



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
David Jeffers
Amy Jeffers
Joyce Keeton
Robyn McBroom
Taylor Buttram-Stephens
Kenny Chadwell

Shonda Gray
Shon Terry
Colby Burke
Jared Burke
Tom Payne
Sheila Buttram
Kelly Posey-Chitwood

Financial Management Committee

Kenny Chadwell, Chairman
Jerried Jeffers, County Mayor
Kelvin King, Superintendent of Roads
Bill Hall, Director of Schools

Robyn McBroom
Tom Payne
Sheila Buttram

Board of Education

Llew Stanley, Chairman
Angela King
Kim Kidd
Linda Sharp

Carlene Terry
Tommy Silcox
Tressa Murphy

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 Total Governmental Activities	Component Unit 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	<u>\$ 51,365,551</u>	<u>\$ 40,484,053</u>
<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	<u>\$ 2,239,016</u>	<u>\$ 6,923,019</u>

(Continued)

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 141,105	\$ 330,622
Accrued Payroll	63,150	3,227,551
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

					Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit Scott County School Department
					Total Governmental Activities	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General Government	\$ 4,193,158	\$ 687,639	\$ 475,036	\$ 4,303,984	\$ 1,273,501	\$ 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.)

					Net (Expense) Revenue and Changes in	
					Net Position	
					Primary	Component Unit
					Government	Scott
					Total	County
					Governmental	School
Functions/Programs	Expenses	Charges for	Operating	Capital	Activities	Department
		Services	Grants and	Grants and		
			Contributions	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					\$ 10,559,094	\$ 23,470,338
Change in Net Position						
Net Position, July 1, 2022					12,683,153	30,842,244
Net Position, June 30, 2023						
					\$ 20,148,556	\$ 34,291,239

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				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 100	\$ 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
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

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Rural Debt Service
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,907,287	\$ 0	\$ 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	<u>\$ 6,439,018</u>	<u>\$ 0</u>	<u>\$ 214,551</u>	<u>\$ 1,395,539</u>	<u>\$ 303,652</u>
<u>FUND BALANCES</u>					
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.)

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Rural Debt Service
<u>FUND BALANCES (Cont.)</u>					
Assigned:					
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		Total Governmental Funds
	Other Govern- mental Funds		
<u>ASSETS</u>			
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
<u>LIABILITIES</u>			
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.)

DEFERRED INFLOWS OF RESOURCES

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
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	<u>\$ 339,777</u>	<u>\$</u>	<u>8,692,537</u>

FUND BALANCES

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.)

FUND BALANCES (Cont.)

Assigned:

Assigned for Public Safety

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds		Total Governmental Funds
Other Govern- mental Funds		
\$	0	\$ 15,929
	0	3,174,754
\$	1,573,736	\$ 11,489,779
\$	2,086,968	\$ 23,374,675

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 Government Fund	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Revenues</u>					
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	\$ 14,615,172	\$ 1,257,655	\$ 3,003,106	\$ 1,562,142	\$ 1,184,421
<u>Expenditures</u>					
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
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 165,240	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 15,162,487	\$ 1,296,092	\$ 3,039,521	\$ 1,588,325	\$ 611,029
Excess (Deficiency) of Revenues 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	\$ 0
Proceeds from Sale of Capital Assets	9,202	0	60,623	0	0
Insurance Recovery	44,988	0	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)	\$ 573,392
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		Total Governmental Funds
	Other Govern- mental Funds		
<hr/>			
<u>Revenues</u>			
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	<u>\$ 2,352,004</u>	<u>\$</u>	<u>23,974,500</u>
<hr/>			
<u>Expenditures</u>			
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		Total Governmental Funds
	Other Govern- mental Funds		
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 3	\$	165,243
Total Expenditures	\$ 2,364,219	\$	24,061,673
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (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.

