



ANNUAL FINANCIAL REPORT

Morgan County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
MORGAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

ROBERT J. ANDERSON, CPA, CGFM
Audit Manager

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

MORGAN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Morgan County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Morgan County as of and for the year ended June 30, 2024.

Results

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

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

Findings

The following is a summary of the audit finding:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Payroll liability accounts were not reconciled accurately and timely.



INTRODUCTORY SECTION

MORGAN COUNTY OFFICIALS

June 30, 2024

Officials

Brian Langley, County Executive
Joe H. Miller, Road Superintendent
David Treece, Director of Schools
Cindi Jones, Trustee
Gilford Wilson, Assessor of Property
Cheryl Collins, County Clerk
Marla Hines, Circuit and General Sessions Courts Clerk
Angela Anderson, Clerk and Master
Sandy Leach-Dalton, Register of Deeds
Wayne Potter, Sheriff
Crystal Garrett, Director of Finance

Board of County Commissioners

Brian Langley, County Executive, Chairman	Melissa Bryant
David Hennessee	Steve Walls
Terry Jackson	Randy Roberts
Vernon Justes	Gary Kennedy
Rick Plank	Debra Lively
Kenneth Morgan	Vera Scarbrough
Eli Anderson	Fred Snow
John Lindsay	Janet Adkisson
Bobby Gibson	Doug Vespie
Susie Kries	

Board of Education

Wade Summers, Chairman	Tammy Howard
Ben Jackson	Jonathan Dagley
Mickey Tucker	Billy Ward

Financial Management Committee

Brian Langley, County Executive, Chairman	David Hennessee
David Treece, Director of Schools	Debra Lively
Joe H. Miller, Road Superintendent	Randy Roberts
Fred Snow	

Audit Committee

Melissa Kreis, Chairman	Paul Hudson
Bryan Taylor	Tiffany Terry
Darlene Headrick	Randi Anderson

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Morgan County Executive and
Board of County Commissioners
Morgan County, Tennessee

To the County Executive 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 Morgan County, Tennessee, as of and for the year ended June 30, 2024, 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 reports 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 Morgan County, Tennessee, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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 Morgan County Economic Development Board, Inc., a discretely presented component unit. We also did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Morgan County School Department, which represent 2.7 percent, 2.9 percent, and 4.39 percent, respectively, of the assets, net position, and revenues of the discretely presented Morgan County School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Morgan County Economic Development Board, Inc., and the Internal School Fund of the Morgan County School Department, are based solely on the reports of the other auditors. We were unable to determine Morgan County Economic Development Board, Inc.'s percentages of the assets, net position, and revenues of the aggregate discretely presented component units because the Morgan County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements.

Basis for Opinions

We conducted our audit in accordance with 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. 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 Morgan County, Tennessee, and to meet our other ethical responsibilities, in accordance

with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Morgan County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morgan County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Morgan 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 General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Morgan 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 18, 2025, on our consideration of Morgan 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 Morgan 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 Morgan County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 18, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS

MORGAN COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

		Component Units	
	Primary Government	Morgan County	Economic
	Governmental Activities	School Department	Development Board
ASSETS			
Cash	\$ 11,949	\$ 1,034,826	\$ 2,199,597
Equity in Pooled Cash and Investments	14,904,679	16,224,896	0
Accounts Receivable	471,676	92,568	0
Allowance for Uncollectibles	(70,397)	0	0
Due from Other Governments	808,057	2,194,776	235,759
Property Taxes Receivable	9,531,331	1,111,811	0
Allowance for Uncollectible Property Taxes	(348,005)	(47,097)	0
Note Receivable - Current	0	0	150,000
Lease Receivable - Current	0	0	109,996
Other Current Assets	0	0	1,965
Restricted Assets - Amounts Accumulated for Pension Benefits	0	267,387	0
Note Receivable - Long Term	0	0	450,000
Lease Receivable - Long Term	0	0	754,826
Net Pension Asset - Teacher Retirement Plan	0	74,699	0
Net Pension Asset - Teacher Legacy Pension Plan	0	3,547,361	0
Capital Assets:			
Assets Not Depreciated:			
Land	627,952	1,112,193	124,253
Construction in Progress	127,312	0	4,064,032
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	4,074,621	10,043,547	2,737,849
Infrastructure	1,622,790	0	0
Other Capital Assets	3,073,230	2,387,132	0
Total Assets	<u>\$ 34,835,195</u>	<u>\$ 38,044,099</u>	<u>\$ 10,828,277</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension Changes in Experience	\$ 397,061	\$ 1,205,055	\$ 0
Pension Changes in Investment Earnings	130,678	752,094	0
Pension Changes in Assumptions	360,777	1,536,745	0
Pension Changes in Proportion	0	273,310	0
Pension Contributions after Measurement Date	439,026	1,191,821	0
OPEB Changes in Experience	0	418,853	0
OPEB Changes in Assumptions	0	858,647	0
OPEB Changes in Proportion	0	137,783	0
OPEB Contributions After Measurement Date	0	85,623	0
Total Deferred Outflow of Resources	<u>\$ 1,327,542</u>	<u>\$ 6,459,931</u>	<u>\$ 0</u>

(Continued)

MORGAN COUNTY, TENNESSEE
Statement of Net Position (Cont.)

		Component Units	
	Primary Government Governmental Activities	Morgan County School Department	Economic Development Board
LIABILITIES			
Accounts Payable	\$ 117,646	\$ 142,772	\$ 4,942
Contracts Payable	85,391	0	0
Accrued Payroll	127,798	0	0
Accrued Interest Payable	34,328	0	13,534
Payroll Deductions Payable	62,679	679,241	0
Due to State of Tennessee	50,545	565	0
Due to Other Governments	531,027	0	0
Noncurrent Liabilities:			
Due Within One Year - Debt	1,380,000	0	379,008
Due Within One Year - Other	127,236	470,268	0
Due in More Than One Year - Debt	7,229,918	0	5,059,551
Due in More Than One Year - Other	403,386	4,879,920	0
Total Liabilities	<u>\$ 10,149,954</u>	<u>\$ 6,172,766</u>	<u>\$ 5,457,035</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 8,855,160	\$ 1,012,537	\$ 0
Deferred Credit on Refunding	6,144	0	0
Deferred Lease Receivable	0	0	864,822
Pension Changes in Experience	161,976	354,008	0
Pension Changes in Proportion	0	31,735	0
OPEB Changes in Experience	0	794,118	0
OPEB Changes in Assumptions	0	416,312	0
OPEB Changes in Proportion	0	218,923	0
Total Deferred Inflows of Resources	<u>\$ 9,023,280</u>	<u>\$ 2,827,633</u>	<u>\$ 864,822</u>
NET POSITION			
Net Investment in Capital Assets	\$ 8,783,434	\$ 13,542,872	\$ 1,487,575
Restricted for:			
General Government	137,747	0	0
Administration of Justice	36,709	0	0
Public Safety	83,268	0	0
Public Health and Welfare	654,166	0	0
Highway/Public Works	5,028,420	0	0
Debt Service	0	0	96,974
Education	0	9,736,047	0
Capital Projects	196,706	0	0
Other Purposes	78,657	0	0
Pensions	0	3,889,447	0
Unrestricted	<u>1,990,396</u>	<u>8,335,265</u>	<u>2,921,871</u>
Total Net Position	<u>\$ 16,989,503</u>	<u>\$ 35,503,631</u>	<u>\$ 4,506,420</u>

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

Exhibit B

MORGAN COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Total Governmental Activities	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Morgan County School Department	Economic Development Board
Primary Government:							
Governmental Activities:							
General Government	\$ 1,932,193	\$ 154,454	\$ 15,164	\$ 24,967	\$ (1,737,608)	\$ 0	\$ 0
Finance	1,080,272	541,790	8,118	0	(530,364)	0	0
Administration of Justice	1,101,468	558,521	77,697	0	(465,250)	0	0
Public Safety	5,707,487	509,895	738,049	0	(4,459,543)	0	0
Public Health and Welfare	5,448,434	1,749,424	936,383	319,893	(2,442,734)	0	0
Social, Cultural, and Recreational Services	113,578	9,459	4,200	28,485	(71,434)	0	0
Agriculture and Natural Resources	109,694	0	0	0	(109,694)	0	0
Highways	5,592,245	63,390	2,570,007	2,707,548	(251,300)	0	0
Interest on Long-term Debt	256,940	0	0	0	(256,940)	0	0
Total Primary Government	<u>\$ 21,342,311</u>	<u>\$ 3,586,933</u>	<u>\$ 4,349,618</u>	<u>\$ 3,080,893</u>	<u>\$ (10,324,867)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Component Units:							
Morgan County School Department	\$ 43,249,653	\$ 170,432	\$ 13,770,041	\$ 90,000	\$ 0	\$ (29,219,180)	\$ 0
Economic Development Board	496,228	170,606	61,997	0	0	0	(263,625)
Total Component Units	<u>\$ 43,745,881</u>	<u>\$ 341,038</u>	<u>\$ 13,832,038</u>	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ (29,219,180)</u>	<u>\$ (263,625)</u>

(Continued)

Exhibit B

MORGAN COUNTY, TENNESSEE
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Position					
		Primary Government			Component Units		
Functions/Programs	Expenses	Program Revenues			Total Governmental Activities	Morgan County School Department	Economic Development Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 7,582,778	\$ 1,461,278	\$ 0
Property Taxes Levied for Solid Waste/Sanitation					1,147,383	0	0
Property Taxes Levied for Highway/Public Works					56,788	0	0
Property Taxes Levied for General Debt Service					114,315	0	0
Local Option Sales Taxes					0	2,271,479	235,759
Mineral Severance Tax					42,126	0	0
Other Local Taxes					294,626	65,852	0
Grants and Contributions Not Restricted to Specific Programs					2,956,051	25,664,705	0
Unrestricted Investment Income					152,902	505,304	155,283
Miscellaneous					90,118	64,103	0
Total General Revenues					\$ 12,437,087	\$ 30,032,721	\$ 391,042
Change in Net Position					\$ 2,112,220	\$ 813,541	\$ 127,417
Net Position, July 1, 2023					14,877,283	34,690,090	4,489,013
Error Correction (See Note VI. J.)					0	0	(110,010)
Net Position, June 30, 2024					\$ 16,989,503	\$ 35,503,631	\$ 4,506,420

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

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds

June 30, 2024

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
ASSETS					
Cash	\$ 1,267	\$ 0	\$ 9,364	\$ 0	\$ 0
Equity in Pooled Cash and Investments	5,587,138	403,495	4,639,911	3,553,748	658,423
Accounts Receivable	434,389	33,629	3,658	0	0
Allowance for Uncollectibles	(70,397)	0	0	0	0
Due from Other Governments	32,970	31,736	452,524	12,817	278,010
Due from Other Funds	1,318	0	0	0	0
Property Taxes Receivable	7,988,734	1,218,652	58,324	265,621	0
Allowance for Uncollectible Property Taxes	(293,763)	(44,695)	(2,165)	(7,382)	0
Total Assets	<u>\$ 13,681,656</u>	<u>\$ 1,642,817</u>	<u>\$ 5,161,616</u>	<u>\$ 3,824,804</u>	<u>\$ 936,433</u>
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 117,646
Accrued Payroll	86,134	26,896	14,768	0	0
Payroll Deductions Payable	40,335	3,427	18,917	0	0
Contracts Payable	0	0	0	0	85,391
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	48,886	1,404	255	0	0
Due to Other Governments	0	0	0	0	531,027
Total Liabilities	<u>\$ 175,355</u>	<u>\$ 31,727</u>	<u>\$ 33,940</u>	<u>\$ 0</u>	<u>\$ 734,064</u>

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 7,415,470	\$ 1,131,573	\$ 54,075	\$ 254,042	\$ 0
Deferred Delinquent Property Taxes	251,011	38,064	1,872	3,769	0
Other Deferred/Unavailable Revenue	189,237	31,736	226,262	6,408	0
Total Deferred Inflows of Resources	<u>\$ 7,855,718</u>	<u>\$ 1,201,373</u>	<u>\$ 282,209</u>	<u>\$ 264,219</u>	<u>\$ 0</u>
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 137,747	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	36,709	0	0	0	0
Restricted for Public Safety	21,304	0	0	0	0
Restricted for Public Health and Welfare	244,628	409,717	0	0	0
Restricted for Highways/Public Works	0	0	4,845,467	0	0
Restricted for Capital Projects	0	0	0	0	196,706
Restricted for Other Purposes	78,657	0	0	0	0
Committed:					
Committed for Social, Cultural, and Recreational Services	33,185	0	0	0	0
Committed for Debt Service	0	0	0	3,560,585	0
Committed for Capital Projects	0	0	0	0	124,666

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

FUND BALANCES (CONT.)

Assigned:

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
Assigned for General Government	\$ 33,046	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Finance	4,287	0	0	0	0
Assigned for Administration of Justice	12,040	0	0	0	0
Assigned for Public Safety	114,700	0	0	0	0
Assigned for Public Health and Welfare	10,882	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	5,965	0	0	0	0
Assigned for Agriculture and Natural Resources	2,780	0	0	0	0
Unassigned	4,914,653	0	0	0	(119,003)
Total Fund Balances	<u>\$ 5,650,583</u>	<u>\$ 409,717</u>	<u>\$ 4,845,467</u>	<u>\$ 3,560,585</u>	<u>\$ 202,369</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,681,656</u>	<u>\$ 1,642,817</u>	<u>\$ 5,161,616</u>	<u>\$ 3,824,804</u>	<u>\$ 936,433</u>

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Due to Other Funds
 Due to State of Tennessee
 Due to Other Governments
 Total Liabilities

Nonmajor Funds		
Other Govern- mental Funds	Total Governmental Funds	
\$ 1,318	\$ 11,949	
61,964	14,904,679	
0	471,676	
0	(70,397)	
0	808,057	
0	1,318	
0	9,531,331	
0	(348,005)	
\$ 63,282	\$ 25,310,608	

\$ 0	\$ 117,646	
0	127,798	
0	62,679	
0	85,391	
1,318	1,318	
0	50,545	
0	531,027	
\$ 1,318	\$ 976,404	

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

DEFERRED INFLOWS OF RESOURCES

		Nonmajor Funds		
		Other		Total
		Govern- mental		Governmental
		Funds		Funds
Deferred Current Property Taxes	\$	0	\$	8,855,160
Deferred Delinquent Property Taxes		0		294,716
Other Deferred/Unavailable Revenue		0		453,643
Total Deferred Inflows of Resources	\$	0	\$	9,603,519

FUND BALANCES

Restricted:

Restricted for General Government	\$	0	\$	137,747
Restricted for Administration of Justice		0		36,709
Restricted for Public Safety		61,964		83,268
Restricted for Public Health and Welfare		0		654,345
Restricted for Highways/Public Works		0		4,845,467
Restricted for Capital Projects		0		196,706
Restricted for Other Purposes		0		78,657

Committed:

Committed for Social, Cultural, and Recreational Services		0		33,185
Committed for Debt Service		0		3,560,585
Committed for Capital Projects		0		124,666

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

FUND BALANCES (CONT.)

Assigned:

Assigned for General Government

Assigned for Finance

Assigned for Administration of Justice

Assigned for Public Safety

Assigned for Public Health and Welfare

Assigned for Social, Cultural, and Recreational Services

Assigned for Agriculture and Natural Resources

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds		
Other		
Govern- mental Funds	Total Governmental Funds	
\$ 0	\$ 33,046	
0	4,287	
0	12,040	
0	114,700	
0	10,882	
0	5,965	
0	2,780	
0	4,795,650	
\$ 61,964	\$ 14,730,685	
\$ 63,282	\$ 25,310,608	

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

MORGAN COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position****June 30, 2024**

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)		\$ 14,730,685
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 627,952	
Add: construction in progress	127,312	
Add: buildings and improvements net of accumulated depreciation	4,074,621	
Add: infrastructure net of accumulated depreciation	1,622,790	
Add: other capital assets net of accumulated depreciation	<u>3,073,230</u>	9,525,905
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (8,115,000)	
Less: deferred credit on refunding	(6,144)	
Less: net pension liability	(246,460)	
Less: compensated absences payable	(260,074)	
Less: landfill closure/postclosure care costs	(24,088)	
Less: accrued interest on bonds, notes, and other loans	(34,328)	
Less: unamortized premium on debt	<u>(494,918)</u>	(9,181,012)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		748,359
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,327,542	
Less: deferred inflows of resources related to pensions	<u>(161,976)</u>	<u>1,165,566</u>
Net position of governmental activities (Exhibit A)		<u>\$ 16,989,503</u>

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

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
Revenues					
Local Taxes	\$ 7,997,512	\$ 1,152,122	\$ 99,351	\$ 126,417	\$ 0
Licenses and Permits	56,662	0	0	0	0
Fines, Forfeitures, and Penalties	95,688	0	0	0	0
Charges for Current Services	1,300,280	354,472	2	0	0
Other Local Revenues	283,671	52,820	11,385	6	0
Fees Received From County Officials	951,153	0	0	0	0
State of Tennessee	1,605,315	50,847	5,285,240	73,582	149,797
Federal Government	156,534	0	0	0	1,883,019
Other Governments and Citizens Groups	380,945	0	0	1,193,346	55,940
Total Revenues	<u>\$ 12,827,760</u>	<u>\$ 1,610,261</u>	<u>\$ 5,395,978</u>	<u>\$ 1,393,351</u>	<u>\$ 2,088,756</u>
Expenditures					
Current:					
General Government	\$ 1,197,838	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,038,691	0	0	0	0
Administration of Justice	956,420	0	0	0	0
Public Safety	5,229,190	0	0	0	0
Public Health and Welfare	2,414,140	1,456,924	0	0	0
Social, Cultural, and Recreational Services	100,535	0	0	0	0
Agriculture and Natural Resources	109,694	0	0	0	0
Other Operations	483,630	71,967	0	0	777,647
Highways	0	0	5,263,211	0	0

(Continued)

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 0	\$ 1,375,000	\$ 0
Interest on Debt	0	0	0	281,130	0
Other Debt Service	0	0	0	32,565	0
Capital Projects	24,533	0	0	0	1,168,722
Total Expenditures	<u>\$ 11,554,671</u>	<u>\$ 1,528,891</u>	<u>\$ 5,263,211</u>	<u>\$ 1,688,695</u>	<u>\$ 1,946,369</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 1,273,089</u>	<u>\$ 81,370</u>	<u>\$ 132,767</u>	<u>\$ (295,344)</u>	<u>\$ 142,387</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 32,693	\$ 0	\$ 9,469	\$ 0	\$ 0
Transfers In	60,000	2,393	0	0	0
Transfers Out	0	0	0	0	(62,393)
Total Other Financing Sources (Uses)	<u>\$ 92,693</u>	<u>\$ 2,393</u>	<u>\$ 9,469</u>	<u>\$ 0</u>	<u>\$ (62,393)</u>
Net Change in Fund Balances	\$ 1,365,782	\$ 83,763	\$ 142,236	\$ (295,344)	\$ 79,994
Fund Balance, July 1, 2023	<u>4,284,801</u>	<u>325,954</u>	<u>4,703,231</u>	<u>3,855,929</u>	<u>122,375</u>
Fund Balance, June 30, 2024	<u><u>\$ 5,650,583</u></u>	<u><u>\$ 409,717</u></u>	<u><u>\$ 4,845,467</u></u>	<u><u>\$ 3,560,585</u></u>	<u><u>\$ 202,369</u></u>

