Staff Development | 20,787 |
| Other Charges | 15,919 |
| Other Equipment | 27,357 |
| Total Other Student Support | \$ 522,805 |

Regular Instruction Program

| | |
|--|----------------|
| Supervisor/Director | \$ 131,814 |
| Secretary(ies) | 15,262 |
| Other Salaries and Wages | 54,850 |
| Social Security | 12,519 |
| Pensions | 16,785 |
| Unemployment Compensation | 54 |
| Employer Medicare | 2,928 |
| Travel | 172 |
| Other Contracted Services | 111,250 |
| Other Supplies and Materials | 5,266 |
| In Service/Staff Development | 148,183 |
| Total Regular Instruction Program | 499,083 |

Special Education Program

| | |
|--|---------------|
| Contracts with Private Agencies | \$ 36,545 |
| Travel | 285 |
| Other Supplies and Materials | 1,145 |
| In Service/Staff Development | 6,346 |
| Total Special Education Program | 44,321 |

Career and Technical Education Program

| | |
|---|--------------|
| In Service/Staff Development | \$ 3,860 |
| Total Career and Technical Education Program | 3,860 |

Technology

| | |
|----------------------------------|---------------|
| Instructional Computer Personnel | \$ 64,930 |
| Social Security | 3,656 |
| Pensions | 5,557 |
| Medical Insurance | 11,327 |
| Unemployment Compensation | 21 |
| Employer Medicare | 855 |
| Total Technology | 86,346 |

Fiscal Services

| | |
|------------------------------|---------------|
| Other Contracted Services | \$ 19,100 |
| Total Fiscal Services | 19,100 |

(Continued)

Exhibit J-9

Scott County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Scott County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

| | |
|---------------------------|-----------|
| Bus Drivers | \$ 35,359 |
| Social Security | 2,192 |
| Pensions | 1,768 |
| Unemployment Compensation | 38 |
| Employer Medicare | 513 |
| Total Transportation | \$ 39,870 |

Operation of Non-Instructional Services

Food Service

| | |
|--------------------|--------|
| Food Supplies | \$ 217 |
| Total Food Service | 217 |

Capital Outlay

Regular Capital Outlay

| | |
|------------------------------|------------------|
| Architects | \$ 233,122 |
| Building Construction | 1,665,883 |
| Building Improvements | 954,690 |
| Total Regular Capital Outlay | <u>2,853,695</u> |

Total School Federal Projects Fund

\$ 7,582,678

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | |
|------------------------------|---------------------|
| Supervisor/Director | \$ 78,522 |
| Cafeteria Personnel | 519,361 |
| Other Salaries and Wages | 81,318 |
| In-service Training | 14,441 |
| Social Security | 40,386 |
| Pensions | 35,255 |
| Medical Insurance | 85,521 |
| Unemployment Compensation | 877 |
| Employer Medicare | 9,447 |
| Travel | 5,126 |
| Food Supplies | 770,984 |
| USDA - Commodities | 154,923 |
| Other Supplies and Materials | 140,603 |
| Other Charges | 24,858 |
| Food Service Equipment | 89,167 |
| Total Food Service | <u>\$ 2,050,789</u> |

Total Central Cafeteria Fund

2,050,789

Internal School Fund

Operation of Non-Instructional Services

Community Services

| | |
|--------------------------|-------------------|
| Other Charges | \$ 844,852 |
| Total Community Services | <u>\$ 844,852</u> |

Total Internal School Fund

\$ 844,852

Total Governmental Funds - Scott County School Department

\$ 34,895,637

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Scott County School Department, as described in our report on Scott County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scott County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2023-001.