Exhibit C-4

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	(850,547)	
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	(3,477,930)	
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	(998)	
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	
<u>Revenues</u>						
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)
<u>Expenditures</u>						
<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	
<u>Expenditures (Cont.)</u>						
<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	
<u>Expenditures (Cont.)</u>						
<u>Other Operations (Cont.)</u>						
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
<u>Highways</u>						
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
<u>Other Financing Sources (Uses)</u>						
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
	4,231,804	(237,511)	3,994,293	3,481,475	3,481,475	512,818
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	
<u>Revenues</u>				
Other Local Revenues	\$ 6,700	\$ 0	\$ 0	\$ 6,700
Federal Government	1,250,955	0	0	1,250,955
Total Revenues	<u>\$ 1,257,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,257,655</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
American Rescue Plan Act Grant #1	\$ 301,720	\$ 0	\$ 872,662	\$ 570,942
<u>Highways</u>				
American Rescue Plan Act Grant #1	829,132	0	955,115	125,983
<u>Capital Projects</u>				
American Rescue Plan Act Grant #1	165,240	0	165,461	221
Total Expenditures	<u>\$ 1,296,092</u>	<u>\$ 0</u>	<u>\$ 1,993,238</u>	<u>\$ 697,146</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (38,437)</u>	<u>\$ 0</u>	<u>\$ (1,993,238)</u>	<u>\$ 1,954,801</u>
Net Change in Fund Balance	\$ (38,437)	\$ 0	\$ (1,993,238)	\$ 1,954,801
Fund Balance, July 1, 2022	(240,325)	0	1,993,238	(2,233,563)
Fund Balance, June 30, 2023	<u><u>\$ (278,762)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (278,762)</u></u>

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

Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 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
<u>Expenditures</u>				
<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
<u>Other Financing Sources (Uses)</u>				
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	\$ 874,755	\$ 74,076	\$ (301,799)	\$ 1,176,554
Fund Balance, July 1, 2022	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><u>\$ 1,566,508</u></u>

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

Exhibit D-2

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><u>\$ 1,566,508</u></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><u>\$ 244,881</u></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	<u>\$ 2,179,375</u>	<u>\$ 1,345,863</u>	<u>\$ 3,525,238</u>

Departments of Children's & Human Services Building

In prior years, Scott County began leasing office space in a county owned building to the State of Tennessee Departments of Children's & Human Services. The current agreement, effective July 1, 2021, is for a period of three years plus two renewal options of one year each. The State of Tennessee will pay the county \$93,500 per year for the lease and it is considered reasonably certain that the State of Tennessee will exercise the renewal provisions. The State of Tennessee may terminate the lease at any time by giving written notice to the county at least 180 days prior to the date the termination becomes effective. The county has used its incremental borrowing rate of 4.5 percent to discount the present value of the expected lease payments. During the fiscal year ended June 30, 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	<u>\$ 160,845</u>	<u>\$ 22,005</u>	<u>\$ 182,850</u>

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	<u>\$ 3,834,664</u>	<u>\$ 0</u>	<u>\$ (1,477,098)</u>	<u>\$ 2,357,566</u>
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	<u>\$ 33,454,689</u>	<u>\$ 7,625,305</u>	<u>\$ (299,455)</u>	<u>\$ 40,780,539</u>
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	<u>\$ 15,909,156</u>	<u>\$ 1,125,922</u>	<u>\$ (281,331)</u>	<u>\$ 16,753,747</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,545,533</u>	<u>\$ 6,499,383</u>	<u>\$ (18,124)</u>	<u>\$ 24,026,792</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,380,197</u>	<u>\$ 6,499,383</u>	<u>\$ (1,495,222)</u>	<u>\$ 26,384,358</u>

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><u>\$ 1,125,922</u></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	<u>(15,272)</u>
Net Investment in Capital Assets	<u><u>\$ 19,468,378</u></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	\$ 1,368,195	\$ 2,387,367	\$ (457,634)	\$ 3,297,928
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	\$ 39,988,770	\$ 1,287,754	\$ (504,502)	\$ 40,772,022
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	\$ 22,134,699	\$ 1,285,867	\$ (504,502)	\$ 22,916,064
Total Capital Assets Depreciated, Net	\$ 17,854,071	\$ 1,887	\$ 0	\$ 17,855,958
Governmental Activities Capital Assets, Net	\$ 19,222,266	\$ 2,389,254	\$ (457,634)	\$ 21,153,886

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> General Purpose School Fund	<u>Purpose</u>
School Federal Projects Fund	\$ 298,300	Indirect costs
Total	<u>\$ 298,300</u>	

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

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 Type	Interest Rates as of 6-30-23	Other Fees on Variable Rate Debt
<u>Montgomery County Public</u>					
<u>Building Authority</u>					
Justice Center	\$ 9,654,938 (1)	\$ 5,603,938	Variable	3.67 %	0.63 %
<u>City of Clarksville Public</u>					
<u>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		
	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
2029-2033	780,000	50,573	830,573
2034-2035	75,000	3,910	78,910
Total	<u>\$ 5,180,000</u>	<u>\$ 595,422</u>	<u>\$ 5,775,422</u>