(Continued)

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
Revenues			
Local Taxes	\$ 0	\$	9,375,402
Licenses and Permits	0		56,662
Fines, Forfeitures, and Penalties	64,261		159,949
Charges for Current Services	64,337		1,719,091
Other Local Revenues	1,000		348,882
Fees Received From County Officials	0		951,153
State of Tennessee	0		7,164,781
Federal Government	0		2,039,553
Other Governments and Citizens Groups	0		1,630,231
Total Revenues	<u>\$ 129,598</u>	<u>\$</u>	<u>23,445,704</u>
Expenditures			
Current:			
General Government	\$ 63	\$	1,197,901
Finance	4,102		1,042,793
Administration of Justice	60,172		1,016,592
Public Safety	93,913		5,323,103
Public Health and Welfare	0		3,871,064
Social, Cultural, and Recreational Services	0		100,535
Agriculture and Natural Resources	0		109,694
Other Operations	0		1,333,244
Highways	0		5,263,211

(Continued)

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
<hr/>			
Expenditures (Cont.)			
Debt Service:			
Principal on Debt	\$ 0	\$	1,375,000
Interest on Debt	0		281,130
Other Debt Service	0		32,565
Capital Projects	0		1,193,255
Total Expenditures	<u>\$ 158,250</u>	<u>\$</u>	<u>22,140,087</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (28,652)</u>	<u>\$</u>	<u>1,305,617</u>
Other Financing Sources (Uses)			
Insurance Recovery	\$ 0	\$	42,162
Transfers In	0		62,393
Transfers Out	0		(62,393)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$</u>	<u>42,162</u>
Net Change in Fund Balances	\$ (28,652)	\$	1,347,779
Fund Balance, July 1, 2023	<u>90,616</u>		<u>13,382,906</u>
Fund Balance, June 30, 2024	<u><u>\$ 61,964</u></u>	<u><u>\$</u></u>	<u><u>14,730,685</u></u>

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

Exhibit C-4

MORGAN 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, 2024

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,347,779	
(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 in the current period	\$ 1,035,752		
Less: current-year depreciation expense	<u>(1,419,255)</u>		(383,503)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(27,003)
(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, 2024	\$ 748,359		
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(781,694)</u>		(33,335)
(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 net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$ 1,375,000		
Add: change in deferred credit on refunding	4,542		
Add: change in unamortized premium on debt issuances	<u>44,288</u>		1,423,830
(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	\$ 7,925		
Change in compensated absences payable	58,050		
Change in landfill closure/postclosure care costs	22,325		
Change in net pension liability/asset	120,768		
Change in deferred outflows related to pensions	(480,094)		
Change in deferred inflows related to pensions	<u>55,478</u>		(215,548)
Change in net position of governmental activities (Exhibit B)			<u><u>\$ 2,112,220</u></u>

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

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,997,512	\$ 0	\$ 0	\$ 7,997,512	\$ 7,423,647	\$ 7,519,447	\$ 478,065
Licenses and Permits	56,662	0	0	56,662	68,000	68,000	(11,338)
Fines, Forfeitures, and Penalties	95,688	0	0	95,688	101,550	101,550	(5,862)
Charges for Current Services	1,300,280	0	0	1,300,280	1,174,500	1,184,706	115,574
Other Local Revenues	283,671	0	0	283,671	756,000	200,605	83,066
Fees Received From County Officials	951,153	0	0	951,153	819,000	819,000	132,153
State of Tennessee	1,605,315	0	0	1,605,315	846,741	1,485,753	119,562
Federal Government	156,534	0	0	156,534	42,000	313,517	(156,983)
Other Governments and Citizens Groups	380,945	0	0	380,945	195,800	198,300	182,645
Total Revenues	\$ 12,827,760	\$ 0	\$ 0	\$ 12,827,760	\$ 11,427,238	\$ 11,890,878	\$ 936,882
Expenditures							
General Government							
County Commission	\$ 75,885	\$ (892)	\$ 6,999	\$ 81,992	\$ 80,895	\$ 83,705	\$ 1,713
County Mayor/Executive	201,890	0	350	202,240	204,406	204,406	2,166
County Attorney	5,495	(6,500)	9,080	8,075	10,500	10,500	2,425
Election Commission	178,643	0	2,324	180,967	179,168	184,671	3,704
Register of Deeds	178,415	(325)	882	178,972	179,670	181,670	2,698
County Buildings	557,510	(424)	13,410	570,496	538,539	589,515	19,019
Finance							
Accounting and Budgeting	338,056	(979)	3,966	341,043	329,132	344,632	3,589
Property Assessor's Office	264,167	(329)	0	263,838	287,127	283,027	19,189
Reappraisal Program	8,819	0	258	9,077	15,699	15,699	6,622
County Trustee's Office	223,684	0	0	223,684	227,438	227,438	3,754
County Clerk's Office	203,965	0	63	204,028	225,612	217,612	13,584
Administration of Justice							
Circuit Court	344,177	(8,819)	5,817	341,175	328,621	351,621	10,446
Criminal Court	7,652	0	1,148	8,800	8,800	8,800	0
General Sessions Court	67,141	(1,513)	2,011	67,639	58,133	77,333	9,694
General Sessions Judge	158,757	0	0	158,757	157,739	158,839	82

(Continued)

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

	Actual	Less:	Add:	Actual	Budgeted Amounts		Variance
	(GAAP	Encumbrances	Encumbrances	Revenues/	Original	Final	with Final
	Basis)	7/1/2023	6/30/2024	Expenditures			Budget -
				(Budgetary			Positive
				Basis)			(Negative)
Expenditures (Cont.)							
Administration of Justice (Cont.)							
Drug Court	\$ 47,419	\$ 0	\$ 992	\$ 48,411	\$ 100,000	\$ 100,000	\$ 51,589
Chancery Court	183,665	(27)	55	183,693	189,020	190,054	6,361
Juvenile Court	52,873	(774)	2,017	54,116	53,011	57,011	2,895
Other Administration of Justice	51,678	0	0	51,678	0	223,005	171,327
Courtroom Security	43,058	0	0	43,058	59,586	55,586	12,528
Public Safety							
Sheriff's Department	2,301,994	(10,107)	73,300	2,365,187	2,411,628	2,470,637	105,450
Jail	1,883,212	(18,918)	38,539	1,902,833	1,878,985	1,921,229	18,396
Juvenile Services	20,166	0	0	20,166	1,000	22,500	2,334
Fire Prevention and Control	153,424	0	0	153,424	156,504	168,104	14,680
Civil Defense	24,408	0	2,862	27,270	24,477	29,429	2,159
Rescue Squad	3,000	0	0	3,000	3,000	3,000	0
Other Emergency Management	746,603	0	0	746,603	782,485	766,485	19,882
County Coroner/Medical Examiner	94,371	0	0	94,371	48,000	103,000	8,629
Other Public Safety	2,012	0	0	2,012	2,000	3,000	988
Public Health and Welfare							
Local Health Center	40,327	(242)	0	40,085	56,979	56,979	16,894
Rabies and Animal Control	4,000	0	0	4,000	4,000	4,000	0
Ambulance/Emergency Medical Services	2,317,774	(7,187)	10,882	2,321,469	2,303,319	2,385,774	64,305
Crippled Children Services	6,561	0	0	6,561	5,937	10,677	4,116
Other Local Health Services	45,478	0	0	45,478	43,017	55,700	10,222
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	4,611	0	0	4,611	4,200	4,633	22
Libraries	93,789	(560)	0	93,229	92,081	100,887	7,658
Parks and Fair Boards	2,135	(4,350)	5,965	3,750	2,750	3,750	0
Agriculture and Natural Resources							
Agricultural Extension Service	84,866	(1,554)	2,780	86,092	86,952	86,952	860
Soil Conservation	24,828	0	0	24,828	24,828	24,828	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations							
Tourism	\$ 19,852	\$ 0	\$ 0	\$ 19,852	\$ 22,000	\$ 22,000	\$ 2,148
Other Economic and Community Development	23,000	0	0	23,000	23,000	23,000	0
Veterans' Services	26,194	0	0	26,194	27,500	28,900	2,706
Miscellaneous	414,584	0	0	414,584	189,500	431,194	16,610
Capital Projects							
Public Safety Projects	20,333	0	0	20,333	0	51,315	30,982
Social, Cultural, and Recreation Projects	4,200	0	0	4,200	0	4,200	0
Total Expenditures	\$ 11,554,671	\$ (63,500)	\$ 183,700	\$ 11,674,871	\$ 11,427,238	\$ 12,347,297	\$ 672,426
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,273,089	\$ 63,500	\$ (183,700)	\$ 1,152,889	\$ 0	\$ (456,419)	\$ 1,609,308
Other Financing Sources (Uses)							
Insurance Recovery	\$ 32,693	\$ 0	\$ 0	\$ 32,693	\$ 0	\$ 32,693	\$ 0
Transfers In	60,000	0	0	60,000	0	60,000	0
Total Other Financing Sources	\$ 92,693	\$ 0	\$ 0	\$ 92,693	\$ 0	\$ 92,693	\$ 0
Net Change in Fund Balance	\$ 1,365,782	\$ 63,500	\$ (183,700)	\$ 1,245,582	\$ 0	\$ (363,726)	\$ 1,609,308
Fund Balance, July 1, 2023	4,284,801	(63,500)	0	4,221,301	4,313,853	4,313,853	(92,552)
Fund Balance, June 30, 2024	\$ 5,650,583	\$ 0	\$ (183,700)	\$ 5,466,883	\$ 4,313,853	\$ 3,950,127	\$ 1,516,756

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

Exhibit C-6

MORGAN COUNTY, TENNESSEE

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,152,122	\$ 0	\$ 0	\$ 1,152,122	\$ 1,084,285	\$ 1,090,285	\$ 61,837
Charges for Current Services	354,472	0	0	354,472	331,000	331,000	23,472
Other Local Revenues	52,820	0	0	52,820	40,000	44,798	8,022
State of Tennessee	50,847	0	0	50,847	44,200	75,948	(25,101)
Total Revenues	\$ 1,610,261	\$ 0	\$ 0	\$ 1,610,261	\$ 1,499,485	\$ 1,542,031	\$ 68,230
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 1,300,459	\$ (26,423)	\$ 5,687	\$ 1,279,723	\$ 1,283,778	\$ 1,355,266	\$ 75,543
Sanitation Education/Information	57,153	(200)	0	56,953	59,105	61,498	4,545
Recycling Center	99,312	(431)	0	98,881	129,602	126,102	27,221
Other Operations							
Other Charges	25,887	0	0	25,887	25,000	28,000	2,113
Miscellaneous	46,080	0	0	46,080	2,000	47,890	1,810
Total Expenditures	\$ 1,528,891	\$ (27,054)	\$ 5,687	\$ 1,507,524	\$ 1,499,485	\$ 1,618,756	\$ 111,232
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,370	\$ 27,054	\$ (5,687)	\$ 102,737	\$ 0	\$ (76,725)	\$ 179,462
Other Financing Sources (Uses)							
Transfers In	\$ 2,393	\$ 0	\$ 0	\$ 2,393	\$ 0	\$ 2,393	\$ 0
Total Other Financing Sources	\$ 2,393	\$ 0	\$ 0	\$ 2,393	\$ 0	\$ 2,393	\$ 0
Net Change in Fund Balance	\$ 83,763	\$ 27,054	\$ (5,687)	\$ 105,130	\$ 0	\$ (74,332)	\$ 179,462
Fund Balance, July 1, 2023	325,954	(27,054)	0	298,900	377,817	377,817	(78,917)
Fund Balance, June 30, 2024	\$ 409,717	\$ 0	\$ (5,687)	\$ 404,030	\$ 377,817	\$ 303,485	\$ 100,545

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

MORGAN COUNTY, TENNESSEE

Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 99,351	\$ 0	\$ 0	\$ 99,351	\$ 119,426	\$ 119,426	\$ (20,075)
Charges for Current Services	2	0	0	2	0	0	2
Other Local Revenues	11,385	0	0	11,385	7,000	7,455	3,930
State of Tennessee	5,285,240	0	0	5,285,240	2,965,000	5,672,548	(387,308)
Total Revenues	\$ 5,395,978	\$ 0	\$ 0	\$ 5,395,978	\$ 3,091,426	\$ 5,799,429	\$ (403,451)
Expenditures							
Highways							
Administration	\$ 188,505	\$ (894)	\$ 878	\$ 188,489	\$ 193,840	\$ 198,340	\$ 9,851
Highway and Bridge Maintenance	1,699,966	(98,975)	97,593	1,698,584	2,793,244	2,894,137	1,195,553
Operation and Maintenance of Equipment	458,930	(22,928)	20,432	456,434	505,901	540,901	84,467
Other Charges	112,279	(1,778)	1,679	112,180	113,829	118,687	6,507
Employee Benefits	32,502	0	0	32,502	41,350	41,350	8,848
Capital Outlay	2,771,029	0	0	2,771,029	452,500	3,027,579	256,550
Total Expenditures	\$ 5,263,211	\$ (124,575)	\$ 120,582	\$ 5,259,218	\$ 4,100,664	\$ 6,820,994	\$ 1,561,776
Excess (Deficiency) of Revenues Over Expenditures	\$ 132,767	\$ 124,575	\$ (120,582)	\$ 136,760	\$ (1,009,238)	\$ (1,021,565)	\$ 1,158,325
Other Financing Sources (Uses)							
Insurance Recovery	\$ 9,469	\$ 0	\$ 0	\$ 9,469	\$ 0	\$ 9,469	\$ 0
Total Other Financing Sources	\$ 9,469	\$ 0	\$ 0	\$ 9,469	\$ 0	\$ 9,469	\$ 0
Net Change in Fund Balance	\$ 142,236	\$ 124,575	\$ (120,582)	\$ 146,229	\$ (1,009,238)	\$ (1,012,096)	\$ 1,158,325
Fund Balance, July 1, 2023	4,703,231	(124,575)	0	4,578,656	4,790,880	4,790,880	(212,224)
Fund Balance, June 30, 2024	\$ 4,845,467	\$ 0	\$ (120,582)	\$ 4,724,885	\$ 3,781,642	\$ 3,778,784	\$ 946,101

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

MORGAN COUNTY, TENNESSEE**Statement of Net Position**

Fiduciary Funds

June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 1,082,461
Due from Other Governments	92,306
Property Taxes Receivable	<u>62,675</u>
Total Assets	<u>\$ 1,237,442</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 100,464</u>
Total Liabilities	<u>\$ 100,464</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 54,517</u>
Total Deferred Inflows of Resources	<u>\$ 54,517</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,082,461</u>
Total Net Position	<u><u>\$ 1,082,461</u></u>

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

MORGAN COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 545,576
Property Tax Collections for Other Governments	53,244
Fines/Fees and Other Collections	3,444,249
Total Additions	<u>\$ 4,043,069</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 545,576
Payment of Property Tax Collections to Other Governments	53,244
Payments to State	2,255,656
Payments to Individuals and Others	1,277,260
Total Deductions	<u>\$ 4,131,736</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (88,667)
Net Position, July 1, 2023	<u>1,171,128</u>
Net Position, June 30, 2024	<u><u>\$ 1,082,461</u></u>

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

MORGAN COUNTY, TENNESSEE

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MORGAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Morgan 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 Morgan County:

A. *Reporting Entity*

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

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

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

The Morgan County Economic Development Board, Inc. is a tax-exempt nonprofit organization which assists, recruits, and develops industry by purchasing land and building facilities for industries that employ Morgan County, Tennessee residents. The county executive nominates, and the Morgan County Commission confirms the board members. The county has agreed to contribute the portion of the county's sales tax revenues attributable to the Brushy Mountain State Penitentiary Property, which has been designated by the State of Tennessee as a commercial development district, to the economic development board. These

revenues are received from the State of Tennessee and forwarded to the economic development board annually to be used to retire the related debt.

The Morgan 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 Morgan County Emergency Communications District and the Morgan County Economic Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Morgan County Emergency
Communications District
P.O. Box 69
Wartburg, TN 37887

Morgan County Economic
Development Board
P.O. Box 979
Wartburg, TN 37887

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 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, where 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, the primary government of Morgan 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 Morgan 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.

Morgan County issues all debt for the discretely presented Morgan County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2024.

Separate financial statements are provided for governmental funds and fiduciary funds. 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 Morgan 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 balance/fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Morgan County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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. 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. Morgan County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable 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.

Morgan 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the county’s garbage collection service. Local taxes and general service charges are the foundational revenues of this fund.

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.

General Capital Projects Fund – This fund is used to account for general construction projects of the county, American Rescue Plan Act expenditures of the county and for the receipt of debt issued by Morgan County and contributed to the school department for various capital projects.

Additionally, Morgan County reports the following fund type:

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 Morgan County, and property taxes collected for the city of Sunbright.

The discretely presented Morgan 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 the cafeteria operations in each of the schools. Service charges and federal grants 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 24) 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 23) 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 Morgan County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund and to the discretely presented school department's General Purpose School Fund. Morgan 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. Morgan County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than investments in the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectibles for the ambulance service receivables reflected in the General Fund consists of various amounts estimated based on the categories of the payee (Medicare, Medicaid, insurance companies, and individuals). The allowance for uncollectible property taxes is equal to 2.04 percent of total taxes levied.

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

Most payables are disaggregated on the face of the financial statements. Due to Other Governments on the Statement of Net Position for the primary government represents American Rescue Plan Act (\$481,027) and Local Assistance Tribal Consistency funds (\$50,000), respectively, received in advance.

3. **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 Morgan 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 Morgan County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Morgan 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.

4. **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 estimated useful life of three or more years and with an initial, individual cost based on the following table. 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.

Type	Amount
Land and Construction in Progress	\$ 1
Vehicles	5,000
Machinery and Equipment	5,000
Furniture and Fixtures	5,000
Land Improvements	25,000
Intangibles	25,000
Buildings and Improvements	50,000
Infrastructure (Roads and Bridges)	250,000

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:

Assets	Years
Buildings and Improvements	3 - 40
Other Capital Assets	3 - 30
Infrastructure	15 - 50

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

Primary Government

It is the primary government's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. 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 government. All vacation pay is accrued when incurred in the government-wide financial statements for 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 Morgan County School Department

It is the school department's policy to permit certain qualifying personnel to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to those employees upon separation from service. A liability for vacation and sick pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. 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, pension liabilities, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. 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 reports \$6,215,673 of restricted net position, of which \$78,657 is restricted by enabling legislation. This consists of Hotel/Motel Tax reflected in the account Restricted for Other Purposes of the primary government.

As of June 30, 2024, Morgan County had \$7,128,315 in outstanding debt for capital purposes for the discretely presented Morgan County School Department and \$355,132 in outstanding debt that benefits a joint venture industrial development board. This debt is a liability of Morgan County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Morgan 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. Restricted for Education in the General Debt Service Fund represents unexpended first-half sales tax revenues which must be used for educational purposes.

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 and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund consists of amounts assigned for encumbrances (\$183,700). Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances (\$1,268,461) and amounts appropriated for use in the 2024-25 budget (\$360,773).