Scott County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Scott County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Scott 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 Scott County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 29, 2024

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scott County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Scott County's major federal programs for the year ended June 30, 2023. Scott County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Scott County complied, in all material respects, with the 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 Scott County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not

provide a legal determination of Scott County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Scott 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 Scott County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Scott County's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated February 29, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 29, 2024

JEM/gc

Scott County, Tennessee, and the Scott County School Department
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
 For the Year-Ended June 30, 2023

| Federal Assistance Listing Number | Pass-through Entity Identifying Number | Expenditures |
|---|--|-------------------------------|
| Federal/Pass-Through Agency/State Grantor Program Title | | |
| U.S. Department of Agriculture: | | |
| Direct Program: | | |
| Emergency Watershed Protection Program | 10.923 | N/A \$ 210,762 |
| Passed-through State Department of Education: | | |
| Child Nutrition Cluster: (5) | | |
| School Breakfast Program | 10.553 | N/A 511,187 |
| National School Lunch Program | 10.555 | N/A 1,219,674 (6) |
| Fresh Fruit and Vegetable Program | 10.582 | N/A 21,319 |
| National School Lunch Program (Schools Programs Emergency Operational Cost Reimbursement Program) | 10.555 | N/A 57,813 (6) |
| National School Lunch Program (Supply Chain Assistance Fund) | 10.555 | N/A 72,902 (6) |
| COVID 19 - Pandemic EBT Administrative Costs | 10.649 | N/A 3,135 |
| Passed-through State Department of Agriculture: | | |
| Child Nutrition Cluster: (5) | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A 154,923 (6) |
| National School Lunch Program (Commodities - Cash Assistance) | 10.555 | N/A 9,836 (6) |
| Passed-through State Department of Health: | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | GG-23-75719 98,167 |
| Total U.S. Department of Agriculture | | \$ 2,359,718 |
| U.S. Department of Housing and Urban Development: | | |
| Passed-through State Department of Economic and Community Development: | | |
| Community Development Block Grants/Entitlement Grants | 14.228 | (4) \$ 85,137 |
| Total U.S. Department of Housing and Urban Development | | \$ 85,137 |
| Bureau of Land Management, Department of the Interior: | | |
| Direct Program: | | |
| Payments in-Lieu-of Taxes | 15.226 | N/A \$ 172,142 |
| Total Bureau of Land Management, Department of the Interior | | \$ 172,142 |
| U.S. Department of Justice: | | |
| Passed-through State Office of Criminal Justice Programs: | | |
| Crime Victim Assistance | 16.575 | (4) \$ 208,172 |
| Violence Against Women Formula Grants | 16.588 | (4) 102,685 |
| Total U.S. Department of Justice | | \$ 310,857 |
| U.S. Department of Transportation: | | |
| Passed-through State Department of Transportation: | | |
| Airport Improvement Program | 20.106 | 40100-40400 \$ 4,303,984 |
| Total U.S. Department of Transportation | | \$ 4,303,984 |
| U.S. Department of the Treasury: | | |
| Passed-through State Department of Education: | | |
| COVID 19 - Coronavirus Relief Fund | 21.019 | N/A \$ 14,321 |
| Direct Programs: | | |
| COVID 19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A 1,109,335 |
| COVID 19 - Local Assistance and Tribal Consistency Fund | 21.032 | N/A 141,620 |
| Total U.S. Department of the Treasury | | \$ 1,265,276 |

(Continued)

Scott County, Tennessee, and the Scott County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