Year Ending June 30	Notes - Direct Placement		
	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	<u>\$ 758,419</u>	<u>\$ 58,630</u>	<u>\$ 817,049</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
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	<u>\$ 14,261,339</u>	<u>\$ 3,974,264</u>	<u>\$ 640,303</u>	<u>\$ 18,875,906</u>

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:			Landfill Closure/ Postclosure Care Costs		Other Post- employment Benefits
	Compensated Absences				
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	\$ 245,746	\$ 1,581,017	\$ 33,906		
Balance Due Within One Year	\$ 196,597	\$ 112,930	\$ 0		

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	<u>\$ 186,665</u>	<u>\$ 3,576,580</u>
Balance Due Within One Year	<u>\$ 149,332</u>	<u>\$ 0</u>

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><u>1,172</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. 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	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 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)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	64.99%	\$ 25,517,652	\$ 27,133,231	\$ (1,615,579)
School Department	35.01%	13,746,315	14,616,624	(870,309)
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
Scott County	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	<u>\$ 3,421,309</u>	<u>\$ 513,355</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,227,342	\$ 333,629
School Department	1,193,967	179,726
Total	\$ 3,421,309	\$ 513,355

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

Year Ending June 30	Amount
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	106,831	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	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		10	
	0.00		1	
Total			100	%

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 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	<u>\$ 4,007,474</u>	<u>\$ 714,680</u>

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 Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		10	
	0.00		1	
Total			100	%

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 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><u>47</u></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	<u>\$ 38,532</u>	<u>\$ 68,950</u>	<u>\$ 107,482</u>
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	<u><u>\$ 33,906</u></u>	<u><u>\$ 60,671</u></u>	<u><u>\$ 94,577</u></u>

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>	<u>0</u>
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>	<u>0</u>
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 Discount Rate		
		1% Decrease 2.54%		1% Increase 4.54%
Primary Government	35.85%	\$ 37,963	\$ 33,906	\$ 30,478
School Department	64.15%	67,932	60,671	54,538
Total OPEB Liability		<u>\$ 105,895</u>	<u>\$ 94,577</u>	<u>\$ 85,016</u>

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:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	31
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees Eligible for Benefits	<u>256</u>
Total	<u><u>289</u></u>

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

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	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	196,853	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:

<u>Year Ending June 30</u>	<u>School Department</u>
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>	Current Discount Rate
1% Decrease 2.54%	1% Increase 4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,557,344	\$ 3,321,396	\$ 3,097,546
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

	1% Decrease 7.37 to 3.5%	Curent 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:

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

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 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

	<u>Share of Collective Liability</u>		Total
	Scott County School Department 19.1004%	State of TN 80.8996%	Teacher TNM Plan OPEB Liability
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	<u>\$ (99,929)</u>	<u>\$ (171,003)</u>	<u>\$ (270,932)</u>
Balance June 30, 2022	<u>\$ 194,513</u>	<u>\$ 823,856</u>	<u>\$ 1,018,369</u>

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	<u>\$ 203,602</u>	<u>\$ 616,892</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:

<u>Year Ending June 30</u>	<u>School Department</u>
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>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 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

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	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 Covered Payroll	105.02%	102.52%	100.68%	104.45%	107.78%	111.10%	111.33%	121.93%	106.33%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	\$ 8,783,504 (13.85%)	\$ 9,163,587 (7.02%)	\$ 9,352,653 (1.94%)	\$ 9,702,928 (13.05%)	\$ 9,774,854 (23.59%)	\$ 10,252,776 (33.25%)	\$ 10,482,751 (34.42%)	\$ 11,040,692 (71.92%)	\$ 11,620,753 (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, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Scott County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	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, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Scott County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	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.

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	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.