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 Morgan County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Morgan 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 Morgan 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) Plan

Discretely Presented Morgan 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 Morgan 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 the governmental funds with the government-wide Statement of Net Position.

Discretely Presented Morgan County School Department

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

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

Primary Government

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

Discretely Presented Morgan 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 Statements of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted. All annual appropriations lapse at fiscal year-end.

The 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.

On June 30, 2024, Morgan County and the Morgan County School Department reported the following encumbrances:

Fund	Amount
Primary Government:	
Major Funds:	
General	\$ 183,700
Solid Waste/Sanitation	5,687
Highway/Public Works	120,582
General Capital Projects	224,524
Nonmajor governmental funds	231
School Department:	
Major Funds:	
General Purpose School	1,268,461
Central Cafeteria	634,887

B. Fund Deficit/Budgetary Basis Fund Deficit

The General Capital Projects Fund had a deficit in unassigned fund balance of \$119,003 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds (ALN 21.027). The grant expenditures can only be reported in April of each year. Morgan County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

Due to the recognition of year-end encumbrances of \$224,524 as budgetary basis expenditures, the General Capital Projects Fund reported a budgetary basis fund deficit of \$22,155 on June 30, 2024. That deficit is expected to be liquidated as GAAP basis expenditures are incurred and federal grant revenues are recognized.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission and board of education in the Career and Technical Education Program and Transportation major appropriations categories (the legal level of control) of the School Federal Projects Fund by \$384 and \$58, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the School Federal Projects Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

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

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

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

Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2024, other than the TCRS Stabilization Reserve Trust discussed below.

TCRS Stabilization Trust

Legal Provisions. The Morgan 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 Morgan 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, 2024, the Morgan 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	\$ 82,890
Developed Market International Equity	N/A	N/A	37,434
Emerging Market International Equity	N/A	N/A	10,696
U.S. Fixed Income	N/A	N/A	53,477
Real Estate	N/A	N/A	26,739
Short-term Securities	N/A	N/A	2,674
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>53,477</u>
Total			<u>\$ 267,387</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://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 627,952	\$ 0	\$ 0	\$ 627,952
Construction in Progress	48,075	79,237	0	127,312
Total Capital Assets Not Depreciated	<u>\$ 676,027</u>	<u>\$ 79,237</u>	<u>\$ 0</u>	<u>\$ 755,264</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,764,229	\$ 0	\$ 0	\$ 7,764,229
Infrastructure	2,520,470	0	0	2,520,470
Other Capital Assets	8,941,801	956,515	(221,860)	9,676,456
Total Capital Assets Depreciated	<u>\$ 19,226,500</u>	<u>\$ 956,515</u>	<u>\$ (221,860)</u>	<u>\$ 19,961,155</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,428,054	\$ 261,554	\$ 0	\$ 3,689,608
Infrastructure	819,445	78,235	0	897,680
Other Capital Assets	5,718,617	1,079,466	(194,857)	6,603,226
Total Accumulated Depreciation	<u>\$ 9,966,116</u>	<u>\$ 1,419,255</u>	<u>\$ (194,857)</u>	<u>\$ 11,190,514</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,260,384</u>	<u>\$ (462,740)</u>	<u>\$ (27,003)</u>	<u>\$ 8,770,641</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,936,411</u>	<u>\$ (383,503)</u>	<u>\$ (27,003)</u>	<u>\$ 9,525,905</u>

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

Governmental Activities:

General Government	\$ 212,980
Finance	20,869
Administration of Justice	45,984
Public Safety	214,825
Public Health and Welfare	434,947
Highway/Public Works	<u>489,650</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,419,255</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 9,525,905
Less:	
Outstanding principal of capital debt and other capital borrowings	(631,552)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(110,919)</u>
Net Investment in Capital Assets	<u><u>\$ 8,783,434</u></u>

Discretely Presented Morgan County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,112,193	\$ 0	\$ 0	\$ 1,112,193
Total Capital Assets Not Depreciated	<u>\$ 1,112,193</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,112,193</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 49,925,347	\$ 65,322	\$ 0	\$ 49,990,669
Other Capital Assets	15,234,818	1,352,283	(113,056)	16,474,045
Total Capital Assets Depreciated	<u>\$ 65,160,165</u>	<u>\$ 1,417,605</u>	<u>\$ (113,056)</u>	<u>\$ 66,464,714</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,731,877	\$ 1,215,245	\$ 0	\$ 39,947,122
Other Capital Assets	13,272,957	927,012	(113,056)	14,086,913
Total Accumulated Depreciation	<u>\$ 52,004,834</u>	<u>\$ 2,142,257</u>	<u>\$ (113,056)</u>	<u>\$ 54,034,035</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,155,331</u>	<u>\$ (724,652)</u>	<u>\$ 0</u>	<u>\$ 12,430,679</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 14,267,524</u></u>	<u><u>\$ (724,652)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 13,542,872</u></u>

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

Governmental Activities:

Instruction	\$ 209,679
Support Services	1,803,386
Operation of Non-instructional Services	<u>129,192</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,142,257</u></u>

C. Construction Commitments

On June 30, 2024, the General Capital Projects Fund had uncompleted contracts of \$223,609 for sewer system replacement. Funding will be received subsequent to year end for these future expenditures through federal grant revenues and matching funds from utility districts.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,318
Discretely Presented		
School Department:		
General Purpose School	School Federal Projects	372
Central Cafeteria	General Purpose School	85,985

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, 2024, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Solid Waste/ Sanitation Fund
General Capital Projects Fund	\$ 60,000	\$ 2,393
Total	\$ 60,000	\$ 2,393

The transfer to the General Fund represents funding for a sheriff's vehicle from American Rescue Plan Act (ARPA) funds. The transfer to the Solid Waste/Sanitation Fund is for additional funding towards a litter truck from ARPA funds.

Discretely Presented Morgan County School Department

	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
Transfers Out			
General Purpose School Fund	\$ 0	\$ 300,000	Cash flow
School Federal Projects Fund	268,284	0	Indirect costs
Total	<u>\$ 268,284</u>	<u>\$ 300,000</u>	

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds - Morgan 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 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Morgan County issues capital outlay notes and 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 and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Morgan County had no outstanding capital outlay notes or other loans on June 30, 2024.

General obligation bonds outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Refunding Bonds	2 to 5 %	6-1-32	\$ 13,620,000	\$ 8,115,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 1,380,000	\$ 237,030	\$ 1,617,030
2026	1,435,000	188,430	1,623,430
2027	1,170,000	133,240	1,303,240
2028	880,000	105,580	985,580
2029	895,000	83,600	978,600
2030-2032	2,355,000	123,500	2,478,500
Total	\$ 8,115,000	\$ 871,380	\$ 8,986,380

There is \$3,560,585 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$386, based on the 2020 federal census. Total debt per capita including bonds and unamortized debt premiums, totaled \$409, based on the 2020 federal census.

During the year, the discretely presented Morgan County School Department contributed \$1,193,346 to the primary government's General Debt Service Fund to be applied to the retirement of school related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Bonds
Balance, July 1, 2023	\$ 9,490,000
Reductions	(1,375,000)
Balance, June 30, 2024	<u>\$ 8,115,000</u>
Balance Due Within One Year	<u>\$ 1,380,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 8,115,000
Less: Balance Due Within One Year - Debt	(1,380,000)
Add: Unamortized Premium on Debt	<u>494,918</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,229,918</u>

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Net Pension Liability - Agent Plan	Landfill Postclosure Care Costs
Balance, July 1, 2023	\$ 318,124	\$ 367,228	\$ 46,413
Additions	250,843	1,742,213	0
Reductions	(308,893)	(1,862,981)	(22,325)
Balance, June 30, 2024	<u>\$ 260,074</u>	<u>\$ 246,460</u>	<u>\$ 24,088</u>
Balance Due Within One Year	<u>\$ 104,030</u>	<u>\$ 0</u>	<u>\$ 23,206</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 530,622
Less: Balance Due Within One Year - Other	<u>(127,236)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 403,386</u>

Compensated absences and net pension liability will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Morgan County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Morgan County School Department for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Net Pension Liability - Agent Plan	Compensated Absences
Balance July 1, 2023	\$ 4,423,164	\$ 299,490	\$ 418,116
Additions	720,051	1,584,425	656,144
Reductions	(718,358)	(1,662,087)	(370,757)
Balance June 30, 2024	<u>\$ 4,424,857</u>	<u>\$ 221,828</u>	<u>\$ 703,503</u>
Balance Due Within One Year	<u>\$ 363,957</u>	<u>\$ 0</u>	<u>\$ 106,311</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 5,350,188
Less: Balance Due Within One Year - Other	<u>(470,268)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,879,920</u>

These long-term obligations will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Morgan County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2024, were \$54,660. 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***

Morgan County carries commercial insurance for employee health. Retirees are not allowed to participate in the health plan.

The discretely presented Morgan 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.

Morgan County and the discretely presented Morgan County School Department also 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 the 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.

B. Accounting Change

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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, based on information from attorneys for the county, estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

D. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require Morgan County to place a final cover on its sanitary 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. Morgan County closed its sanitary landfill in 1995. The \$24,088 reported as postclosure care liability on June 30, 2024, represents amounts based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Ninth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Ninth Judicial District, Meigs, Morgan, Loudon, and Roane counties, and various cities within this district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Morgan County made no contributions to the DTF for the year ended June 30, 2024, 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 District Attorney General
Ninth Judicial District
1008 Bradford Way
Kingston, TN 37763

Morgan County entered into an agreement with the counties of Cumberland and Roane to establish an Industrial Development Board to purchase land for the development of a joint industrial park. Cumberland, Morgan, and Roane counties jointly own the park. The agreement established a nine-member board with each county appointing three members and having responsibility for one-third of the entity's funding. Morgan County made no contributions to the board for the year ended June 30, 2024. Complete financial statements for the Industrial Development Board can be obtained from its administrative office at the following address:

Administrative Office:

The Industrial Development Board of the Counties of
Cumberland, Morgan, and Roane, Tennessee
34 South Main Street
Crossville, TN 38555

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Morgan County and non-certified employees of the discretely presented Morgan 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 52.63 percent, the non-certified employees of the discretely presented school department comprise 47.37 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	223
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	760
Active Employees	378
Total	<u><u>1,361</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. Morgan County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contributions for Morgan County were \$835,269 based on a rate of 6.07 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Morgan 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)

Morgan County's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2023, 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, 2023, 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 reflect more closely actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Morgan 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	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2022	\$ 31,402,613	\$ 30,735,895	\$ 666,718
Changes for the Year:			
Service Cost	\$ 1,117,377	\$ 0	\$ 1,117,377
Interest	2,156,056	0	2,156,056
Differences Between Expected and Actual Experience	(147,152)	0	(147,152)
Contributions-Employer	0	671,952	(671,952)
Contributions-Employees	0	620,292	(620,292)
Net Investment Income	0	2,069,338	(2,069,338)
Benefit Payments, Including Refunds of Employee Contributions	(1,156,832)	(1,156,832)	0
Administrative Expense	0	(36,871)	36,871
Net Changes	\$ 1,969,449	\$ 2,167,879	\$ (198,430)
Balance, June 30, 2023	\$ 33,372,062	\$ 32,903,774	\$ 468,288

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	52.63%	\$ 17,563,716	\$ 17,317,256	\$ 246,460
School Department	47.37%	15,808,346	15,586,518	221,828
Total		\$ 33,372,062	\$ 32,903,774	\$ 468,288

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Morgan 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 percent) or one percentage point higher (7.75 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 5,272,132 \$ 468,288 \$ (3,469,893)

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, 2024, Morgan County recognized pension expense of \$1,337,069.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Morgan 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	\$ 754,438	\$ 307,763
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	248,295	0
Changes in Assumptions	685,496	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	835,269	N/A
Total	<u>\$ 2,523,498</u>	<u>\$ 307,763</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,327,542	\$ 161,976
School Department	1,195,956	145,787
Total	<u>\$ 2,523,498</u>	<u>\$ 307,763</u>

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

Year Ending June 30	Amount
2025	\$ 668,257
2026	67,212
2027	643,262
2028	1,732
2029	0
Thereafter	0

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

Payable to the Pension Plan

On June 30, 2024, Morgan County reported a payable of \$90,652 for the outstanding amount of contributions due to the pension plan at year ended June 30, 2024.

Discretely Presented Morgan County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Morgan County and non-certified employees of the discretely presented Morgan 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 52.63 percent and the non-certified employees of the discretely presented school department comprise 47.37 percent of the plan based on contribution data.

Discretely Presented Morgan County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Morgan 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, 2024, to the Teacher Retirement Plan were \$149,706 which is 2.95 percent of covered payroll. In addition, employer contributions of \$50,315 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). On June 30, 2024, the school department reported a liability (asset) of (\$74,699) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .176163 percent. The proportion as of June 30, 2022, was .141775 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$92,630.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 2,516	\$ 43,600
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	18,992	0
Changes in Assumptions	56,199	0
Changes in Proportion of Net Pension Liability (Asset)	6,512	31,735
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	149,706	N/A
Total	\$ 233,925	\$ 75,335

The school department's employer contributions of \$149,706 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, 2025. 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
2025	\$ (2,256)
2026	(5,020)
2027	24,277
2028	(562)
2029	(446)
Thereafter	(7,109)

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, 2023, 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, 2023, 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 reflect more closely actual and expected future experience.

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

return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset)	\$ 343,613	\$ (74,699)	\$ (375,850)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

On June 30, 2024, the Morgan County School Department reported a payable of \$6,238 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

Discretely Presented Morgan County School Department – Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Morgan 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 Morgan County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$645,872, which is 6.81 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). On June 30, 2024, the school department reported a liability (asset) of (\$3,547,361) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .300885 percent. The proportion measured on June 30, 2022, was .311823 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$1,004,514.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 845,162	\$ 164,621
Changes in Assumptions	1,155,827	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	615,485	0
Changes in Proportion of Net Pension Liability (Asset)	266,798	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	645,872	N/A
Total	<u>\$ 3,529,144</u>	<u>\$ 164,621</u>

The school department's employer contributions of \$645,872 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in the net pension liability (asset) in the year ending June 30, 2025. 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
2025	\$ 962,303
2026	(402,711)
2027	2,154,238
2028	4,821
2029	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, 2023, 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, 2023, 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 reflect more closely actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset)	\$	7,726,400	\$	(3,547,361)	\$	(12,923,952)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

On June 30, 2024, the Morgan County School Department reported a payable of \$17,970 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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 \$229,826 and teachers contributed \$150,568 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

The Morgan County primary government does not provide OPEB to its retirees. The discretely presented Morgan County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Plan Description. Employees of the Morgan 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. Post-65 certified retirees of Morgan County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, actuarial valuation 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	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over an 11- year period to an ultimate trend rate of 4.5%.
Retirees Share of Benefit	
Related Cost	Discussed under benefits provided

The discount rate was 3.65 percent, based on the daily rate of the Bond Buyer's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2022, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted teacher below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased 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 2023 plan year was revised from 8.37 percent to 10.31 percent.

Benefits Provided. The Morgan County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with 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. The Morgan County School Department provides \$2,000 per year to eligible retirees, increasing to \$3,000 per year during the 2023-2024 fiscal year, for a maximum of five years following retirement or until the retiree is eligible for Medicare. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees Eligible for Benefits	250
Total	<u>264</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 \$85,623 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Morgan County School Department	State of TN	Total OPEB Liability
	63.6833%	36.3167%	
Balance July 1, 2022	\$ 4,423,164	\$ 2,378,255	\$ 6,801,419
Changes for the Year:			
Service Cost	\$ 206,693	\$ 117,871	\$ 324,564
Interest	158,699	90,501	249,200
Difference between Expected and Actual Experience	(515,497)	(293,972)	(809,469)
Changes in Assumption	354,659	202,251	556,910
Change in Proportion	(91,799)	91,799	0
Benefit Payments	(111,062)	(63,336)	(174,398)
Net Changes	\$ 1,693	\$ 145,114	\$ 146,807
Balance June 30, 2023	\$ 4,424,857	\$ 2,523,369	\$ 6,948,226

The Morgan 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 Morgan 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 \$224,087 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Morgan County School Department's proportionate share of the collective OPEB liability was 63.6833% and the State of Tennessee's share was 36.3167%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$588,044 including the state's share of the expense. On June 30, 2024, 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	\$ 418,853	\$ 794,118
Changes of Assumptions	858,647	416,312
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	137,783	218,923
Benefits Paid After the Measurement Date of June 30, 2023	85,623	0
Total	<u>\$ 1,500,906</u>	<u>\$ 1,429,353</u>

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

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

Year Ending June 30	School Department
2025	\$ (1,435)
2026	(1,435)
2027	(1,435)
2028	4,208
2029	10,062
Thereafter	(24,035)

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	
	1%	Discount	1%
	Decrease	Rate	Increase
	2.65%	3.65%	4.65%

Proportionate Share of the
Collective Total OPEB
Liability

\$ 4,738,174 \$ 4,424,857 \$ 4,123,013

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

<u>Healthcare Cost Trend Rate</u>		Curent	
	1%	Rates	1%
	Decrease		Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the
Collective Total OPEB
Liability

\$ 3,976,131 \$ 4,424,857 \$ 4,939,280

H. Termination Benefits – Retirement Bonus

The Morgan County Board of Education offers a one-time payment of \$5,000 to eligible employees as a retirement bonus. During the 2023-24 year, 1 employee received the bonus. The financial statements of this report reflect expenditures of \$5,000 in the General Purpose School Fund for the retirement incentive payment, and there is no further liability to the retiree under the incentive plan.

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves

as the purchasing agent for Morgan County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 are required to be competitively bid.

K Subsequent Events

On July 1, 2024, David Treece left the Office of Director of Schools and was succeeded by Jamie Pemberton.

On February 18, 2025, Sheriff Wayne Potter passed away. As of the date of this report, a successor has not been named.

VI. OTHER NOTES – DISCRETELY PRESENTED MORGAN COUNTY ECONOMIC DEVELOPMENT BOARD, INC.

A. Summary of Significant Accounting Policies

The Morgan County Economic Development Board, Inc. (the board) is a tax-exempt nonprofit organization which assists, recruits, and develops industry by purchasing land and building facilities for industries that employ Morgan County, Tennessee residents. The board is considered a component unit of Morgan County, Tennessee as its Board of County Commissioners appoints members to the board.

Financial Reporting Entity

The board's basic financial statements include the accounts of all its operations.

Basis of Presentation

The financial statements of the board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The board applies all GASB pronouncements.

As of July 1, 2019, management and the board's directors determined the financial operations of the board should be accounted for and presented as a proprietary fund. The board is primarily supported by charges for rent to lessees who occupy industrial buildings owned by the board. This fund type is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

Measurement Focus

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

The accompanying financial statements are reporting using the “economic resources measurement focus,” and the “accrual basis of accounting.” Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

GASB Statement No. 87, Leases

During the fiscal year ended June 30, 2022, the board implemented GASB Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources thereby enhancing the relevance and consistency of information about leasing activities. The implementation of GASB No. 87 had no effect on the beginning net position of the board as of July 1, 2022, since the lease receivable equaled the related deferred inflow of resources for the existing leases where the board acted as the lessor of those agreements. Changes will be reflected for both items in future years as collections are received from the lessee.