| Federal/Pass-Through Agency/State Grantor Program Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Expenditures |
|--|--|--|----------------------|
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title 1 Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,396,010 |
| Special Education Cluster: (5) | | | |
| Special Education - Grants to States | 84.027 | N/A | 581,348 (6) |
| COVID 19 - Special Education - Grants to States | 84.027 | 84.027X | 103,286 (6) |
| Special Education - Preschool Grants | 84.173 | N/A | 22,082 (6) |
| COVID 19 - Special Education - Preschool Grants | 84.173 | 84.173X | 6,108 (6) |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 77,721 |
| Rural Education | 84.358 | N/A | 72,572 |
| Supporting Effective Instruction State Grants | 84.367 | N/A | 252,058 |
| Student Support and Academic Enrichment Program | 84.424 | N/A | 12,664 |
| COVID 19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund - Project Aware | 84.425C | N/A | 341,083 (6) |
| COVID 19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund | 84.425C | N/A | 42,000 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Early Literacy Network Grant (ESSER II) | 84.425D | N/A | 40,000 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary Secondary School Emergency Relief Fund (ESSER II) | 84.425D | N/A | 972,082 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER II) | 84.425D | N/A | 163,233 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Support Grant (ESSER II) | 84.425D | N/A | 19,100 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Math Implementation Support Grant | 84.425D | N/A | 71,250 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary Secondary School Emergency Relief Fund (ESSER ARP) | 84.425U | N/A | 3,414,970 (6) |
| COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP) | 84.425W | N/A | 834 (6) |
| Total U.S. Department of Education | | | <u>\$ 7,588,401</u> |
| U.S. Election Assistance Commission: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| COVID 19 - Help America Vote Act Election Security Grant | 90.404 | N/A | \$ 22,439 |
| Total U.S. Election Assistance Commission | | | <u>\$ 22,439</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Education: | | | |
| COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | N/A | \$ 200,534 (6) |
| COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | (4) | 119,722 |
| Temporary Assistance for Needy Families | 93.558 | N/A | 112,275 |
| Passed-through State Department of Health: | | | |
| Family Planning Services | 93.217 | GG-23-75719 | 4,611 |
| COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | (4) | 64,450 (6) |
| HIV Prevention Activities Health Department Based | 93.940 | GG-23-75719 | 660 |
| Preventive Health Services Sexually Transmitted Diseases Control Grants | 93.977 | GG-23-75719 | 4,204 |
| Medicaid Cluster: (5) | | | |
| Medical Assistance Program | 93.778 | GG-23-75719 | 54,281 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | GG-23-75719 | 29,369 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 590,106</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | (4) | \$ 21,252 |
| Total U.S. Department of Homeland Security | | | <u>\$ 21,252</u> |
| Total Expenditures of Federal Grants | | | <u>\$ 16,719,312</u> |

(Continued)

Scott County, Tennessee, and the Scott County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

| <u>State Grants</u> | <u>Federal Assistance Listing Number</u> | <u>Contract Number</u> | <u>Expenditures</u> |
|---|--|------------------------|---------------------|
| Juvenile Service Program - State Commission on Children and Youth | N/A | (4) | \$ 9,000 |
| Litter Program - State Department of Transportation | N/A | (4) | 31,146 |
| Drug Control Grant - State Office of Criminal Justice Programs | N/A | (4) | 60,604 |
| Health Department Programs - State Department of Health | N/A | (4) | 159,341 |
| Drivers Education - State Department of Education | N/A | (4) | 13,103 |
| Coordinated School Health - State Department of Education | N/A | (4) | 99,712 |
| Family Resource Center - State Department of Education | N/A | (4) | 29,612 |
| State Direct Appropriation Grant - State Department of Finance and Administration | N/A | (4) | 508,869 |
| Learning Camp Transportation - State Department of Education | N/A | (4) | 45,744 |
| Safe Schools - State Department of Education | N/A | (4) | 55,647 |
| School Resource Officer Grant - State Department of Education | N/A | (4) | 70,937 |
| Summer Learning Camp - State Department of Education | N/A | (4) | 140,733 |
| Election Cares Grant- State Secretary of State | N/A | (4) | 1,121 |
| Early Childhood Education - State Department of Education | N/A | (4) | <u>932,721</u> |
| Total State Grants | | | \$ 2,158,290 |

FAL = Federal Assistance Listing

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Scott County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Information not available.

(5) Child Nutrition Cluster total \$2,047,654; Special Education Cluster total \$712,824; Medicaid Cluster total \$54,281.

(6) FAL No. Totals: FAL No. 10.555, \$1,515,148; FAL No. 84.027, \$684,634; FAL No. 84.173, \$28,190;

FAL No. 84.425, \$5,064,552; FAL No. 93.323, \$264,984.

(7) **CONSOLIDATED ADMINISTRATION**

The following amounts were consolidated for administration purposes:

| <u>Program Title</u> | <u>FAL Number</u> | <u>Amount Provided to Consolidated Administration</u> |
|---|-------------------|---|
| Title I Grants to Local Educational Agencies | 84.010 | \$ 79,739 |
| Supporting Effective Instruction State Grants | 84.367 | 22,725 |
| Rural Education | 84.358 | 7,881 |
| Student Support and Academic Enrichment Program | 84.424 | 547 |
| Total amounts consolidated for administration purposes | | \$ 110,892 |