Exhibit E-7

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

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

	2017	2018	2019	2020	2021	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	<u>\$ 446,751</u>	<u>\$ 395,994</u>	<u>\$ 229,537</u>	<u>\$ 214,420</u>	<u>\$ 107,482</u>	<u>\$ 94,577</u>
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, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Scott County School Department
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	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	\$ 6,804,023	\$ 4,029,424	\$ 6,352,945	\$ 4,670,895	\$ 5,220,167	\$ 5,116,326
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					
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
<u>ASSETS</u>						
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
<u>LIABILITIES</u>						
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
<u>DEFERRED INFLOWS OF RESOURCES</u>						
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	<u>\$ 0</u>	<u>\$ 286,774</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>286,774</u>
<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	<u>\$ 619,176</u>	<u>\$ 302,170</u>	<u>\$ 48,278</u>	<u>\$ 206,941</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,176,565</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 626,138</u>	<u>\$ 649,132</u>	<u>\$ 150,967</u>	<u>\$ 206,941</u>	<u>\$ 3,616</u>	<u>\$ 0</u>	<u>1,636,794</u>

(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	
<u>ASSETS</u>				
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
<u>LIABILITIES</u>				
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
<u>DEFERRED INFLOWS OF RESOURCES</u>				
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.)

Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

FUND BALANCES

Restricted:

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

Committed:

 Committed for General Government
 Committed for Public Health and Welfare

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
General Capital Projects	Education Capital Projects	Total	
\$ 3,307	\$ 0	\$ 3,307	\$ 3,307
0	0	0	286,774
<u>\$ 53,003</u>	<u>\$ 0</u>	<u>\$ 53,003</u>	<u>\$ 339,777</u>
\$ 0	\$ 0	\$ 0	\$ 48,278
0	0	0	725,704
0	88,809	88,809	88,809
308,362	0	308,362	308,362
0	0	0	402,583
<u>\$ 308,362</u>	<u>\$ 88,809</u>	<u>\$ 397,171</u>	<u>\$ 1,573,736</u>
<u>\$ 361,365</u>	<u>\$ 88,809</u>	<u>\$ 450,174</u>	<u>\$ 2,086,968</u>

Exhibit F-2

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	15,211	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	23,647
State of Tennessee	48,357	0	0	106,528	0	154,885
Federal Government	0	67,261	0	0	0	67,261
Other Governments and Citizens Groups	0	0	0	100,413	0	100,413
Total Revenues	\$ 303,122	\$ 1,756,919	\$ 15,951	\$ 206,941	\$ 9,157	\$ 2,292,090
<u>Expenditures</u>						
Current:						
General Government	\$ 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	21,776
Public Health and Welfare	425,389	1,810,096	0	0	0	2,235,485
Highways	26,486	0	0	0	0	26,486
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 451,875	\$ 1,810,096	\$ 21,776	\$ 0	\$ 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	
<u>Revenues</u>				
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
<u>Expenditures</u>				
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	
<u>Revenues</u>				
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	<u>\$ 303,122</u>	<u>\$ 327,200</u>	<u>\$ 327,200</u>	<u>\$ (24,078)</u>
<u>Expenditures</u>				
<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	<u>\$ 451,875</u>	<u>\$ 313,725</u>	<u>\$ 495,631</u>	<u>\$ 43,756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (148,753)</u>	<u>\$ 13,475</u>	<u>\$ (168,431)</u>	<u>\$ 19,678</u>
Net Change in Fund Balance	\$ (148,753)	\$ 13,475	\$ (168,431)	\$ 19,678
Fund Balance, July 1, 2022	<u>767,929</u>	<u>726,047</u>	<u>726,047</u>	<u>41,882</u>
Fund Balance, June 30, 2023	<u>\$ 619,176</u>	<u>\$ 739,522</u>	<u>\$ 557,616</u>	<u>\$ 61,560</u>

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
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>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
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	<u>\$ (53,177)</u>	<u>\$ 40,238</u>	<u>\$ (60,406)</u>	<u>\$ 7,229</u>
Net Change in Fund Balance	\$ (53,177)	\$ 40,238	\$ (60,406)	\$ 7,229
Fund Balance, July 1, 2022	<u>355,347</u>	<u>305,294</u>	<u>305,294</u>	<u>50,053</u>
Fund Balance, June 30, 2023	<u><u>\$ 302,170</u></u>	<u><u>\$ 345,532</u></u>	<u><u>\$ 244,888</u></u>	<u><u>\$ 57,282</u></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	
<u>Revenues</u>				
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>
<u>Expenditures</u>				
<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	<u>\$ (5,825)</u>	<u>\$ 0</u>	<u>\$ (18,000)</u>	<u>\$ 12,175</u>
Net Change in Fund Balance	\$ (5,825)	\$ 0	\$ (18,000)	\$ 12,175
Fund Balance, July 1, 2022	<u>54,103</u>	<u>48,116</u>	<u>48,116</u>	<u>5,987</u>
Fund Balance, June 30, 2023	<u><u>\$ 48,278</u></u>	<u><u>\$ 48,116</u></u>	<u><u>\$ 30,116</u></u>	<u><u>\$ 18,162</u></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	
<u>Revenues</u>				
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	\$ 206,941	0	\$ 206,941	0
Fund Balance, July 1, 2022	<u>0</u>	<u>0</u>	<u>0</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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 59,718	\$ 50,212	\$ 50,312	\$ 9,406
Total Revenues	\$ 59,718	\$ 50,212	\$ 50,312	\$ 9,406
<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	\$ 71,312	\$ 73,200	\$ 77,035	\$ 5,723
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,594)	\$ (22,988)	\$ (26,723)	\$ 15,129
Net Change in Fund Balance	\$ (11,594)	\$ (22,988)	\$ (26,723)	\$ 15,129
Fund Balance, July 1, 2022	319,956	205,279	205,279	114,677
Fund Balance, June 30, 2023	\$ 308,362	\$ 182,291	\$ 178,556	\$ 129,806