Deferred Outflows and Deferred Inflows

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

The board presently has no items required to be reported as a deferred outflow and one item required to be reported as a deferred inflow, deferred lease receivable, pertaining to their prior adoption of GASB Statement No. 87, *Leases* as discussed above.

Recently Issued and Adopted Accounting Pronouncements

GASB has issued the following recent statements and implementation guide that are effective in the current fiscal year:

Statement No. 100, *Accounting Changes and Error Corrections*- an amendment of GASB Statement No. 62. Implementation Guide No. 2023-1, *Implementation Guidance Update-2023*.

The adoption of this statement was followed pertaining to a prior period adjustment reflected in the financial statements of the board, see Note VI.J. to the financial statements.

Income Tax Status

The board is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. However, any unrelated business income may be subject to taxation.

Cash and Cash Equivalents

For purposes of these financial statements, the board considers all highly liquid investments (including restricted assets) having an original maturity date of less than three months to be cash equivalents.

Capital Assets and Depreciation

All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair market values as of the date received. Major additions and improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged to operations. Only items over \$300 are capitalized. All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Assets	Years
Machinery and Equipment	5 - 10
Buildings	31.5 - 40

Use of Estimates

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

Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the board include rental and sales tax revenue. Operating expenses include personnel costs, contractual services, and expenses related to special projects. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Long-Term Obligations

Long-term debt and other obligations are reported as board liabilities. The board does not engage in conduit debt transactions. The board's policy is to apply current assets to the required bond and interest payments as they become due.

Revenue Note

The board issued sales tax increment revenue notes during fiscal years 2022 and 2024, for \$2,700,000 and \$2,300,000, respectively.

Direct Borrowing and Direct Placements

The board issued two community development district sales tax revenue notes and one bank loan to provide funds for the capital acquisitions and construction of real property and land improvements for rent to industries and support general capital improvements to tourism facilities in Morgan County. The revenue notes and bank loan are direct obligations and pledge the full faith and credit of the board and in some cases the underlying capital asset constructed or purchased from the note/loan proceeds. The revenue notes require payments of note principal and interest annually from state and local sales tax revenue generated from the community development district at the Brushy Mountain Prison until the notes are repaid. This period is anticipated to be approximately seven years. The bank loan outstanding was issued for an original term of 10 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the loan.

B. Cash and Cash Equivalents and Investments

On June 30, 2024, cash and cash equivalents totaled \$349,597 in local bank checking accounts. The accounts are insured through FDIC Insurance Coverage with any remaining balance exceeding \$250,000 uncollateralized, as the board is classified as a not-for-profit entity. As of June 30, 2024, there were no uninsured or uncollateralized balances. The board's investments, totaling \$1,850,000, are all local, regional and national bank FDIC insured certificates of deposit. The recorded cost for the certificates of deposit approximated market value as of June 30, 2024.

C. Accounts Receivable

Accounts receivable on June 30, 2024, consisted of the following:

State Sales Tax - Comm. Dev. District	\$ 199,777
Local Sales Tax - Comm. Dev. District	<u>35,982</u>
	<u><u>\$ 235,759</u></u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 7-1-23	Additions	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 124,253	\$ 0	\$ 124,253
Construction in Progress	1,876,366	2,187,666	4,064,032
Total Capital Assets, Not Depreciated	<u>\$ 2,000,619</u>	<u>\$ 2,187,666</u>	<u>\$ 4,188,285</u>
Capital Assets, Depreciated:			
Buildings and Improvements	\$ 3,662,897	\$ 0	\$ 3,662,897
Equipment	2,984	0	2,984
Total Capital Assets, Depreciated	<u>\$ 3,665,881</u>	<u>\$ 0</u>	<u>\$ 3,665,881</u>
Accumulated Depreciation:			
Buildings and Improvements	\$ 796,184	\$ 128,865	\$ 925,049
Equipment	2,983	0	2,983
Total Accumulated Depreciation	<u>\$ 799,167</u>	<u>\$ 128,865</u>	<u>\$ 928,032</u>
Capital Assets Being Depreciated, Net	<u>\$ 2,866,714</u>	<u>\$ (128,865)</u>	<u>\$ 2,737,849</u>
Total Capital Assets, Net	<u>\$ 4,867,333</u>	<u>\$ 2,058,801</u>	<u>\$ 6,926,134</u>

Depreciation expense charged to the statement of activities of the board for the year ended June 30, 2024, totaled \$128,865.

E. Long-Term Debt

For the year ended June 30, 2024, the changes in long-term debt were as follows:

Description	Balance 7-1-23	Proceeds	Payments	Balance 6-30-24	Amounts Due Within One Year
Direct Borrowing and Placements:					
Bank Note Payable - 2021	\$ 787,602	\$ 0	\$ 91,470	\$ 696,132	\$ 95,435
Sales Tax Increment					
Revenue Note - 2022	2,606,170	0	163,743	2,442,427	170,789
Sales Tax Increment					
Revenue Note - 2024	0	2,300,000	0	2,300,000	112,784
	<u>\$ 3,393,772</u>	<u>\$ 2,300,000</u>	<u>\$ 255,213</u>	<u>\$ 5,438,559</u>	<u>\$ 379,008</u>

These notes are considered direct placement of debt by the Board.

The Bank Note Payable was issued December 11, 2020, in the amount of \$1,000,000. The note bears interest at a 4.25% annual rate for the first 60 months of the loan and is estimated to be matured by December 2030. After the first 60 monthly payment installments the interest rate becomes a variable calculated rate based on the “Wall Street Journal” daily published interest rate plus 1% until maturity of the note. The note requires monthly payments, including interest and principal, totaling \$10,261. The note is secured by board owned property and an industrial building with a net book value of approximately \$4,500,000.

In a prior year, the board issued a Sales Tax Increment Revenue Note with an interest rate of 7.25% totaling \$850,000 and requiring annual interest and principal payments be made each September through 2025. On November 16, 2022, the board issued Sales Tax Increment Revenue Note, Series 2022 totaling \$2,700,000 with an interest rate of 4%. The proceeds were used to pay off the remaining principal balance of the original \$850,000 note, establish a debt service escrow account, pay debt issuance cost and reimbursed the developer for eligible site development cost of the Brushy Mountain Prison tourism development site owned by the board and operated by the developer. The Series 2022 Note matures on November 14, 2029, and requires the monthly payment of principal and interest totaling \$22,225 with funding from prior year receipts of state and local development site allocated sales taxes. If the state and local incremental sales tax does not provide funding sufficient to pay the required monthly payments, the tourism site developer, Brushy Mountain, LLC is required to provide the additional funding required for the annual debt service payments. On March 12, 2024, the board issued Sales Tax Increment Revenue Note, Series 2024 totaling \$2,300,000 with an interest rate of 4.92%. The proceeds were used to contribute funds to the debt service escrow account established by the Series 2022 Note, pay debt issuance cost and reimbursed the developer for eligible site development cost of the Brushy Mountain Prison tourism development site owned by the board and operated by the developer. The Series 2024 Note matures March 12, 2031. The Series 2024 Note requires payments of interest only through September 2024. On October 10, 2024, monthly payments of principal and interest totaling \$21,680 commence, with funding from prior year receipts of state and local development site allocated sales taxes. If the state and local incremental sales tax does not provide funding sufficient to pay the required monthly payments, the tourism site developer, Brushy Mountain, LLC, is required to provide the additional funding required for the annual debt service payments. The board and Brushy Mountain, LLC and related companies have pledged the land and development improvements of the Brushy Mountain State Prison development site as additional collateral to the lender of Sales Tax Increment Revenue Notes, Series 2022 and Series 2024.

Maturities of long-term debt are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 379,008	\$ 236,479	\$ 615,487
2026	435,138	217,977	653,115
2027	453,837	198,312	652,149
2028	473,957	178,192	652,149
2029	495,882	156,267	652,149
2030-2031	3,200,737	149,444	3,350,181
Total	\$ 5,438,559	\$ 1,136,671	\$ 6,575,230

F. Lease Revenue

As of July 1, 2021, the board leased manufacturing facilities, warehouses, and land to several tenants under several lease agreements with original terms from ten to fifteen years in duration. As required by GASB No. 87, *Leases*, the net present value of the future lease payments were evaluated as of July 1, 2021, using incremental borrowing rates ranging from 4.25% to 6% per annum determined from existing bank loans on the facilities. A lease receivable and a deferred inflow of resources were recorded for the net present value of the estimated future lease payments. Estimated remaining future lease revenue and related interest income as of June 30, 2024, are as follows:

Year Ending June 30	Lease Revenue	Interest Income	Total
2025	\$ 109,996	\$ 34,649	\$ 144,645
2026	119,187	29,797	148,984
2027	128,909	24,544	153,453
2028	139,190	18,867	158,057
2029	150,056	12,743	162,799
Thereafter	217,484	6,640	224,124
Total	\$ 864,822	\$ 127,240	\$ 992,062

The board receives 100% of its lease and short-term rental income from two lessees.

G. Other Rental Expense

The board paid short term rental expense for the year ended June 30, 2024, totaled \$500. This expense was not connected with any rental agreement by the board.

H. Risk Management

The board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. The board purchases commercial insurance for all these risks of loss. Settled claims have not exceeded this commercial coverage in any of the last three years.

I. Note Receivable

The board advanced Brushy Mountain Group, LLC \$750,000 through the issuance of two promissory notes. The first note agreement issued on March 7, 2023, for \$250,000 bears interest at 4% per annum with interest paid monthly and principal due each April 15th in the amount of \$50,000 from April 15, 2024, to April 15, 2028. The second note issued on June 7, 2023, for \$500,000 bears interest at 5% per annum with interest paid monthly and principal due each June 1st in the amount of \$100,000 from June 1, 2024, to June 1, 2028.

J. Error Correction

During the fiscal year ending June 30, 2023, the board issued a Sales Tax Increment Revenue Note, Series 2022 on November 16, 2022, totaling \$2,700,000 that was not reflected in the financial statements of the board as of and for the period ending June 30, 2023. Management is reflecting this correction of an error in the June 30, 2024, financial statements along with the financial transactions associated with the servicing of principal and interest payments of this loan as prior period adjustments. The Series 2022 Note extinguished the remaining balance of an existing Sales Tax Increment Revenue Note on November 16, 2022, provided funding for a debt service escrow payment account, paid debt issuance cost and reimbursed a developer for eligible tourism development site cost for the board's Brushy Mountain tourism development site. As of June 30, 2023, the error correction increased cash by \$67,739, increased capital assets for construction in progress by \$1,876,366, decreased accrued interest expense liability by \$24,740, increased overall notes payable by \$2,078,855 and reduced net position by \$110,010.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit E-1

MORGAN 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	2023
Total Pension Liability										
Service Cost	\$ 620,520	\$ 638,132	\$ 673,862	\$ 691,696	\$ 736,806	\$ 776,954	\$ 815,420	\$ 857,841	\$ 1,018,619	\$ 1,117,377
Interest	1,210,817	1,270,858	1,343,645	1,419,378	1,485,577	1,564,029	1,667,511	1,797,042	1,923,374	2,156,056
Differences Between Actual and Expected Experience	(272,625)	(126,191)	(184,982)	(360,611)	(228,162)	40,067	263,137	(789,593)	1,508,876	(147,152)
Changes in Assumptions	0	0	0	591,251	0	0	0	2,741,987	0	0
Benefit Payments, Including Refunds of Employee Contributions	(745,620)	(805,944)	(890,122)	(791,058)	(851,223)	(1,053,321)	(931,039)	(1,072,671)	(1,048,147)	(1,156,832)
Net Change in Total Pension Liability	\$ 813,092	\$ 976,855	\$ 942,403	\$ 1,550,656	\$ 1,142,998	\$ 1,327,729	\$ 1,815,029	\$ 3,534,606	\$ 3,402,722	\$ 1,969,449
Total Pension Liability, Beginning	15,896,523	16,709,615	17,686,470	18,628,873	20,179,529	21,322,527	22,650,256	24,465,285	27,999,891	31,402,613
Total Pension Liability, Ending (a)	\$ 16,709,615	\$ 17,686,470	\$ 18,628,873	\$ 20,179,529	\$ 21,322,527	\$ 22,650,256	\$ 24,465,285	\$ 27,999,891	\$ 31,402,613	\$ 33,372,062
Plan Fiduciary Net Position										
Contributions - Employer	\$ 578,610	\$ 621,625	\$ 642,161	\$ 670,382	\$ 664,868	\$ 718,932	\$ 410,830	\$ 268,827	\$ 274,101	\$ 671,952
Contributions - Employee	402,265	400,020	413,779	432,431	451,079	488,891	479,640	533,329	596,540	620,292
Net Investment Income	2,419,366	530,200	475,267	2,111,933	1,743,554	1,707,149	1,223,250	6,629,515	(1,226,873)	2,069,338
Benefit Payments, Including Refunds of Employee Contributions	(745,620)	(805,944)	(890,122)	(791,058)	(851,223)	(1,053,321)	(931,039)	(1,072,671)	(1,048,147)	(1,156,832)
Administrative Expense	(12,384)	(16,019)	(24,544)	(28,749)	(32,604)	(29,797)	(29,095)	(32,174)	(36,793)	(36,871)
Other	0	0	1,556	2,014	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,642,237	\$ 729,882	\$ 618,097	\$ 2,396,953	\$ 1,975,674	\$ 1,831,854	\$ 1,153,586	\$ 6,326,826	\$ (1,441,172)	\$ 2,167,879
Plan Fiduciary Net Position, Beginning	14,501,958	17,144,195	17,874,077	18,492,174	20,889,127	22,864,801	24,696,655	25,850,241	32,177,067	30,735,895
Plan Fiduciary Net Position, Ending (b)	\$ 17,144,195	\$ 17,874,077	\$ 18,492,174	\$ 20,889,127	\$ 22,864,801	\$ 24,696,655	\$ 25,850,241	\$ 32,177,067	\$ 30,735,895	\$ 32,903,774
Net Pension Liability (Asset), Ending (a - b)	\$ (434,580)	\$ (187,607)	\$ 136,699	\$ (709,598)	\$ (1,542,274)	\$ (2,046,399)	\$ (1,384,956)	\$ (4,177,176)	\$ 666,718	\$ 468,288
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.60%	101.06%	99.27%	103.52%	107.23%	109.03%	105.66%	114.92%	97.88%	98.60%
Covered Payroll	\$ 7,787,142	\$ 7,997,109	\$ 8,273,864	\$ 8,627,814	\$ 9,021,274	\$ 9,741,613	\$ 10,091,252	\$ 10,541,592	\$ 11,917,169	\$ 12,258,790
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(5.58%)	(2.35%)	1.65%	(8.22%)	(17.10%)	(21.01%)	(13.72%)	(39.63%)	5.59%	3.82%

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-2

MORGAN 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 621,625	\$ 642,161	\$ 670,382	\$ 664,868	\$ 718,932	\$ 410,830	\$ 268,827	\$ 274,101	\$ 671,952	\$ 835,269
Less: Contributions in Relation to the Actuarially Determined Contribution	(621,625)	(642,161)	(670,382)	(664,868)	(718,932)	(410,830)	(268,827)	(274,101)	(671,952)	(835,269)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,997,109	\$ 8,273,864	\$ 8,627,814	\$ 9,021,274	\$ 9,741,613	\$ 10,091,252	\$ 10,541,592	\$ 11,917,169	\$ 12,258,790	\$ 13,762,319
Contributions as a Percentage of Covered Payroll	7.77%	7.76%	7.77%	7.37%	7.38%	4.07%	2.55%	2.30%	5.48%	6.07%

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.

MORGAN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Retirement Plan of TCRS**

Discretely Presented Morgan County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 17,591	\$ 28,248	\$ 33,434	\$ 45,201	\$ 25,466	\$ 29,790	\$ 35,736	\$ 48,664	\$ 100,564	\$ 149,706
Less: Contributions in Relation to the Contractually Required Contribution	(17,591)	(28,248)	(33,434)	(45,201)	(25,466)	(29,790)	(35,736)	(48,664)	(100,564)	(149,706)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 439,780	\$ 706,201	\$ 864,376	\$ 1,130,022	\$ 1,312,643	\$ 1,467,520	\$ 1,769,113	\$ 2,421,076	\$ 3,522,752	\$ 5,074,761
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.87%	4.00%	1.94%	2.03%	2.02%	2.01%	2.85%	2.95%

Note: 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%

2024: Pension - 2.95%, SRT - 1.05%

MORGAN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Legacy Pension Plan of TCRS**

Discretely Presented Morgan County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,047,412	\$ 1,046,060	\$ 1,038,907	\$ 1,002,173	\$ 1,120,822	\$ 1,204,798	\$ 1,078,185	\$ 1,056,977	\$ 848,481	\$ 645,872
Less: Contributions in Relation to the Contractually Required Contribution	(1,047,412)	(1,046,060)	(1,038,907)	(1,002,173)	(1,120,822)	(1,204,798)	(1,078,185)	(1,056,977)	(848,481)	(645,872)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,586,423	\$ 11,571,453	\$ 11,471,693	\$ 11,037,132	\$ 10,715,323	\$ 10,611,002	\$ 10,500,660	\$ 10,263,669	\$ 9,760,472	\$ 9,485,280
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.06%	9.08%	10.46%	11.35%	10.27%	10.30%	8.69%	6.81%

MORGAN COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Liability (Asset)****in the Teacher Retirement Plan of TCRS**

Discretely Presented Morgan County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.207293%	0.160499%	0.127350%	0.129312%	0.124046%	0.116292%	0.122581%	0.141775%	0.176163%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (8,515)	\$ (16,708)	\$ (33,600)	\$ (58,647)	\$ (70,022)	\$ (66,128)	\$ (132,782)	\$ (42,947)	\$ (74,699)
Covered Payroll	\$ 439,780	\$ 706,201	\$ 864,376	\$ 1,130,022	\$ 1,312,643	\$ 1,467,520	\$ 1,769,113	\$ 2,421,076	\$ 3,522,752
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(3.89%)	(5.19%)	(5.33%)	(4.51%)	(7.51%)	(1.77%)	(2.12%)
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%	104.97%

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

MORGAN COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Liability (Asset)****in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Morgan County School Department

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.299122%	0.309507%	0.320557%	0.325106%	0.315196%	0.319560%	0.340537%	0.319861%	0.311823%	0.300885%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (48,606)	\$ 126,785	\$ 2,003,303	\$ (106,369)	\$ (1,109,149)	\$ (3,285,654)	\$ (2,596,843)	\$ (13,796,391)	\$ (3,824,217)	\$ (3,547,361)
Covered Payroll	\$ 11,740,509	\$ 11,586,423	\$ 11,571,453	\$ 11,471,693	\$ 11,037,132	\$ 10,715,323	\$ 10,611,002	\$ 10,500,660	\$ 10,263,669	\$ 9,760,472
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(41.40%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(24.47%)	(131.39%)	(37.26%)	(36.34%)
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%	104.11%

MORGAN COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**

Discretely Presented Morgan County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 239,607	\$ 221,639	\$ 195,063	\$ 165,380	\$ 299,931	\$ 374,245	\$ 324,564
Interest	116,745	142,465	115,316	121,547	124,112	144,828	249,200
Changes in Benefit Terms	0	0	0	1,292,450	0	0	0
Differences Between Actual and Expected Experience	0	(1,131,168)	387,727	(20,804)	(41,555)	634,569	(809,469)
Changes in Assumptions or Other Inputs	(185,975)	122,007	(268,002)	576,913	754,148	(620,987)	556,910
Benefit Payments	(139,616)	(157,822)	(132,684)	(113,241)	(120,436)	(123,312)	(174,398)
Net Change in Total OPEB Liability	\$ 30,761	\$ (802,879)	\$ 297,420	\$ 2,022,245	\$ 1,016,200	\$ 409,343	\$ 146,807
Total OPEB Liability, Beginning	3,828,329	3,859,090	3,056,211	3,353,631	5,375,876	6,392,076	6,801,419
Total OPEB Liability, Ending	<u>\$ 3,859,090</u>	<u>\$ 3,056,211</u>	<u>\$ 3,353,631</u>	<u>\$ 5,375,876</u>	<u>\$ 6,392,076</u>	<u>\$ 6,801,419</u>	<u>\$ 6,948,226</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,398,762	\$ 1,091,422	\$ 1,267,750	\$ 1,727,290	\$ 2,154,967	\$ 2,378,255	\$ 2,523,369
Employer Proportionate Share of the Total OPEB Liability	2,460,328	1,964,789	2,085,881	3,648,586	4,237,109	4,423,164	4,424,857
Covered Employee Payroll	\$ 12,303,161	\$ 15,172,129	\$ 16,791,940	\$ 16,985,634	\$ 17,327,608	\$ 18,480,978	\$ 19,709,967
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.00%	12.95%	12.42%	21.48%	24.45%	23.93%	22.45%

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%
2023	3.65%

(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%.
For the 2024 plan year - from 8.37 % to 10.31%.