Scott 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 uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Scott County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

| Fiscal Year | Page Number | Finding Number | Title of Finding | FAL Number | Current Status |
|-------------|-------------|----------------|------------------|------------|----------------|
|-------------|-------------|----------------|------------------|------------|----------------|

OFFICE OF SHERIFF

| | | | | | |
|------|-----|----------|---|-----|---------------------------------------|
| 2022 | 208 | 2022-001 | Operations of the Sheriff's Department are currently under investigation. | N/A | Not Completed - Investigation ongoing |
|------|-----|----------|---|-----|---------------------------------------|

Prior-year Federal Awards Findings

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

SCOTT COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Scott County is unmodified.
2. Internal Control Over Financial Reporting:

* Material weakness identified? **NO**

* Significant 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: 20.106 Airport Improvement Program

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

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

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

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

FINDING 2023-001

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

(Noncompliance under *Government Auditing Standards*)

The office did not deposit amounts withheld from contractor payments into an escrow account related to a \$4,360,250 construction contract for a gym at Fairview Elementary School. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. In addition, retainage payable was not reflected on the accounting records. Auditors made an adjustment to recognize the retainage payable, resulting in the School Federal Projects fund having a deficit in unassigned balance of \$108,585 as of June 30, 2023. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractors.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into escrow accounts in compliance with state statute.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, an explanation to the finding is included in the Corrective Action Plan.

FINDING 2023-002

SOME EMPLOYEES WERE OVERPAID FOR COMPENSATED ABSENCES AT THE TIME OF RETIREMENT

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Some employees of the school department were overpaid for compensated absences at the time of retirement. The Scott County Board of Education has adopted policies allowing

certified employees to receive \$80 for each unused sick day that they have accumulated at the time of retirement. In August 2022, six certified retirees were paid a total of 74.5 sick leave days more than they had accumulated, resulting in an overpayment of \$5,960. Five of those employees have subsequently reimbursed the Scott County Board of Education in full. However, the certified retiree who was overpaid by 51 days, totaling \$4,080, has only reimbursed the Scott County Board of Education \$25, leaving a balance of \$4,055. This deficiency can be attributed to the failure to maintain and accumulate accurate documentation related to sick leave and lack of management oversight, resulting in improper payments.

RECOMMENDATION

Management should maintain an accurate summary of leave for all certified employees. These records should reflect the value of the leave at the beginning of the year, amount earned, amount used, and the value of the leave at year-end. The finance department should also review retiree payments to ensure retirees are accurately paid for accumulated leave days. Management should attempt to recover the remaining overpaid balance promptly.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, an explanation to the finding is included in the Corrective Action Plan.

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.

Scott 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 |
|----------------|------------------|------------------------------------|
|----------------|------------------|------------------------------------|

OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

| | | |
|----------|--|-----|
| 2023-001 | Amounts withheld from contractor payments were not deposited into an escrow account. | 218 |
| 2023-002 | Some employees were overpaid for compensated absences at the time of retirement. | 218 |

*Scott County Government
PO Box 180
Huntsville, Tennessee 37756*

Corrective Action Plan

FINDING: **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**

Response and Corrective Action Plan Prepared by:

Ginger Reynolds, Finance Director
Bill Hall, Director of School

Person Responsible for Implementing the Corrective Action:

Ginger Reynolds, Finance Director
Bill Hall, Director of School

Anticipated Completion Date of Corrective Action:

Date of any new construction contracts

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

Planned Corrective Action:

All contracts will be examined and any requirements will be implemented.

FINDING: **SOME EMPLOYEES WERE OVERPAID FOR COMPENSATED ABSENCES AT THE TIME OF RETIREMENT**

Response and Corrective Action Plan Prepared by:

Bill Hall, Director of School
Ginger Reynolds, Finance Director

Person Responsible for Implementing the Corrective Action:

Bill Hall, Director of School
Ginger Reynolds, Finance Director

Anticipated Completion Date of Corrective Action:

January 1, 2024

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

Planned Corrective Action:

Multiple employees of the Board of Education will be reviewing all sick leave for accuracy. The Finance Department employees will review the leave that is submitted for payment.

Signature: Billy M. Hale

Signature: Sinclair Reynolds