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	
<u>Revenues</u>				
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>
<u>Expenditures</u>				
<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	\$ (26,183)	\$ 24,603	\$ (25,397)	\$ (786)
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	
<u>Revenues</u>				
Local Taxes	\$ 784,629	\$ 814,063	\$ 814,063	\$ (29,434)
Other Governments and Citizens Groups	399,792	399,792	399,792	0
Total Revenues	<u>\$ 1,184,421</u>	<u>\$ 1,213,855</u>	<u>\$ 1,213,855</u>	<u>\$ (29,434)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 465,000	\$ 465,000	\$ 465,000	\$ 0
<u>Interest on Debt</u>				
Education	130,171	129,519	130,219	48
<u>Other Debt Service</u>				
Education	15,858	27,200	26,500	10,642
Total Expenditures	<u>\$ 611,029</u>	<u>\$ 621,719</u>	<u>\$ 621,719</u>	<u>\$ 10,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 573,392</u>	<u>\$ 592,136</u>	<u>\$ 592,136</u>	<u>\$ (18,744)</u>
Net Change in Fund Balance	\$ 573,392	\$ 592,136	\$ 592,136	\$ (18,744)
Fund Balance, July 1, 2022	<u>2,476,950</u>	<u>2,456,901</u>	<u>2,456,901</u>	<u>20,049</u>
Fund Balance, June 30, 2023	<u>\$ 3,050,342</u>	<u>\$ 3,049,037</u>	<u>\$ 3,049,037</u>	<u>\$ 1,305</u>

Custodial Funds

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

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

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

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

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

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

Exhibit H-1

Scott County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 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	\$ 0	\$ 1,426,375	\$ 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	<u>\$ 414,137</u>	<u>\$ 490,125</u>	<u>\$ 1,474,941</u>	<u>\$ 1,426,375</u>	<u>\$ 144,974</u>	<u>\$ 3,950,552</u>
<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	<u>\$ 414,137</u>	<u>\$ 32,045</u>	<u>\$ 390,506</u>	<u>\$ 0</u>	<u>\$ 4,841</u>	<u>\$ 841,529</u>
<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	<u>\$ 0</u>	<u>\$ 458,080</u>	<u>\$ 1,084,435</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,542,515</u>
<u>NET POSITION</u>						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 1,426,375	\$ 140,133	\$ 1,566,508
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,426,375</u>	<u>\$ 140,133</u>	<u>\$ 1,566,508</u>

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 - Sales Tax	Special School District	City School ADA - Oneida	Constitu - tional Officers - Custodial	Judicial District 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	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Total
				Governmental
				Activities
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	<u>\$ 32,171,555</u>	<u>\$ 190,896</u>	<u>\$ 11,959,316</u>	<u>\$ (20,021,343)</u>
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				<u>\$ 23,470,338</u>
Change in Net Position				\$ 3,448,995
Net Position, July 1, 2022				<u>30,842,244</u>
Net Position, June 30, 2023				<u><u>\$ 34,291,239</u></u>

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	
<u>ASSETS</u>					
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	<u>\$ 10,136,007</u>	<u>\$ 1,931,491</u>	<u>\$ 1,738,398</u>	<u>\$ 667,086</u>	<u>\$ 14,472,982</u>
<u>LIABILITIES</u>					
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	<u>\$ 3,596,368</u>	<u>\$ 956,409</u>	<u>\$ 121,038</u>	<u>\$ 0</u>	<u>\$ 4,673,815</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
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	<u>\$ 2,146,378</u>	<u>\$ 108,585</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,254,963</u>