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

MORGAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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.

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

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

MORGAN COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		
	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 0	\$ 1,318	\$ 1,318
Equity in Pooled Cash and Investments	61,964	0	61,964
Total Assets	<u>\$ 61,964</u>	<u>\$ 1,318</u>	<u>\$ 63,282</u>
LIABILITIES			
Due to Other Funds	\$ 0	\$ 1,318	\$ 1,318
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,318</u>	<u>\$ 1,318</u>
FUND BALANCES			
Restricted:			
Restricted for Public Safety	\$ 61,964	\$ 0	\$ 61,964
Total Fund Balances	<u>\$ 61,964</u>	<u>\$ 0</u>	<u>\$ 61,964</u>
Total Liabilities and Fund Balances	<u>\$ 61,964</u>	<u>\$ 1,318</u>	<u>\$ 63,282</u>

MORGAN COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Special Revenue Funds			
	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds	
Revenues				
Fines, Forfeitures, and Penalties	\$ 64,261	\$ 0	\$ 64,261	
Charges for Current Services	0	64,337	64,337	
Other Local Revenues	1,000	0	1,000	
Total Revenues	<u>\$ 65,261</u>	<u>\$ 64,337</u>	<u>\$ 129,598</u>	
Expenditures				
Current:				
General Government	\$ 0	\$ 63	\$ 63	
Finance	0	4,102	4,102	
Administration of Justice	0	60,172	60,172	
Public Safety	93,913	0	93,913	
Total Expenditures	<u>\$ 93,913</u>	<u>\$ 64,337</u>	<u>\$ 158,250</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (28,652)</u>	<u>\$ 0</u>	<u>\$ (28,652)</u>	
Net Change in Fund Balances	\$ (28,652)	\$ 0	\$ (28,652)	
Fund Balance, July 1, 2023	<u>90,616</u>	<u>0</u>	<u>90,616</u>	
Fund Balance, June 30, 2024	<u><u>\$ 61,964</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 61,964</u></u>	

MORGAN COUNTY, TENNESSEE

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 64,261	\$ 0	\$ 0	\$ 64,261	\$ 47,500	\$ 62,500	\$ 1,761
Other Local Revenues	1,000	0	0	1,000	0	0	1,000
Total Revenues	<u>\$ 65,261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,261</u>	<u>\$ 47,500</u>	<u>\$ 62,500</u>	<u>\$ 2,761</u>
Expenditures							
Public Safety							
Drug Enforcement	\$ 93,913	\$ (1,511)	\$ 231	\$ 92,633	\$ 30,650	\$ 95,650	\$ 3,017
Total Expenditures	<u>\$ 93,913</u>	<u>\$ (1,511)</u>	<u>\$ 231</u>	<u>\$ 92,633</u>	<u>\$ 30,650</u>	<u>\$ 95,650</u>	<u>\$ 3,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (28,652)</u>	<u>\$ 1,511</u>	<u>\$ (231)</u>	<u>\$ (27,372)</u>	<u>\$ 16,850</u>	<u>\$ (33,150)</u>	<u>\$ 5,778</u>
Net Change in Fund Balance	\$ (28,652)	\$ 1,511	\$ (231)	\$ (27,372)	\$ 16,850	\$ (33,150)	\$ 5,778
Fund Balance, July 1, 2023	<u>90,616</u>	<u>(1,511)</u>	<u>0</u>	<u>89,105</u>	<u>90,616</u>	<u>90,616</u>	<u>(1,511)</u>
Fund Balance, June 30, 2024	<u><u>\$ 61,964</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (231)</u></u>	<u><u>\$ 61,733</u></u>	<u><u>\$ 107,466</u></u>	<u><u>\$ 57,466</u></u>	<u><u>\$ 4,267</u></u>

MAJOR GOVERNMENTAL FUNDS

GENERAL DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

The General Capital Projects Fund is used to account for and report general capital expenditures and American Rescue Plan Act expenditures of the primary government.

MORGAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 126,417	\$ 99,750	\$ 99,750	\$ 26,667
Other Local Revenues	6	0	0	6
State of Tennessee	73,582	70,000	70,000	3,582
Other Governments and Citizens Groups	1,193,346	1,296,880	1,296,880	(103,534)
Total Revenues	<u>\$ 1,393,351</u>	<u>\$ 1,466,630</u>	<u>\$ 1,466,630</u>	<u>\$ (73,279)</u>
Expenditures				
Principal on Debt				
General Government	\$ 305,000	\$ 305,000	\$ 305,000	\$ 0
Education	1,070,000	1,070,000	1,070,000	0
Interest on Debt				
General Government	54,250	54,250	54,250	0
Education	226,880	226,880	226,880	0
Other Debt Service				
General Government	32,565	24,500	47,772	15,207
Total Expenditures	<u>\$ 1,688,695</u>	<u>\$ 1,680,630</u>	<u>\$ 1,703,902</u>	<u>\$ 15,207</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (295,344)</u>	<u>\$ (214,000)</u>	<u>\$ (237,272)</u>	<u>\$ (58,072)</u>
Net Change in Fund Balance	<u>\$ (295,344)</u>	<u>\$ (214,000)</u>	<u>\$ (237,272)</u>	<u>\$ (58,072)</u>
Fund Balance, July 1, 2023	<u>3,855,929</u>	<u>3,766,960</u>	<u>3,766,960</u>	<u>88,969</u>
Fund Balance, June 30, 2024	<u><u>\$ 3,560,585</u></u>	<u><u>\$ 3,552,960</u></u>	<u><u>\$ 3,529,688</u></u>	<u><u>\$ 30,897</u></u>

Exhibit G-2

MORGAN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
State of Tennessee	\$ 149,797	\$ 0	\$ 149,797	\$ 1,208,079	\$ 548,594	\$ (398,797)
Federal Government	1,883,019	0	1,883,019	6,065,278	8,227,119	(6,344,100)
Other Governments and Citizens Groups	55,940	0	55,940	208,860	264,800	(208,860)
Total Revenues	\$ 2,088,756	\$ 0	\$ 2,088,756	\$ 7,482,217	\$ 9,040,513	\$ (6,951,757)
Expenditures						
Other Operations						
American Rescue Plan Act Grant A	\$ 777,647	\$ 0	\$ 777,647	\$ 1,202,064	\$ 1,139,670	\$ 362,023
American Rescue Plan Act Grant B	0	0	0	50,000	50,000	50,000
Capital Projects						
Administration of Justice Projects	0	0	0	80,944	80,944	80,944
Public Safety Projects	85,925	0	85,925	0	86,015	90
Public Health and Welfare Projects	817,580	224,524	1,042,104	1,446,000	1,963,574	921,470
Social, Cultural, and Recreation Projects	78,390	0	78,390	836,058	836,058	757,668
Public Utility Projects	180,698	0	180,698	5,130,578	5,130,578	4,949,880
Other General Government Projects	6,129	0	6,129	224,903	224,903	218,774
Total Expenditures	\$ 1,946,369	\$ 224,524	\$ 2,170,893	\$ 8,970,547	\$ 9,511,742	\$ 7,340,849
Excess (Deficiency) of Revenues Over Expenditures	\$ 142,387	\$ (224,524)	\$ (82,137)	\$ (1,488,330)	\$ (471,229)	\$ 389,092
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 55,940	\$ 0	\$ 0
Transfers Out	(62,393)	0	(62,393)	0	(62,393)	0
Total Other Financing Sources	\$ (62,393)	\$ 0	\$ (62,393)	\$ 55,940	\$ (62,393)	\$ 0
Net Change in Fund Balance	\$ 79,994	\$ (224,524)	\$ (144,530)	\$ (1,432,390)	\$ (533,622)	\$ 389,092
Fund Balance, July 1, 2023	122,375	0	122,375	1,549,918	1,549,918	(1,427,543)
Fund Balance, June 30, 2024	\$ 202,369	\$ (224,524)	\$ (22,155)	\$ 117,528	\$ 1,016,296	\$ (1,038,451)

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 cities of the county. These revenues are received by the county from the state of Tennessee and forwarded to the various cities on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for city property taxes levied by the city of Sunbright and collected by the county trustee for the benefit of the city. These revenues are forwarded to the city of Sunbright monthly.

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.

MORGAN COUNTY, TENNESSEE
Combining Statement of Net Position
Custodial Funds
June 30, 2024

	Custodial Funds			
	Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
ASSETS				
Cash	\$ 0	\$ 0	\$ 1,082,461	\$ 1,082,461
Due from Other Governments	92,306	0	0	92,306
Property Taxes Receivable	0	62,675	0	62,675
Total Assets	<u>\$ 92,306</u>	<u>\$ 62,675</u>	<u>\$ 1,082,461</u>	<u>\$ 1,237,442</u>
LIABILITIES				
Due to Other Taxing Units	\$ 92,306	\$ 8,158	\$ 0	\$ 100,464
Total Liabilities	<u>\$ 92,306</u>	<u>\$ 8,158</u>	<u>\$ 0</u>	<u>\$ 100,464</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 0	\$ 54,517	\$ 0	\$ 54,517
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 54,517</u>	<u>\$ 0</u>	<u>\$ 54,517</u>
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,082,461</u>	<u>\$ 1,082,461</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,082,461</u>	<u>\$ 1,082,461</u>

MORGAN COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Custodial Funds			
	Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
Additions				
Sales Tax Collections for Other Governments	\$ 545,576	\$ 0	\$ 0	\$ 545,576
Property Tax Collections for Other Governments	0	53,244	0	53,244
Fines/Fees and Other Collections	0	0	3,444,249	3,444,249
Total Additions	\$ 545,576	\$ 53,244	\$ 3,444,249	\$ 4,043,069
Deductions				
Payment of Sales Tax Collections for Other Governments	\$ 545,576	\$ 0	\$ 0	\$ 545,576
Payment of Property Tax Collections for Other Governments	0	53,244	0	53,244
Payments to State	0	0	2,255,656	2,255,656
Payments to Individuals and Others	0	0	1,277,260	1,277,260
Total Deductions	\$ 545,576	\$ 53,244	\$ 3,532,916	\$ 4,131,736
Change in Net Position	\$ 0	\$ 0	\$ (88,667)	\$ (88,667)
Net Position July 1, 2023	0	0	1,171,128	1,171,128
Net Position June 30, 2024	\$ 0	\$ 0	\$ 1,082,461	\$ 1,082,461

MORGAN COUNTY SCHOOL DEPARTMENT

This section presents combining and individual fund financial statements for the Morgan 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 the cafeteria operations in each of the schools.

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

MORGAN COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 19,163,337	\$ 25,560	\$ 2,994,259	\$ 0	\$ (16,143,518)
Support Services	15,839,887	0	3,448,168	90,000	(12,301,719)
Operation of Non-instructional Services	7,053,083	144,872	7,327,614	0	419,403
Other Debt Service	1,193,346	0	0	0	(1,193,346)
Total Governmental Activities	<u>\$ 43,249,653</u>	<u>\$ 170,432</u>	<u>\$ 13,770,041</u>	<u>\$ 90,000</u>	<u>\$ (29,219,180)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,461,278
Local Option Sales Taxes					2,271,479
Other Local Taxes					65,852
Grants and Contributions Not Restricted to Specific Programs					25,664,705
Unrestricted Investment Income					505,304
Miscellaneous					64,103
Total General Revenues					<u>\$ 30,032,721</u>
Change in Net Position					\$ 813,541
Net Position, July 1, 2023					<u>34,690,090</u>
Net Position, June 30, 2024					<u>\$ 35,503,631</u>

MORGAN COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Morgan County School Department

June 30, 2024**ASSETS**

	Major Funds			Nonmajor Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds
Cash	\$ 5,888	\$ 347	\$ 151	\$ 1,028,440	\$ 1,034,826
Equity in Pooled Cash and Investments	7,515,839	658,924	8,050,133	0	16,224,896
Accounts Receivable	92,568	0	0	0	92,568
Due from Other Governments	1,413,468	225,428	555,880	0	2,194,776
Due from Other Funds	372	0	85,985	0	86,357
Property Taxes Receivable	1,111,811	0	0	0	1,111,811
Allowance for Uncollectible Property Taxes	(47,097)	0	0	0	(47,097)
Restricted Assets	267,387	0	0	0	267,387
Total Assets	<u>\$ 10,360,236</u>	<u>\$ 884,699</u>	<u>\$ 8,692,149</u>	<u>\$ 1,028,440</u>	<u>\$ 20,965,524</u>

LIABILITIES

Accounts Payable	\$ 50,865	\$ 0	\$ 91,907	\$ 0	\$ 142,772
Payroll Deductions Payable	536,507	83,450	59,284	0	679,241
Due to Other Funds	85,985	372	0	0	86,357
Due to State of Tennessee	0	565	0	0	565
Total Liabilities	<u>\$ 673,357</u>	<u>\$ 84,387</u>	<u>\$ 151,191</u>	<u>\$ 0</u>	<u>\$ 908,935</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 1,012,537	\$ 0	\$ 0	\$ 0	\$ 1,012,537
Deferred Delinquent Property Taxes	46,870	0	0	0	46,870
Other Deferred/Unavailable Revenue	197,121	0	0	0	197,121
Total Deferred Inflows of Resources	<u>\$ 1,256,528</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,256,528</u>

(Continued)

MORGAN COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Morgan County School Department (Cont.)

FUND BALANCES

	Major Funds			Nonmajor Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds
Restricted:					
Restricted for Education	\$ 166,649	\$ 0	\$ 8,540,958	\$ 1,028,440	\$ 9,736,047
Restricted for Hybrid Retirement Stabilization Funds	267,387	0	0	0	267,387
Committed:					
Committed for Education	0	800,312	0	0	800,312
Assigned:					
Assigned for Education	1,629,234	0	0	0	1,629,234
Unassigned	6,367,081	0	0	0	6,367,081
Total Fund Balances	<u>\$ 8,430,351</u>	<u>\$ 800,312</u>	<u>\$ 8,540,958</u>	<u>\$ 1,028,440</u>	<u>\$ 18,800,061</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,360,236</u>	<u>\$ 884,699</u>	<u>\$ 8,692,149</u>	<u>\$ 1,028,440</u>	<u>\$ 20,965,524</u>

MORGAN COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position**

Discretely Presented Morgan County School Department

June 30, 2024

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)		\$ 18,800,061
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,112,193	
Add: buildings and improvements net of accumulated depreciation	10,043,547	
Add: other capital assets net of accumulated depreciation	<u>2,387,132</u>	13,542,872
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: OPEB liability	\$ (4,424,857)	
Less: compensated absences payable	(703,503)	
Less: net pension liability - agent plan	<u>(221,828)</u>	(5,350,188)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,959,025	
Less: deferred inflows of resources related to pensions	(385,743)	
Add: deferred outflows of resources related to OPEB	1,500,906	
Less: deferred inflows of resources related to OPEB	<u>(1,429,353)</u>	4,644,835
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 74,699	
Add: net pension asset - teacher legacy pension plan	<u>3,547,361</u>	3,622,060
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>243,991</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 35,503,631</u></u>

MORGAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
Discretely Presented Morgan County School Department
For the Year Ended June 30, 2024

	Major Funds			Nonmajor Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds
Revenues					
Local Taxes	\$ 3,818,435	\$ 0	\$ 0	\$ 0	\$ 3,818,435
Licenses and Permits	635	0	0	0	635
Charges for Current Services	3,976	0	144,746	0	148,722
Other Local Revenues	345,580	0	250,537	1,932,854	2,528,971
State of Tennessee	26,307,917	0	24,538	0	26,332,455
Federal Government	404,736	5,712,337	4,223,519	0	10,340,592
Other Governments and Citizens Groups	743,783	0	0	0	743,783
Total Revenues	<u>\$ 31,625,062</u>	<u>\$ 5,712,337</u>	<u>\$ 4,643,340</u>	<u>\$ 1,932,854</u>	<u>\$ 43,913,593</u>
Expenditures					
Current:					
Instruction	\$ 16,532,951	\$ 2,362,170	\$ 0	\$ 0	\$ 18,895,121
Support Services	11,332,588	3,082,016	0	0	14,414,604
Operation of Non-Instructional Services	1,397,981	0	3,528,504	1,856,237	6,782,722
Capital Outlay	12,000	0	0	0	12,000
Debt Service:					
Other Debt Service	1,193,346	0	0	0	1,193,346
Total Expenditures	<u>\$ 30,468,866</u>	<u>\$ 5,444,186</u>	<u>\$ 3,528,504</u>	<u>\$ 1,856,237</u>	<u>\$ 41,297,793</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 1,156,196</u>	<u>\$ 268,151</u>	<u>\$ 1,114,836</u>	<u>\$ 76,617</u>	<u>\$ 2,615,800</u>

(Continued)

MORGAN COUNTY, TENNESSEE**Statement of Revenues, Expenditures,****and Changes in Fund Balances - Governmental Funds**

Discretely Presented Morgan County School Department (Cont.)