(Continued)

Exhibit I-2

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

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

Exhibit I-3

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Scott County School Department
June 30, 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	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 3,711,542	\$ 0	\$ 0	\$ 0	\$ 3,711,542
Licenses and Permits	496	0	0	0	496
Charges for Current Services	33,739	0	144,054	0	177,793
Other Local Revenues	45,698	0	2,434	870,734	918,866
State of Tennessee	20,216,766	0	13,175	0	20,229,941
Federal Government	154,275	7,758,235	2,190,394	0	10,102,904
Total Revenues	\$ 24,162,516	\$ 7,758,235	\$ 2,350,057	\$ 870,734	\$ 35,141,542
<u>Expenditures</u>					
Current:					
Instruction	\$ 14,601,309	\$ 3,289,198	\$ 0	\$ 0	\$ 17,890,507
Support Services	7,929,810	1,439,568	0	0	9,369,378
Operation of Non-Instructional Services	1,010,406	217	2,050,789	844,852	3,906,264
Capital Outlay	476,001	2,853,695	0	0	3,329,696
Debt Service:					
Other Debt Service	399,792	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
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 28,351	\$ 0	\$ 0	\$ 0	\$ 28,351
Insurance Recovery	13,900	0	0	0	13,900
Transfers In	298,300	0	0	0	298,300
Transfers Out	0	(298,300)	0	0	(298,300)
Total Other Financing Sources (Uses)	\$ 340,551	\$ (298,300)	\$ 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	7,256,048
Fund Balance, June 30, 2023	\$ 4,393,261	\$ 866,497	\$ 1,617,360	\$ 667,086	\$ 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	
<u>Revenues</u>						
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)
<u>Expenditures</u>						
<u>Instruction</u>						
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
<u>Support Services</u>						
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	<u>4,307,512</u>	<u>(13,445)</u>	<u>4,294,067</u>	<u>3,414,135</u>	<u>3,414,135</u>	<u>879,932</u>
Fund Balance, June 30, 2023	<u><u>\$ 4,393,261</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,393,261</u></u>	<u><u>\$ 3,365,135</u></u>	<u><u>\$ 1,002,442</u></u>	<u><u>\$ 3,390,819</u></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	
<u>Revenues</u>							
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)
<u>Expenditures</u>							
<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	\$ (122,743)	\$ 394,851	\$ (2,188,287)	\$ (1,916,179)	\$ (1)	\$ 0	\$ (1,916,179)
Fund Balance, July 1, 2022	989,240	(394,851)	0	594,389	974,721	974,721	(380,332)
Fund Balance, June 30, 2023	\$ 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	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
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)
<u>Expenditures</u>				
<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	\$ 299,268	\$ 0	\$ 1	\$ 299,267
Fund Balance, July 1, 2022	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
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<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					<u>\$ 139,363</u>	<u>\$ 850,547</u>	<u>\$ 231,491</u>	<u>\$ 758,419</u>
<u>OTHER LOANS PAYABLE</u>								
<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					<u>\$ 15,142,339</u>	<u>\$ 0</u>	<u>\$ 881,000</u>	<u>\$ 14,261,339</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds, Series 2008	1,250,000	3 to 4.5	2-14-08	6-1-28	\$ 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					<u>\$ 1,245,000</u>	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 1,095,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding Bonds, Series 2014B	8,120,000	2 to 3.25	6-30-14	6-1-29	\$ 4,550,000	\$ 0	\$ 465,000	\$ 4,085,000
Total Payable through Rural Debt Service Fund					<u>\$ 4,550,000</u>	<u>\$ 0</u>	<u>\$ 465,000</u>	<u>\$ 4,085,000</u>
Total Bonds Payable					<u>\$ 5,795,000</u>	<u>\$ 0</u>	<u>\$ 615,000</u>	<u>\$ 5,180,000</u>

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

(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	Total
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	1,180,000	369,205	59,502	1,608,707
2030	1,239,000	323,368	52,119	1,614,487
2031	1,301,000	275,240	44,367	1,620,607
2032	1,366,000	224,703	36,226	1,626,929
2033	1,434,000	171,640	27,679	1,633,319
2034	1,506,000	115,938	18,707	1,640,645
2035	1,127,339	33,586	5,200	1,166,125
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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED SCOTT</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 298,300</u>
Total Transfers Discretely Presented Scott County School Department			<u><u>\$ 298,300</u></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	\$ 15,861		
County Mayor - Jerried Jeffers (9/1/22-6/30/23)	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 79,307		
Total County Mayor compensation	\$ 95,168		
Superintendent of Roads	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 90,636		
Director of Schools	State Board of Education and County Board of Education	100,000	RLI Insurance Company
Base salary	\$ 98,153		
Chief executive officer training supplement	1,000		
Total compensation	\$ 99,153		
Trustee - Jimmy Byrd (7/1/22-8/31/22)	Section 8-24-102, TCA	983,916	RLI Insurance Company
Base salary/Total compensation	\$ 13,733		
Trustee - Rena Erwin (9/1/22-6/30/23)	Section 8-24-102, TCA	1,265,373	RLI Insurance Company
Base salary/Total compensation	\$ 68,663		
Total Trustee compensation	\$ 82,396		
Assessor of Property	Section 8-24-102, TCA	50,300	RLI Insurance Company
Base salary/Total compensation	\$ 82,396		
County Clerk	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 82,396		
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 82,396		
Clerk and Master	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary	\$ 82,396		
Special commissioner fees	8,969		
Total Clerk and Master compensation	\$ 91,365		
Register of Deeds	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 82,396		
Sheriff- Ronnie Phillips (7/1/22-8/31/22)	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary	\$ 15,106		
Law enforcement training supplement	800		
Total compensation	\$ 15,906		
Sheriff- Brian Keeton (9/1/22-6/30/23)	Section 8-24-102, TCA	100,000	RLI Insurance Company
Base salary	\$ 75,530		
Law enforcement training supplement	800		
Total compensation	\$ 76,330		
Total Sheriff compensation	\$ 92,236		
Director of Finance	County Commission	100,000	RLI Insurance Company
Base salary/Total compensation	\$ 82,395		
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					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	
<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	0

(Continued)

Exhibit J-6

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

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

(Continued)

Exhibit J-6

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

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

(Continued)

Exhibit J-6

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

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

(Continued)

Exhibit J-6

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

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

(Continued)

Exhibit J-6

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

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

(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	Rural Debt Service	General Capital Projects
<u>Local Taxes</u>						
<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
<u>Licenses and Permits</u>						
<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 - tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects
<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	Rural Debt Service	General Capital Projects
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
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
<u>Fees</u>						
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
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
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	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 0	\$ 0	\$ 17,853	\$ 194,270	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 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
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	97,139	0	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	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	Rural Debt Service	General Capital Projects
<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	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, 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	Rural Debt Service	General Capital Projects
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 399,792	\$ 0
Other						
Opioid Settlement Funds - Past Remediation	100,413	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 100,413</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 399,792</u>	<u>\$ 0</u>
Total	<u>\$ 206,941</u>	<u>\$ 9,157</u>	<u>\$ 3,003,106</u>	<u>\$ 1,562,142</u>	<u>\$ 1,184,421</u>	<u>\$ 59,718</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<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
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 770
Cable TV Franchise	0	29,831

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 834
Total Licenses and Permits	\$ 0	\$ 31,435
<u>Fines, Forfeitures, and Penalties</u>		
<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, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	Education Capital Projects	Total	
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
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	
<u>Fees</u>			
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	
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
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, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<u>Other Local Revenues (Cont.)</u>		
<u>Nonrecurring Items</u>		
Contributions and Gifts	\$ 0	\$ 182,791
Total Other Local Revenues	\$ 0	\$ 873,798
<hr/>		
<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
<hr/>		
<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	
<hr/>			
<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	<hr/>	<hr/>	
	\$ 0	\$ 5,269,081	
<hr/>			
<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	<hr/>	<hr/>	
	\$ 0	\$ 6,443,252	

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<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	<u>\$ 0</u>	<u>\$ 506,205</u>
 Total	 <u>\$ 196</u>	 <u>\$ 23,974,500</u>

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	
<u>Local Taxes</u>						
<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	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 496	\$ 0	\$ 0	\$ 0	\$ 496	
Total Licenses and Permits	\$ 496	\$ 0	\$ 0	\$ 0	\$ 496	
<u>Charges for Current Services</u>						
<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

Exhibit J-8

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)

Exhibit J-8

Scott County, Tennessee
Schedule 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)

Exhibit J-8

Scott County, Tennessee
Schedule 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)

Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

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)