	Major Funds			Nonmajor Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 0	\$ 6,652	\$ 0	\$ 6,652
Transfers In	268,284	300,000	0	0	568,284
Transfers Out	(300,000)	(268,284)	0	0	(568,284)
Total Other Financing Sources (Uses)	<u>\$ (31,716)</u>	<u>\$ 31,716</u>	<u>\$ 6,652</u>	<u>\$ 0</u>	<u>\$ 6,652</u>
Net Change in Fund Balances	\$ 1,124,480	\$ 299,867	\$ 1,121,488	\$ 76,617	\$ 2,622,452
Fund Balance, July 1, 2023	<u>7,305,871</u>	<u>500,445</u>	<u>7,419,470</u>	<u>951,823</u>	<u>16,177,609</u>
Fund Balance, June 30, 2024	<u><u>\$ 8,430,351</u></u>	<u><u>\$ 800,312</u></u>	<u><u>\$ 8,540,958</u></u>	<u><u>\$ 1,028,440</u></u>	<u><u>\$ 18,800,061</u></u>

MORGAN COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024

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)		\$ 2,622,452
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,417,605	
Less: current-year depreciation expense	<u>(2,142,257)</u>	(724,652)
(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, 2024	\$ 243,991	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(263,817)</u>	(19,826)
(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 payable	\$ (285,387)	
Change in net pension asset/liability	(167,442)	
Change in deferred outflows related to pensions	(828,107)	
Change in deferred inflows related to pensions	494,837	
Change in OPEB Liability	(1,693)	
Change in deferred outflows related to OPEB	45,153	
Change in deferred inflows related to OPEB	<u>(321,794)</u>	<u>(1,064,433)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 813,541</u>

MORGAN COUNTY, TENNESSEE

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Morgan County School Department
General Purpose School Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 3,818,435	\$ 0	\$ 0	\$ 3,818,435	\$ 3,437,047	\$ 3,437,047	\$ 381,388
Licenses and Permits	635	0	0	635	500	500	135
Charges for Current Services	3,976	0	0	3,976	8,500	8,500	(4,524)
Other Local Revenues	345,580	0	0	345,580	957,035	450,706	(105,126)
State of Tennessee	26,307,917	0	0	26,307,917	24,558,804	29,893,580	(3,585,663)
Federal Government	404,736	0	0	404,736	0	345,879	58,857
Other Governments and Citizens Groups	743,783	0	0	743,783	0	741,283	2,500
Total Revenues	\$ 31,625,062	\$ 0	\$ 0	\$ 31,625,062	\$ 28,961,886	\$ 34,877,495	\$ (3,252,433)
Expenditures							
Instruction							
Regular Instruction Program	\$ 13,429,099	\$ (141,448)	\$ 4,042	\$ 13,291,693	\$ 12,960,239	\$ 13,785,420	\$ 493,727
Special Education Program	1,584,287	(134)	0	1,584,153	1,584,597	1,628,923	44,770
Career and Technical Education Program	1,519,565	(206,411)	17,860	1,331,014	926,902	3,961,886	2,630,872
Support Services							
Attendance	210,065	0	70	210,135	173,018	228,083	17,948
Health Services	310,752	(2,011)	2,003	310,744	518,042	351,699	40,955
Other Student Support	626,233	0	0	626,233	932,357	712,606	86,373
Regular Instruction Program	815,287	0	0	815,287	889,868	857,259	41,972
Special Education Program	347,058	0	475	347,533	350,200	362,700	15,167
Career and Technical Education Program	135,471	0	0	135,471	123,013	200,838	65,367
Technology	880,992	(2,087)	55,780	934,685	635,220	1,008,079	73,394
Other Programs	340,526	(39,486)	9,245	310,285	0	436,382	126,097
Board of Education	654,423	(6,032)	15,223	663,614	786,305	817,780	154,166
Director of Schools	552,681	(2,433)	2,644	552,892	320,118	573,268	20,376
Office of the Principal	1,232,893	(24,164)	24,164	1,232,893	1,651,845	1,358,897	126,004
Operation of Plant	2,147,816	(1,852)	1,243	2,147,207	2,448,085	2,451,185	303,978
Maintenance of Plant	817,219	(34,130)	972,305	1,755,394	666,865	1,918,130	162,736
Transportation	2,261,172	(402,821)	85,866	1,944,217	1,677,120	2,141,086	196,869

(Continued)

MORGAN COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Operation of Non-Instructional Services							
Community Services	\$ 30,836	\$ (4,613)	\$ 4,833	\$ 31,056	\$ 84,250	\$ 33,251	\$ 2,195
Early Childhood Education	1,367,145	(40,066)	72,708	1,399,787	1,416,420	1,481,981	82,194
Capital Outlay							
Regular Capital Outlay	12,000	0	0	12,000	0	1,260,000	1,248,000
Other Debt Service							
Education	1,193,346	0	0	1,193,346	1,296,880	1,296,880	103,534
Total Expenditures	<u>\$ 30,468,866</u>	<u>\$ (907,688)</u>	<u>\$ 1,268,461</u>	<u>\$ 30,829,639</u>	<u>\$ 29,441,344</u>	<u>\$ 36,866,333</u>	<u>\$ 6,036,694</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,156,196</u>	<u>\$ 907,688</u>	<u>\$ (1,268,461)</u>	<u>\$ 795,423</u>	<u>\$ (479,458)</u>	<u>\$ (1,988,838)</u>	<u>\$ 2,784,261</u>
Other Financing Sources (Uses)							
Transfers In	\$ 268,284	\$ 0	\$ 0	\$ 268,284	\$ 150,000	\$ 150,000	\$ 118,284
Transfers Out	(300,000)	0	0	(300,000)	0	(300,000)	0
Total Other Financing Sources	<u>\$ (31,716)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,716)</u>	<u>\$ 150,000</u>	<u>\$ (150,000)</u>	<u>\$ 118,284</u>
Net Change in Fund Balance	\$ 1,124,480	\$ 907,688	\$ (1,268,461)	\$ 763,707	\$ (329,458)	\$ (2,138,838)	\$ 2,902,545
Fund Balance, July 1, 2023	<u>7,305,871</u>	<u>(907,688)</u>	<u>0</u>	<u>6,398,183</u>	<u>7,121,710</u>	<u>7,121,710</u>	<u>(723,527)</u>
Fund Balance, June 30, 2024	<u><u>\$ 8,430,351</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,268,461)</u></u>	<u><u>\$ 7,161,890</u></u>	<u><u>\$ 6,792,252</u></u>	<u><u>\$ 4,982,872</u></u>	<u><u>\$ 2,179,018</u></u>

MORGAN COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**Discretely Presented Morgan County School Department
School Federal Projects Fund**For the Year Ended June 30, 2024**

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Federal Government	\$ 5,712,337	\$ 2,066,705	\$ 6,019,149	\$ (306,812)
Total Revenues	\$ 5,712,337	\$ 2,066,705	\$ 6,019,149	\$ (306,812)
Expenditures				
Instruction				
Regular Instruction Program	\$ 1,559,625	\$ 852,533	\$ 1,613,395	\$ 53,770
Special Education Program	775,204	599,015	940,916	165,712
Career and Technical Education Program	27,341	21,000	26,957	(384)
Support Services				
Health Services	402,664	0	402,772	108
Other Student Support	381,881	69,123	385,642	3,761
Regular Instruction Program	655,818	346,225	674,259	18,441
Special Education Program	226,820	174,311	265,717	38,897
Career and Technical Education Program	1,666	4,500	1,666	0
Technology	346,863	0	346,890	27
Office of the Principal	526,702	0	530,439	3,737
Operation of Plant	11,161	0	11,161	0
Transportation	528,441	0	528,383	(58)
Total Expenditures	\$ 5,444,186	\$ 2,066,707	\$ 5,728,197	\$ 284,011
Excess (Deficiency) of Revenues Over Expenditures	\$ 268,151	\$ (2)	\$ 290,952	\$ (22,801)
Other Financing Sources (Uses)				
Transfers In	\$ 300,000	\$ 0	\$ 0	\$ 300,000
Transfers Out	(268,284)	0	(290,951)	22,667
Total Other Financing Sources	\$ 31,716	\$ 0	\$ (290,951)	\$ 322,667
Net Change in Fund Balance	\$ 299,867	\$ (2)	\$ 1	\$ 299,866
Fund Balance, July 1, 2023	500,445	500,447	500,447	(2)
Fund Balance, June 30, 2024	\$ 800,312	\$ 500,445	\$ 500,448	\$ 299,864

MORGAN COUNTY, TENNESSEE

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Morgan County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 144,746	\$ 0	\$ 0	\$ 144,746	\$ 167,083	\$ 167,083	\$ (22,337)
Other Local Revenues	250,537	0	0	250,537	77,145	77,145	173,392
State of Tennessee	24,538	0	0	24,538	34,631	34,631	(10,093)
Federal Government	4,223,519	0	0	4,223,519	3,510,268	3,510,268	713,251
Total Revenues	\$ 4,643,340	\$ 0	\$ 0	\$ 4,643,340	\$ 3,789,127	\$ 3,789,127	\$ 854,213
Expenditures							
Operation of Non-Instructional Services							
Food Service	\$ 3,307,871	\$ (26,424)	\$ 627,192	\$ 3,908,639	\$ 3,350,279	\$ 4,134,072	\$ 225,433
Community Services	220,633	(10,756)	7,695	217,572	438,848	465,248	247,676
Total Expenditures	\$ 3,528,504	\$ (37,180)	\$ 634,887	\$ 4,126,211	\$ 3,789,127	\$ 4,599,320	\$ 473,109
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,114,836	\$ 37,180	\$ (634,887)	\$ 517,129	\$ 0	\$ (810,193)	\$ 1,327,322
Other Financing Sources (Uses)							
Insurance Recovery	\$ 6,652	\$ 0	\$ 0	\$ 6,652	\$ 0	\$ 6,652	\$ 0
Total Other Financing Sources	\$ 6,652	\$ 0	\$ 0	\$ 6,652	\$ 0	\$ 6,652	\$ 0
Net Change in Fund Balance	\$ 1,121,488	\$ 37,180	\$ (634,887)	\$ 523,781	\$ 0	\$ (803,541)	\$ 1,327,322
Fund Balance, July 1, 2023	7,419,470	(37,180)	0	7,382,290	6,984,644	6,984,644	397,646
Fund Balance, June 30, 2024	\$ 8,540,958	\$ 0	\$ (634,887)	\$ 7,906,071	\$ 6,984,644	\$ 6,181,103	\$ 1,724,968

MISCELLANEOUS SCHEDULES

MORGAN COUNTY, TENNESSEE
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-23	Paid and/or Matured During Period	Outstanding 6-30-24
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Series 2017A	\$ 9,460,000	2 to 3	%	5-31-17	6-1-32	\$ 6,575,000	\$ 665,000	\$ 5,910,000
General Obligation Refunding Series 2017B	2,100,000	1.375 to 2.65		5-31-17	6-1-24	200,000	200,000	0
General Obligation Refunding Series 2020	4,160,000	2 to 5		6-25-20	4-1-29	2,715,000	510,000	2,205,000
Total Bonds Payable						<u>\$ 9,490,000</u>	<u>\$ 1,375,000</u>	<u>\$ 8,115,000</u>

Exhibit J-2

MORGAN COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 1,380,000	\$ 237,030	\$ 1,617,030
2026	1,435,000	188,430	1,623,430
2027	1,170,000	133,240	1,303,240
2028	880,000	105,580	985,580
2029	895,000	83,600	978,600
2030	765,000	61,230	826,230
2031	785,000	41,340	826,340
2032	805,000	20,930	825,930
Total	\$ 8,115,000	\$ 871,380	\$ 8,986,380

MORGAN COUNTY, TENNESSEE**Schedule of Transfers**

Primary Government and Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General Capital Projects	General	ARPA funds applied toward purchase of sheriff's department vehicles	\$ 60,000
"	Solid Waste/Sanitation	ARPA funds applied toward maintenance of department vehicle	<u>2,393</u>
Total Transfers Primary Government			<u><u>\$ 62,393</u></u>
DISCRETELY PRESENTED MORGAN COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Cash flow	\$ 300,000
School Federal Projects	General Purpose School	Indirect costs	<u>268,284</u>
Total Transfers Discretely Presented Morgan County School Department			<u><u>\$ 568,284</u></u>

MORGAN COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Executive		Section 8-24-102, <i>TCA</i>	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 100,157</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,388</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 113,913			
Unused sick days	16,000			
CEO supplement	700			
Career Ladder	1,000			
Salary equity funds	1,940			
Retirement/Bonus incentive	5,000			
Total compensation	<u>\$ 138,553</u>			
Trustee		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,388			
Law enforcement training supplement	800			
Total compensation	<u>\$ 96,188</u>			
Director of Finance		County Commission	(1)	Tennessee Risk Management Trust
Base salary	\$ 86,716			
Longevity	400			
Total compensation	<u>\$ 87,116</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 6,812,175	\$ 1,033,024	\$ 0	\$ 0	\$ 50,801	\$ 102,280
Trustee's Collections - Prior Year	286,808	42,096	0	0	2,273	4,562
Circuit Clerk/Clerk and Master Collections - Prior Years	468,904	68,799	0	0	3,714	7,478
Interest and Penalty	52,806	7,790	0	0	416	833
Pickup Taxes	507	77	0	0	4	8
Payments in-Lieu-of Taxes - Local Utilities	32,509	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	33,694	336	0	0	17	33
County Local Option Taxes						
Hotel/Motel Tax	50,451	0	0	0	0	0
Litigation Tax - General	28,471	0	0	0	0	0
Litigation Tax - Special Purpose	49,617	0	0	0	0	11,223
Litigation Tax - Jail, Workhouse, or Courthouse	32,202	0	0	0	0	0
Litigation Tax - Courthouse Security	3,016	0	0	0	0	0
Business Tax	107,609	0	0	0	0	0
Mixed Drink Tax	2,523	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	42,126	0
Other County Local Option Taxes	7,914	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	26,706	0	0	0	0	0
Beer Privilege Tax	1,600	0	0	0	0	0
Total Local Taxes	\$ 7,997,512	\$ 1,152,122	\$ 0	\$ 0	\$ 99,351	\$ 126,417

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 635	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	54,802	0	0	0	0	0
Permits						
Beer Permits	1,188	0	0	0	0	0
Other Permits	37	0	0	0	0	0
Total Licenses and Permits	\$ 56,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 6,893	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Court Fees	812	0	305	0	0	0
DUI Treatment Fines	475	0	0	0	0	0
Data Entry Fee - Circuit Court	344	0	0	0	0	0
Courtroom Security Fee	1,632	0	0	0	0	0
Victims Assistance Assessments	1,849	0	0	0	0	0
General Sessions Court						
Fines	6,361	0	0	0	0	0
Officers Costs	24,231	0	0	0	0	0
Game and Fish Fines	135	0	0	0	0	0
Drug Control Fines	0	0	36,419	0	0	0
Drug Court Fees	2,201	0	290	0	0	0
Jail Fees	1,540	0	0	0	0	0
DUI Treatment Fines	1,995	0	0	0	0	0

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Data Entry Fee - General Sessions Court	\$ 4,862	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	26,692	0	0	0	0	0
Victims Assistance Assessments	5,939	0	0	0	0	0
Juvenile Court						
Fines	1,181	0	0	0	0	0
Officers Costs	1,857	0	0	0	0	0
Data Entry Fee - Juvenile Court	101	0	0	0	0	0
Chancery Court						
Officers Costs	838	0	0	0	0	0
Data Entry Fee - Chancery Court	5,264	0	0	0	0	0
Judicial District Drug Program						
Data Entry Fee - Other Courts	486	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	27,247	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 95,688</u>	<u>\$ 0</u>	<u>\$ 64,261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Charges for Current Services						
General Service Charges						
Solid Waste Disposal Fee	\$ 0	\$ 354,472	\$ 0	\$ 0	\$ 0	0
Patient Charges	1,222,516	0	0	0	0	0
Other General Service Charges	0	0	0	0	2	0
Fees						
Copy Fees	2,380	0	0	0	0	0

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Charges for Current Services (Cont.)						
Fees (Cont.)						
Library Fees	\$ 9,459	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	32,833	0	0	0	0	0
Additional Fees - Titling and Registration	14,646	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	64,337	0	0
Data Processing Fee - Register	5,994	0	0	0	0	0
Data Processing Fee - Sheriff	1,629	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,600	0	0	0	0	0
Data Processing Fee - County Clerk	7,223	0	0	0	0	0
Total Charges for Current Services	\$ 1,300,280	\$ 354,472	\$ 0	\$ 64,337	\$ 2	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 152,896	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6
Sale of Materials and Supplies	0	28,666	0	0	0	0
Commissary Sales	57,120	0	0	0	0	0
Sale of Gasoline	52,710	0	0	0	10,678	0
Sale of Recycled Materials	0	19,012	0	0	702	0
Miscellaneous Refunds	11,466	344	0	0	0	0
Nonrecurring Items						
Sale of Equipment	9,150	4,798	0	0	0	0
Damages Recovered from Individuals	329	0	0	0	5	0
Contributions and Gifts	0	0	1,000	0	0	0
Total Other Local Revenues	\$ 283,671	\$ 52,820	\$ 1,000	\$ 0	\$ 11,385	\$ 6

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 181,117	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	89,064	0	0	0	0	0
General Sessions Court Clerk	118,798	0	0	0	0	0
Clerk and Master	113,415	0	0	0	0	0
Juvenile Court Clerk	12,958	0	0	0	0	0
Register	90,053	0	0	0	0	0
Sheriff	7,579	0	0	0	0	0
Trustee	338,169	0	0	0	0	0
Total Fees Received From County Officials	\$ 951,153	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	4,609	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	19,200	0	0	0	0	0
Drug Control Grants	46,419	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	14,020	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	2,707,548	0
Litter Program	0	14,490	0	0	0	0

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
State of Tennessee (Cont.)						
Other State Revenues						
Beer Tax	\$ 18,498	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	2,937	0	0	0	0	0
Alcoholic Beverage Tax	82,059	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	121,625	0	0	0	0	0
State Revenue Sharing - T.V.A.	387,580	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	1	73,582
State Shared Sports Gaming Privilege Tax	36,105	0	0	0	0	0
Contracted Prisoner Boarding	256,373	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,310,241	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	8,118	0
Petroleum Special Tax	0	0	0	0	1,259,332	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	21,933	31,748	0	0	0	0
Other State Revenues	578,902	0	0	0	0	0
Total State of Tennessee	\$ 1,605,315	\$ 50,847	\$ 0	\$ 0	\$ 5,285,240	\$ 73,582
Federal Government						
Federal Through State						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Medicaid	76,882	0	0	0	0	0
American Rescue Plan Act Grant A	0	0	0	0	0	0
Other Federal through State	76,452	0	0	0	0	0

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
Federal Government (Cont.)						
Direct Federal Revenue						
Other Direct Federal Revenue	\$ 3,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 156,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 39,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,193,346
Contracted Services	150,761	0	0	0	0	0
Citizens Groups						
Donations	2,500	0	0	0	0	0
Other						
Other	19,364	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	169,320	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 380,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,193,346
Total	\$ 12,827,760	\$ 1,610,261	\$ 65,261	\$ 64,337	\$ 5,395,978	\$ 1,393,351

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects	Total	
Local Taxes			
County Property Taxes			
Current Property Tax	\$ 0	\$ 7,998,280	
Trustee's Collections - Prior Year	0	335,739	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	548,895	
Interest and Penalty	0	61,845	
Pickup Taxes	0	596	
Payments in-Lieu-of Taxes - Local Utilities	0	32,509	
Payments in-Lieu-of Taxes - Other	0	34,080	
County Local Option Taxes			
Hotel/Motel Tax	0	50,451	
Litigation Tax - General	0	28,471	
Litigation Tax - Special Purpose	0	60,840	
Litigation Tax - Jail, Workhouse, or Courthouse	0	32,202	
Litigation Tax - Courthouse Security	0	3,016	
Business Tax	0	107,609	
Mixed Drink Tax	0	2,523	
Mineral Severance Tax	0	42,126	
Other County Local Option Taxes	0	7,914	
Statutory Local Taxes			
Bank Excise Tax	0	26,706	
Beer Privilege Tax	0	1,600	
Total Local Taxes	\$ 0	\$ 9,375,402	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	General Capital Projects	Total
<hr/>		
Licenses and Permits		
Licenses		
Marriage Licenses	\$ 0	\$ 635
Cable TV Franchise	0	54,802
Permits		
Beer Permits	0	1,188
Other Permits	0	37
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 56,662</u>
 Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	\$ 0	\$ 6,893
Drug Court Fees	0	1,117
DUI Treatment Fines	0	475
Data Entry Fee - Circuit Court	0	344
Courtroom Security Fee	0	1,632
Victims Assistance Assessments	0	1,849
General Sessions Court		
Fines	0	6,361
Officers Costs	0	24,231
Game and Fish Fines	0	135
Drug Control Fines	0	36,419
Drug Court Fees	0	2,491
Jail Fees	0	1,540
DUI Treatment Fines	0	1,995

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects		Total
Fines, Forfeitures, and Penalties (Cont.)			
General Sessions Court (Cont.)			
Data Entry Fee - General Sessions Court	\$	0	\$ 4,862
Courtroom Security Fee		0	26,692
Victims Assistance Assessments		0	5,939
Juvenile Court			
Fines		0	1,181
Officers Costs		0	1,857
Data Entry Fee - Juvenile Court		0	101
Chancery Court			
Officers Costs		0	838
Data Entry Fee - Chancery Court		0	5,264
Judicial District Drug Program			
Data Entry Fee - Other Courts		0	486
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property		0	27,247
Total Fines, Forfeitures, and Penalties	\$	0	\$ 159,949
Charges for Current Services			
General Service Charges			
Solid Waste Disposal Fee	\$	0	\$ 354,472
Patient Charges		0	1,222,516
Other General Service Charges		0	2

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects	Total	
<hr/>			
Charges for Current Services (Cont.)			
Fees			
Copy Fees	\$ 0	\$ 2,380	
Library Fees	0	9,459	
Telephone Commissions	0	32,833	
Additional Fees - Titling and Registration	0	14,646	
Constitutional Officers' Fees and Commissions	0	64,337	
Data Processing Fee - Register	0	5,994	
Data Processing Fee - Sheriff	0	1,629	
Sexual Offender Registration Fee - Sheriff	0	3,600	
Data Processing Fee - County Clerk	0	7,223	
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 1,719,091</u>	
Other Local Revenues			
Recurring Items			
Investment Income	\$ 0	\$ 152,902	
Sale of Materials and Supplies	0	28,666	
Commissary Sales	0	57,120	
Sale of Gasoline	0	63,388	
Sale of Recycled Materials	0	19,714	
Miscellaneous Refunds	0	11,810	
Nonrecurring Items			
Sale of Equipment	0	13,948	
Damages Recovered from Individuals	0	334	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects		Total
<hr/>			
Other Local Revenues (Cont.)			
Nonrecurring Items (Cont.)			
Contributions and Gifts	\$	0	\$ 1,000
Total Other Local Revenues	\$	0	\$ 348,882
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$	0	\$ 181,117
Circuit Court Clerk		0	89,064
General Sessions Court Clerk		0	118,798
Clerk and Master		0	113,415
Juvenile Court Clerk		0	12,958
Register		0	90,053
Sheriff	\$	0	\$ 7,579
Trustee		0	338,169
Total Fees Received From County Officials	\$	0	\$ 951,153
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$	0	\$ 4,500
Solid Waste Grants		0	4,609
Public Safety Grants			
Law Enforcement Training Programs		0	19,200
Drug Control Grants		0	46,419

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	General Capital Projects	Total
State of Tennessee (Cont.)		
Health and Welfare Grants		
Health Department Programs	\$ 0	\$ 14,020
Public Works Grants		
State Aid Program	0	2,707,548
Litter Program	0	14,490
Other State Revenues		
Beer Tax	0	18,498
Vehicle Certificate of Title Fees	0	2,937
Alcoholic Beverage Tax	0	82,059
Opioid Settlement Funds - TN Abatement Council	0	121,625
State Revenue Sharing - T.V.A.	0	387,580
State Revenue Sharing - Telecommunications	0	73,583
State Shared Sports Gaming Privilege Tax	0	36,105
Contracted Prisoner Boarding	0	256,373
Gasoline and Motor Fuel Tax	0	1,310,241
Hybrid/Electric Vehicle Registration Fee	0	8,118
Petroleum Special Tax	0	1,259,332
Registrar's Salary Supplement	0	15,164
Other State Grants	149,797	203,478
Other State Revenues	0	578,902
Total State of Tennessee	<u>\$ 149,797</u>	<u>\$ 7,164,781</u>

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	General Capital Projects	Total
Federal Government		
Federal Through State		
Community Development	\$ 86,380	\$ 86,380
Medicaid	0	76,882
American Rescue Plan Act Grant A	898,767	898,767
Other Federal through State	897,872	974,324
Direct Federal Revenue		
Other Direct Federal Revenue	0	3,200
Total Federal Government	<u>\$ 1,883,019</u>	<u>\$ 2,039,553</u>
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 55,940	\$ 1,288,286
Contracted Services	0	150,761
Citizens Groups		
Donations	0	2,500
Other		
Other	0	19,364
Opioid Settlement Funds - Past Remediation	0	169,320
Total Other Governments and Citizens Groups	<u>\$ 55,940</u>	<u>\$ 1,630,231</u>
Total	<u><u>\$ 2,088,756</u></u>	<u><u>\$ 23,445,704</u></u>

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 1,271,680	\$ 0	\$ 0	\$ 0	\$ 1,271,680	
Trustee's Collections - Prior Year	78,987	0	0	0	78,987	
Circuit Clerk/Clerk and Master Collections - Prior Years	128,873	0	0	0	128,873	
Interest and Penalty	13,906	0	0	0	13,906	
Pickup Taxes	97	0	0	0	97	
Payments in-Lieu-of Taxes - Other	413	0	0	0	413	
County Local Option Taxes						
Local Option Sales Tax	2,258,627	0	0	0	2,258,627	
Statutory Local Taxes						
Wholesale Beer Tax	65,852	0	0	0	65,852	
Total Local Taxes	\$ 3,818,435	\$ 0	\$ 0	\$ 0	\$ 3,818,435	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 635	\$ 0	\$ 0	\$ 0	\$ 635	
Total Licenses and Permits	\$ 635	\$ 0	\$ 0	\$ 0	\$ 635	
Charges for Current Services						
Education Charges						
Tuition - Regular Day Students	\$ 3,500	\$ 0	\$ 0	\$ 0	\$ 3,500	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Tuition - Other	\$ 350	\$ 0	\$ 0	\$ 0	350
Lunch Payments - Children	0	0	38,108	0	38,108
Lunch Payments - Adults	0	0	29,317	0	29,317
Income from Breakfast	0	0	218	0	218
A la Carte Sales	0	0	69,324	0	69,324
Other Charges for Services	126	0	7,779	0	7,905
Total Charges for Current Services	\$ 3,976	\$ 0	\$ 144,746	\$ 0	\$ 148,722
Other Local Revenues					
Recurring Items					
Investment Income	\$ 281,477	\$ 0	\$ 245,537	\$ 0	\$ 527,014
Miscellaneous Refunds	64,103	0	0	0	64,103
Other Local Revenues					
Other Local Revenues	0	0	5,000	1,932,854	1,937,854
Total Other Local Revenues	\$ 345,580	\$ 0	\$ 250,537	\$ 1,932,854	\$ 2,528,971
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 54,660	\$ 0	\$ 0	\$ 0	54,660
State Education Funds					

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Tennessee Investment in Student Achievement	\$ 23,486,275	\$ 0	\$ 0	\$ 0	\$ 23,486,275	
TISA - On-behalf Payments	37,157	0	0	0	37,157	
Early Childhood Education	444,855	0	0	0	444,855	
School Food Service	0	0	24,538	0	24,538	
Other State Education Funds	379,428	0	0	0	379,428	
Coordinated School Health	600	0	0	0	600	
Career Ladder Program	30,801	0	0	0	30,801	
Other Vocational	688,282	0	0	0	688,282	
Other State Revenues						
State Revenue Sharing - T.V.A.	\$ 387,580	\$ 0	\$ 0	\$ 0	\$ 387,580	
Other State Grants	643,603	0	0	0	643,603	
Other State Revenues	154,676	0	0	0	154,676	
Total State of Tennessee	\$ 26,307,917	\$ 0	\$ 24,538	\$ 0	\$ 26,332,455	
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,121,945	\$ 0	\$ 2,121,945	
USDA - Commodities	0	0	378,951	0	378,951	
Breakfast	0	0	1,234,522	0	1,234,522	
USDA - Other	0	0	488,101	0	488,101	
Vocational Education - Basic Grants to States	0	58,379	0	0	58,379	
Title I Grants to Local Education Agencies	0	1,090,630	0	0	1,090,630	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Special Education - Grants to States	\$ 0	\$ 818,447	\$ 0	\$ 0	\$	818,447
Special Education Preschool Grants	0	33,485	0	0		33,485
Rural Education	0	101,694	0	0		101,694
Eisenhower Professional Development State Grants	0	161,333	0	0		161,333
COVID-19 Grant B	0	222,550	0	0		222,550
American Rescue Plan Act Grant #1	0	3,225,819	0	0		3,225,819
Other Federal through State	58,857	0	0	0		58,857
Direct Federal Revenue						
Other Direct Federal Revenue	345,879	0	0	0		345,879
Total Federal Government	<u>\$ 404,736</u>	<u>\$ 5,712,337</u>	<u>\$ 4,223,519</u>	<u>\$ 0</u>	<u>\$</u>	<u>10,340,592</u>
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 741,283	\$ 0	\$ 0	\$ 0	\$	741,283
Other						
Other	2,500	0	0	0		2,500
Total Other Governments and Citizens Groups	<u>\$ 743,783</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$</u>	<u>743,783</u>
Total	<u>\$ 31,625,062</u>	<u>\$ 5,712,337</u>	<u>\$ 4,643,340</u>	<u>\$ 1,932,854</u>	<u>\$</u>	<u>43,913,593</u>

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	39,675	
Social Security		2,460	
Employer Medicare		575	
Audit Services		9,045	
Contributions		250	
Dues and Memberships		15,965	
Legal Services		1,032	
Legal Notices, Recording, and Court Costs		808	
Pauper Burials		500	
Postal Charges		800	
Office Supplies		533	
Other Supplies and Materials		351	
Other Charges		3,891	
Total County Commission			\$ 75,885

County Mayor/Executive

County Official/Administrative Officer	\$	100,157	
Assistant(s)		47,421	
Longevity Pay		300	
Social Security		8,620	
Pensions		8,976	
Medical Insurance		30,262	
Employer Medicare		2,016	
Travel		2,989	
Office Supplies		1,149	
Total County Mayor/Executive			201,890

County Attorney

Legal Services	\$	5,495	
Total County Attorney			5,495

Election Commission

County Official/Administrative Officer	\$	78,044	
Clerical Personnel		29,781	
Temporary Personnel		650	
Longevity Pay		1,100	
Election Commission		2,800	
Election Workers		14,372	
Social Security		6,785	
Pensions		6,612	
Employer Medicare		1,587	
Advertising		1,000	
Maintenance and Repair Services - Office Equipment		19,070	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Postal Charges	\$	2,590	
Rentals		800	
Travel		3,122	
Office Supplies		10,330	
Total Election Commission			\$ 178,643

Register of Deeds

County Official/ Administrative Officer	\$	86,716	
Secretary(ies)		34,392	
Part-time Personnel		6,219	
Longevity Pay		2,000	
Social Security		7,883	
Pensions		7,473	
Medical Insurance		13,874	
Employer Medicare		1,844	
Dues and Memberships		813	
Postal Charges		236	
Printing, Stationery, and Forms		4,636	
Rentals		966	
Office Supplies		4,200	
Office Equipment		7,163	
Total Register of Deeds			178,415

County Buildings

Custodial Personnel	\$	25,755	
Longevity Pay		1,600	
Overtime Pay		28	
Other Salaries and Wages		99	
Social Security		1,626	
Pensions		1,671	
Medical Insurance		6,925	
Employer Medicare		380	
Communication		38,582	
Maintenance and Repair Services - Buildings		62,671	
Pest Control		4,500	
Rentals		1,500	
Custodial Supplies		7,905	
Electricity		43,527	
Food Supplies		3,036	
Natural Gas		9,468	
Office Supplies		13,405	
Water and Sewer		15,624	
Liability Insurance		173,320	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Workers' Compensation Insurance	\$	<u>145,888</u>	
Total County Buildings			\$ 557,510

Finance

Accounting and Budgeting

Supervisor/Director	\$	86,716	
Accountants/Bookkeepers		136,936	
Longevity Pay		7,700	
Social Security		13,654	
Pensions		13,858	
Medical Insurance		41,562	
Employer Medicare		3,193	
Maintenance and Repair Services - Office Equipment		22,289	
Postal Charges		2,643	
Office Supplies		7,190	
In Service/Staff Development		934	
Data Processing Equipment		<u>1,381</u>	
Total Accounting and Budgeting			338,056

Property Assessor's Office

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		98,927	
Part-time Personnel		187	
Longevity Pay		4,000	
Board and Committee Members Fees		2,850	
Social Security		11,265	
Pensions		11,196	
Medical Insurance		34,536	
Employer Medicare		2,635	
Audit Services		1,594	
Data Processing Services		5,208	
Postal Charges		800	
Travel		1,509	
Office Supplies		2,435	
Motor Vehicles		<u>309</u>	
Total Property Assessor's Office			264,167

Reappraisal Program

Part-time Personnel	\$	5,219	
Social Security		324	
Employer Medicare		76	
Data Processing Services		3,064	
Travel		124	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Supplies and Materials	\$	12	
Total Reappraisal Program			\$ 8,819

County Trustee's Office

County Official/ Administrative Officer	\$	86,716	
Accountants/Bookkeepers		30,362	
Secretary(ies)		29,583	
Part-time Personnel		7,902	
Longevity Pay		2,800	
Social Security		9,541	
Pensions		8,921	
Medical Insurance		12,334	
Employer Medicare		2,231	
Advertising		50	
Data Processing Services		18,307	
Dues and Memberships		798	
Maintenance and Repair Services - Office Equipment		8,186	
Postal Charges		3,510	
Office Supplies		2,443	
Total County Trustee's Office			223,684

County Clerk's Office

County Official/ Administrative Officer	\$	86,716	
Secretary(ies)		46,082	
Part-time Personnel		1,298	
Longevity Pay		2,100	
Social Security		8,006	
Pensions		8,188	
Medical Insurance		25,548	
Employer Medicare		1,872	
Dues and Memberships		788	
Postal Charges		5,226	
Office Supplies		17,216	
Office Equipment		925	
Total County Clerk's Office			203,965

Administration of Justice

Circuit Court

County Official/ Administrative Officer	\$	86,716
Clerical Personnel		134,371
Part-time Personnel		7,295
Longevity Pay		2,700
Overtime Pay		41

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Social Security	\$	13,732	
Pensions		13,485	
Medical Insurance		33,558	
Employer Medicare		3,212	
Dues and Memberships		863	
Maintenance and Repair Services - Office Equipment		25,444	
Postal Charges		2,620	
Rentals		2,316	
Travel		1,865	
Other Contracted Services		2,198	
Office Supplies		13,761	
Total Circuit Court			\$ 344,177

Criminal Court

Jury and Witness Expense	\$	7,652	
Total Criminal Court			7,652

General Sessions Court

Paraprofessionals	\$	9,146	
Clerical Personnel		25,782	
Longevity Pay		1,400	
Social Security		1,968	
Pensions		2,135	
Medical Insurance	\$	17,943	
Employer Medicare		460	
Dues and Memberships		400	
Postal Charges		240	
Travel		5,482	
Office Supplies		2,185	
Total General Sessions Court			67,141

General Sessions Judge

Judge(s)	\$	133,648	
Social Security		8,162	
Pensions		8,112	
Medical Insurance		6,926	
Employer Medicare		1,909	
Total General Sessions Judge			158,757

Drug Court

Assistant(s)	\$	23,729	
Longevity Pay		100	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Social Security	\$	1,453	
Pensions		1,380	
Medical Insurance		1,117	
Unemployment Compensation		35	
Employer Medicare		340	
Communication		1,211	
Postal Charges		118	
Travel		10,037	
Other Contracted Services		1,646	
Office Supplies		6,253	
Total Drug Court			\$ 47,419

Chancery Court

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		49,979	
Longevity Pay		1,000	
Social Security		8,203	
Pensions		8,358	
Medical Insurance		19,244	
Employer Medicare		1,918	
Dues and Memberships		175	
Maintenance and Repair Services - Office Equipment		250	
Postal Charges		2,000	
Travel		278	
Office Supplies		5,544	
Total Chancery Court			183,665

Juvenile Court

Social Workers	\$	33,119	
Social Security		1,785	
Pensions		1,748	
Medical Insurance		14,349	
Employer Medicare		418	
Travel		1,390	
Office Supplies		64	
Total Juvenile Court			52,873

Other Administration of Justice

Other Contracted Services	\$	51,678	
Total Other Administration of Justice			51,678

Courtroom Security

Guards	\$	39,497	
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(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

Social Security	\$	2,132	
Pensions		173	
Medical Insurance		679	
Employer Medicare		499	
Law Enforcement Equipment		78	
Total Courtroom Security			\$ 43,058

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	95,388	
Deputy(ies)		1,208,946	
Salary Supplements		19,200	
Clerical Personnel		53,422	
Longevity Pay		14,900	
Overtime Pay		125,708	
Other Salaries and Wages		62,278	
In-service Training		10,250	
Other Per Diem and Fees		2,116	
Social Security		93,927	
Pensions		89,443	
Medical Insurance		241,226	
Employer Medicare		21,967	
Contracts with Other Public Agencies		17,418	
Dues and Memberships		423	
Maintenance and Repair Services - Buildings		4,746	
Maintenance and Repair Services - Equipment		487	
Maintenance and Repair Services - Vehicles		54,267	
Postal Charges		2,078	
Travel		1,287	
Other Contracted Services		1,579	
Gasoline		108,908	
Law Enforcement Supplies		2,509	
Office Supplies		11,291	
Uniforms		5,447	
Vehicle Parts		27,558	
Other Supplies and Materials		4,265	
In Service/Staff Development		200	
Other Charges		5,858	
Communication Equipment		1,483	
Data Processing Equipment		438	
Law Enforcement Equipment		12,981	
Total Sheriff's Department			2,301,994