Exhibit J-8

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court

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)

Exhibit J-8

Scott County, Tennessee
Schedule 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			12,000

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)

Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Administration of the Sexual Offender Registry

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

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 WelfareLocal 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 ServicesSenior 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 ResourcesAgricultural 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)

Exhibit J-8

Scott County, Tennessee
Schedule 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		15,319	
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		4,296,073	
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		150	
Total Veterans' Services			51,606

Contributions to Other Agencies

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

(Continued)

Exhibit J-8

Scott County, Tennessee
Schedule 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
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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)

Exhibit J-8

Scott County, Tennessee
Schedule 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		56,571	
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)

Exhibit J-8

Scott County, Tennessee
Schedule 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)

Exhibit J-8

Scott County, Tennessee
Schedule 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	\$	<u>165,240</u>	
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	\$	<u>188</u>	
Total County Trustee's Office			\$ 188

Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>8,969</u>	
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		<u>22,268</u>	

(Continued)

Exhibit J-8

Scott County, Tennessee
Schedule 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		65,686	
Total Employee Benefits			\$ 148,159

Principal on DebtHighways and Streets

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

Interest on DebtHighways and Streets

Interest on Notes	\$	19,144	
Total Highways and Streets			19,144

Total Highway/Public Works Fund \$ 3,039,521

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	150,000	
Principal on Other Loans		881,000	
Total General Government			\$ 1,031,000

Interest on DebtGeneral Government

Interest on Bonds	\$	46,795	
Interest on Other Loans		387,339	
Total General Government			434,134

Other Debt ServiceGeneral Government

Trustee's Commission	\$	20,514	
Other Debt Service		102,677	
Total General Government			123,191

Total General Debt Service Fund 1,588,325

Rural Debt Service FundPrincipal on DebtEducation

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

Interest on DebtEducation

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.)

<u>Rural Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Trustee's Commission	\$	15,858	
Total Education			\$ 15,858
Total Rural Debt Service Fund			\$ 611,029
<u>General Capital Projects Fund</u>			
<u>General Government</u>			
<u>County Buildings</u>			
Building Improvements	\$	3,735	
Total County Buildings			\$ 3,735
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Motor Vehicles	\$	66,379	
Total Sheriff's Department			66,379
<u>Highways</u>			
<u>Capital Outlay</u>			
Trustee's Commission	\$	1,198	
Total Capital Outlay			1,198
Total General Capital Projects Fund			71,312
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Trustee's Commission	\$	3	
Total Education Capital Projects			\$ 3
Total Education Capital Projects Fund			3
Total Governmental Funds - Primary Government			<u>\$ 24,061,673</u>

Exhibit J-9

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

Exhibit J-9

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

General Purpose School Fund (Cont.)Instruction (Cont.)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)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

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		993	
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		9,339	
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		42,804	
Total Board of Education			480,982

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools

County Official/Administrative Officer	\$	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		266,004	
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		69,080	
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		419	
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		1,745	
Total Community Services			60,145

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	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 Outlay

Regular Capital Outlay

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

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	399,792	
Total Education			<u>399,792</u>

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

School Federal Projects Fund

Instruction

Regular 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)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	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 Services

Health 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/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 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			<u>\$ 2,359,718</u>
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			<u>\$ 85,137</u>
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			<u>\$ 172,142</u>
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			<u>\$ 310,857</u>
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			<u>\$ 4,303,984</u>
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			<u>\$ 1,265,276</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.)

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>	Federal Assistance Listing Number	Contract Number	Expenditures
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)	932,721
Total State Grants			<u>\$ 2,158,290</u>

FAL = Federal Assistance Listing

N/A = Not Applicable

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

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

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

(4) Information not available.

(5) Child Nutrition Cluster total \$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		<u>\$ 110,892</u>

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
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OFFICE OF SHERIFF

2022	208	2022-001	Operations of the Sheriff's Department are currently under investigation.	N/A	Not Completed - Investigation ongoing
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Prior-year Federal Awards Findings

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

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

<u>FINDING 2023-001</u>	AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT (Noncompliance under <i>Government Auditing Standards</i>)
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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.

<u>FINDING 2023-002</u>	SOME EMPLOYEES WERE OVERPAID FOR COMPENSATED ABSENCES AT THE TIME OF RETIREMENT (Internal Control – Significant Deficiency Under <i>Government Auditing Standards</i>)
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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
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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. Hall

Signature: Gina Reynolds