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail

Supervisor/Director	\$	46,854	
Guards		779,841	
Clerical Personnel		21,717	
Maintenance Personnel		8,673	
Longevity Pay		3,400	
Overtime Pay		46,889	
Other Salaries and Wages		44,985	
In-service Training		3,120	
Social Security		57,428	
Pensions		54,644	
Medical Insurance		98,241	
Employer Medicare		13,431	
Communication		38,119	
Contracts with Other Public Agencies		9,885	
Contracts with Private Agencies		223,204	
Maintenance and Repair Services - Buildings		27,477	
Maintenance and Repair Services - Equipment		21,315	
Medical and Dental Services		234,296	
Pest Control		360	
Travel		2,235	
Other Contracted Services		9,355	
Custodial Supplies		19,435	
Electricity		31,319	
Food Supplies		5,426	
Gasoline		3,902	
Natural Gas		10,766	
Office Supplies		1,930	
Prisoners Clothing		540	
Uniforms		3,063	
Vehicle Parts		91	
Water and Sewer		46,561	
Other Supplies and Materials		10,760	
Other Charges		330	
Law Enforcement Equipment		3,620	
Total Jail			\$ 1,883,212

Juvenile Services

Other Contracted Services	\$	20,166	
Total Juvenile Services			20,166

Fire Prevention and Control

Medical Insurance	\$	7,177	
Contracts with Government Agencies		2,000	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Contributions	\$	64,000	
Rentals		3,000	
Vehicle and Equipment Insurance		50,348	
Workers' Compensation Insurance		884	
Other Charges		26,015	
Total Fire Prevention and Control			\$ 153,424

Civil Defense

Supervisor/Director	\$	10,939	
Social Security		678	
Employer Medicare		159	
Communication		4,096	
Dues and Memberships		132	
Maintenance and Repair Services - Equipment		311	
Food Supplies		308	
Gasoline		2,069	
Office Supplies		203	
Other Supplies and Materials		125	
Liability Insurance		4,158	
Other Charges		1,230	
Total Civil Defense			24,408

Rescue Squad

Contributions	\$	3,000	
Total Rescue Squad			3,000

Other Emergency Management

Assistant(s)	\$	48,232	
Supervisor/Director		63,000	
Data Processing Personnel		44,913	
Dispatchers/Radio Operators		325,500	
Part-time Personnel		3,434	
Longevity Pay		11,100	
Overtime Pay		69,084	
Other Salaries and Wages		16,131	
Social Security		34,923	
Pensions		34,796	
Medical Insurance		86,501	
Unemployment Compensation		822	
Employer Medicare		8,167	
Total Other Emergency Management			746,603

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Supervisor/Director	\$	33,000	
Medical and Dental Services		61,371	
Total County Coroner/Medical Examiner			\$ 94,371

Other Public Safety

Road Signs	\$	2,012	
Total Other Public Safety			2,012

Public Health and Welfare

Local Health Center

Communication	\$	5,316	
Contributions		19,979	
Maintenance and Repair Services - Equipment		568	
Postal Charges		120	
Other Contracted Services		5,212	
Custodial Supplies		387	
Electricity		4,311	
Natural Gas		1,184	
Office Supplies		1,738	
Water and Sewer		1,137	
Other Charges		375	
Total Local Health Center			40,327

Rabies and Animal Control

Contributions	\$	4,000	
Total Rabies and Animal Control			4,000

Ambulance/Emergency Medical Services

Supervisor/Director	\$	65,985	
Accountants/Bookkeepers		36,293	
Medical Personnel		727,546	
Salary Supplements		8,078	
Temporary Personnel		22,989	
Longevity Pay		18,200	
Overtime Pay		578,621	
Other Salaries and Wages		31,278	
In-service Training		4,882	
Social Security		89,199	
Pensions		88,771	
Medical Insurance		191,553	
Employer Medicare		20,861	
Communication		11,886	
Dues and Memberships		250	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Licenses	\$	2,750	
Maintenance and Repair Services - Equipment		4,443	
Maintenance and Repair Services - Vehicles		40,275	
Postal Charges		1,344	
Travel		3,498	
Other Contracted Services		118,410	
Custodial Supplies		3,919	
Drugs and Medical Supplies		81,641	
Electricity		6,821	
Gasoline		72,158	
Natural Gas		3,223	
Office Supplies		2,495	
Uniforms		7,557	
Water and Sewer		1,294	
Liability Insurance		57,808	
Other Charges		5,869	
Attendance Equipment		2,764	
Communication Equipment		2,753	
Data Processing Equipment		2,360	
Total Ambulance/Emergency Medical Services			\$ 2,317,774

Crippled Children Services

Contributions	\$	1,561	
Other Charges		5,000	
Total Crippled Children Services			6,561

Other Local Health Services

Clerical Personnel	\$	33,557	
Longevity Pay		200	
Social Security		2,035	
Pensions		2,049	
Medical Insurance		6,925	
Employer Medicare		476	
Travel		176	
Other Contracted Services		60	
Total Other Local Health Services			45,478

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Other Charges	\$	4,611	
Total Senior Citizens Assistance			4,611

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Librarians	\$	64,654	
Social Security		4,009	
Employer Medicare		937	
Communication		8,738	
Postal Charges		770	
Rentals		1,026	
Travel		627	
Instructional Supplies and Materials		962	
Office Supplies		2,008	
Periodicals		1,159	
Other Charges		8,770	
Data Processing Equipment		129	
Total Libraries			\$ 93,789

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	2,135	
Total Parks and Fair Boards			2,135

Agriculture and Natural Resources

Agricultural Extension Service

Maintenance and Repair Services - Office Equipment	\$	1,348	
Travel		2,000	
Other Contracted Services		72,314	
Office Supplies		4,581	
Other Supplies and Materials		3,739	
Office Equipment		884	
Total Agricultural Extension Service			84,866

Soil Conservation

Contributions	\$	10,900	
Other Charges		13,928	
Total Soil Conservation			24,828

Other Operations

Tourism

Contributions	\$	17,160	
Other Charges		2,692	
Total Tourism			19,852

Other Economic and Community Development

Contributions	\$	23,000	
Total Other Economic and Community Development			23,000

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Veterans' Services			
Contributions	\$	699	
Other Contracted Services		22,995	
Other Supplies and Materials		2,500	
Total Veterans' Services			\$ 26,194
Miscellaneous			
Life Insurance	\$	3,334	
Unemployment Compensation		8,488	
Remittance of Revenue Collected		4,809	
Judgments		222,401	
Trustee's Commission		175,552	
Total Miscellaneous			414,584
Public Safety Projects			
Other Charges	\$	20,333	
Total Public Safety Projects			20,333
Social, Cultural, and Recreation Projects			
Other Supplies and Materials	\$	4,200	
Total Social, Cultural, and Recreation Projects			4,200
Total General Fund			\$ 11,554,671
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Supervisor/Director	\$	65,985	
Truck Drivers		191,497	
Attendants		185,535	
Part-time Personnel		826	
Longevity Pay		4,300	
Overtime Pay		13,276	
Other Salaries and Wages		6,687	
Social Security		27,609	
Pensions		19,994	
Medical Insurance		79,765	
Employer Medicare		6,457	
Communication		7,002	
Licenses		225	
Maintenance and Repair Services - Equipment		12,933	
Other Contracted Services		396,716	
Electricity		16,662	
Equipment and Machinery Parts		11,587	
Food Supplies		2,715	
Gasoline		51,146	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management

General Construction Materials	\$	62,530	
Lubricants		3,938	
Natural Gas		574	
Office Supplies		965	
Tires and Tubes		10,042	
Water and Sewer		4,311	
Gravel and Chert		3,850	
Other Supplies and Materials		1,357	
Liability Insurance		9,985	
Workers' Compensation Insurance		36,618	
Landfill Closure/Postclosure Care Costs		18,036	
Other Charges		206	
Site Development		3,925	
Solid Waste Equipment		43,205	
Total Sanitation Management			\$ 1,300,459

Sanitation Education/Information

Supervisor/Director	\$	26,933	
Attendants		17,319	
Social Security		2,725	
Pensions		1,631	
Employer Medicare		637	
Advertising		1,350	
Maintenance and Repair Services - Buildings		102	
Travel		70	
Gasoline		1,976	
Instructional Supplies and Materials		147	
Vehicle Parts		2,545	
Other Supplies and Materials		1,718	
Total Sanitation Education/Information			57,153

Recycling Center

Supervisor/Director	\$	25,600	
Attendants		26,680	
Part-time Personnel		18,231	
Longevity Pay		100	
Overtime Pay		50	
Social Security		4,338	
Pensions		3,118	
Employer Medicare		995	
Electricity		977	
Gasoline		12,291	
Vehicle Parts		2,530	

(Continued)

MORGAN 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	\$	306	
Other Supplies and Materials		1,249	
Other Charges		673	
Solid Waste Equipment		2,174	
Total Recycling Center			\$ 99,312

Other Operations

Other Charges

Trustee's Commission	\$	25,887	
Total Other Charges			25,887

Miscellaneous

Life Insurance	\$	48	
Unemployment Compensation		2,697	
Judgments		43,335	
Total Miscellaneous			46,080

Total Solid Waste/Sanitation Fund \$ 1,528,891

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$	895	
Contributions		2,288	
Confidential Drug Enforcement Payments		7,500	
Towing Services		425	
Travel		250	
Other Contracted Services		6,573	
Instructional Supplies and Materials		531	
Uniforms		3,344	
Other Supplies and Materials		3,279	
Trustee's Commission		610	
Law Enforcement Equipment		44,718	
Motor Vehicles		23,500	
Total Drug Enforcement			\$ 93,913

Total Drug Control Fund \$ 93,913

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	63	
Total Register of Deeds			\$ 63

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees Fund (Cont.)

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 4,102	
Total County Trustee's Office		\$ 4,102

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 60,172	
Total Chancery Court		60,172

Total Constitutional Officers - Fees Fund \$ 64,337

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 95,388	
Secretary(ies)	39,370	
Social Security	7,922	
Pensions	8,015	
Medical Insurance	24,868	
Employer Medicare	1,853	
Dues and Memberships	3,960	
Legal Notices, Recording, and Court Costs	1,032	
Maintenance and Repair Services - Office Equipment	605	
Printing, Stationery, and Forms	5	
Travel	\$ 2,642	
Other Contracted Services	110	
Office Supplies	1,380	
Other Charges	1,355	
Total Administration		188,505

Highway and Bridge Maintenance

Foremen	\$ 47,741	
Equipment Operators	86,935	
Truck Drivers	185,018	
Laborers	142,358	
Part-time Personnel	29,851	
Longevity Pay	14,000	
Social Security	27,863	
Pensions	28,880	
Medical Insurance	100,183	
Employer Medicare	6,962	
Other Contracted Services	148,193	
Asphalt - Hot Mix	49,417	
Asphalt - Liquid	404,388	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	254,110	
Pipe - Metal		173,345	
Road Signs		722	
Total Highway and Bridge Maintenance			\$ 1,699,966

Operation and Maintenance of Equipment

Mechanic(s)	\$	132,138	
Part-time Personnel		2,775	
Longevity Pay		5,375	
Social Security		8,399	
Pensions		8,361	
Medical Insurance		26,185	
Employer Medicare		1,964	
Other Contracted Services		15,889	
Diesel Fuel		96,542	
Equipment and Machinery Parts		66,884	
Garage Supplies		5,883	
Gasoline		52,196	
Lubricants		4,906	
Small Tools		164	
Tires and Tubes		19,246	
Uniforms		12,023	
Total Operation and Maintenance of Equipment			458,930

Other Charges

Communication	\$	9,945	
Electricity		11,041	
Natural Gas	\$	4,905	
Water and Sewer		1,532	
Judgments		3,145	
Liability Insurance		54,415	
Trustee's Commission		27,296	
Total Other Charges			112,279

Employee Benefits

Life Insurance	\$	240	
Unemployment Compensation		602	
Workers' Compensation Insurance		31,660	
Total Employee Benefits			32,502

Capital Outlay

Highway Equipment	\$	145,675	
Motor Vehicles		33,800	

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

State Aid Projects	\$ 2,591,554	
Total Capital Outlay		\$ 2,771,029

Total Highway/Public Works Fund \$ 5,263,211

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 305,000	
Total General Government		305,000

Education

Principal on Bonds	\$ 1,070,000	
Total Education		1,070,000

Interest on Debt

General Government

Interest on Bonds	\$ 54,250	
Total General Government		54,250

Education

Interest on Bonds	\$ 226,880	
Total Education		226,880

Other Debt Service

General Government

Fiscal Agent Charges	\$ 3,500	
Judgments	25,104	
Trustee's Commission	3,961	
Total General Government		32,565

Total General Debt Service Fund 1,688,695

General Capital Projects Fund

Other Operations

American Rescue Plan Act Grant A

Other Charges	\$ 777,647	
Total American Rescue Plan Act Grant A		777,647

Capital Projects

Public Safety Projects

Other Charges	\$ 85,925	
Total Public Safety Projects		85,925

(Continued)

MORGAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)

Capital Projects

Public Health and Welfare Projects

Other Charges	\$ 180,337	
Other Construction	<u>637,243</u>	
Total Public Health and Welfare Projects		817,580

Social, Cultural, and Recreation Projects

Other Charges	\$ 2,500	
Other Construction	<u>75,890</u>	
Total Social, Cultural, and Recreation Projects		78,390

Public Utility Projects

Other Charges	\$ <u>180,698</u>	
Total Public Utility Projects		180,698

Other General Government Projects

Other Charges	\$ <u>6,129</u>	
Total Other General Government Projects		<u>6,129</u>

Total General Capital Projects Fund		<u>\$ 1,946,369</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 22,140,087</u></u>
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MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department

For the Year Ended June 30, 2024**General Purpose School Fund**

Instruction

Regular Instruction Program

Teachers	\$	8,531,086	
Career Ladder Program		20,000	
Homebound Teachers		2,100	
Salary Supplements		598,177	
Educational Assistants		798,998	
Bonus Payments		700	
Other Salaries and Wages		3,233	
Certified Substitute Teachers		116,501	
Non-certified Substitute Teachers		112,170	
Social Security		612,908	
Pensions		718,401	
Life Insurance		7,588	
Medical Insurance		1,422,109	
Dental Insurance		56,382	
Employer Medicare		143,335	
Instructional Supplies and Materials		77,800	
Textbooks - Bound		137,089	
Other Supplies and Materials		5,013	
Criminal Investigation of Applicants - TBI		594	
Fee Waivers		20,328	
TISA - On-behalf Payments		37,157	
Other Charges		7,430	
Total Regular Instruction Program			\$ 13,429,099

Special Education Program

Teachers	\$	606,343	
Homebound Teachers		3,731	
Educational Assistants		337,433	
Speech Pathologist		182,843	
Other Salaries and Wages		74,075	
Non-certified Substitute Teachers		988	
Social Security		70,151	
Pensions		67,243	
Life Insurance		874	
Medical Insurance		185,402	
Dental Insurance		4,818	
Employer Medicare		16,406	
Contracts with Other Public Agencies		13,817	
Instructional Supplies and Materials		18,725	
Special Education Equipment		1,438	
Total Special Education Program			1,584,287

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	726,652	
Career Ladder Program		1,000	
Guidance Personnel		171,366	
Secretary(ies)		25,830	
Clerical Personnel		13,470	
Educational Assistants		22,121	
Other Salaries and Wages		7,200	
Social Security		57,937	
Pensions		56,538	
Life Insurance		763	
Medical Insurance		167,513	
Dental Insurance		4,567	
Employer Medicare		13,550	
Instructional Supplies and Materials		42,128	
Software		2,312	
Vocational Instruction Equipment		206,618	
Total Career and Technical Education Program			\$ 1,519,565

Support Services

Attendance

Supervisor/Director	\$	79,983	
Social Security		4,760	
Pensions		5,447	
Life Insurance		44	
Medical Insurance		11,039	
Employer Medicare		1,113	
Travel		8,955	
Other Contracted Services		88,824	
Other Charges		9,900	
Total Attendance			210,065

Health Services

Supervisor/Director	\$	88,483	
Medical Personnel		69,878	
Other Salaries and Wages		2,625	
Social Security		10,077	
Pensions		10,060	
Life Insurance		106	
Medical Insurance		9,405	
Dental Insurance		1,630	
Employer Medicare		2,822	
Travel		5,870	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Contracted Services	\$	90,000	
Drugs and Medical Supplies		7,678	
Other Supplies and Materials		5,114	
Other Charges		6,864	
Other Equipment		140	
Total Health Services			\$ 310,752

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		397,320	
Psychological Personnel		77,402	
Social Security		28,464	
Pensions		36,406	
Life Insurance		316	
Medical Insurance		73,667	
Dental Insurance		3,077	
Employer Medicare		6,657	
Travel		1,700	
Other Charges		224	
Total Other Student Support			626,233

Regular Instruction Program

Supervisor/Director	\$	88,139	
Librarians		358,736	
Salary Supplements		58,500	
Secretary(ies)		115,236	
Social Security		37,183	
Pensions		39,144	
Life Insurance		369	
Medical Insurance		97,687	
Dental Insurance		1,651	
Employer Medicare		8,696	
Travel		1,879	
Library Books/Media		8,067	
Total Regular Instruction Program			815,287

Special Education Program

Supervisor/Director	\$	81,780
Secretary(ies)		36,810
Other Salaries and Wages		35,797
Social Security		8,949
Pensions		9,974

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	93	
Medical Insurance		43,289	
Dental Insurance		397	
Employer Medicare		2,093	
Communication		2,566	
Evaluation and Testing		19,454	
Postal Charges		263	
Travel		3,941	
Other Contracted Services		64,858	
In Service/Staff Development		18,727	
Other Charges		18,067	
Total Special Education Program			\$ 347,058

Career and Technical Education Program

Supervisor/Director	\$	95,979	
Social Security		5,896	
Pensions		6,536	
Life Insurance		44	
Medical Insurance		9,880	
Dental Insurance		211	
Employer Medicare		1,379	
Travel		2,944	
Other Contracted Services		12,602	
Total Career and Technical Education Program			135,471

Technology

Instructional Computer Personnel	\$	255,718	
Social Security		15,059	
Pensions		15,306	
Life Insurance		135	
Medical Insurance		48,155	
Dental Insurance		1,316	
Employer Medicare		3,522	
Communication		3,143	
Internet Connectivity		375,301	
Software		90,653	
Other Equipment		72,684	
Total Technology			880,992

Other Programs

Teachers	\$	869	
Other Salaries and Wages		14,420	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs (Cont.)

Social Security	\$	948	
Pensions		782	
Employer Medicare		222	
On-behalf Payments to OPEB		54,660	
Other Charges		268,625	
Total Other Programs			\$ 340,526

Board of Education

Board and Committee Members Fees	\$	13,775	
Social Security		854	
Unemployment Compensation		82	
Employer Medicare		200	
Payments to Retirees		74,000	
Audit Services		12,000	
Communication		73,396	
Dues and Memberships		5,951	
Legal Services		2,943	
Travel		10,144	
Other Contracted Services	\$	13,513	
Liability Insurance		256,151	
Trustee's Commission		102,484	
Workers' Compensation Insurance		80,519	
Other Charges		8,411	
Total Board of Education			654,423

Director of Schools

County Official/Administrative Officer	\$	129,913	
Assistant(s)		92,139	
Supervisor/Director		1,100	
Career Ladder Program		1,000	
Secretary(ies)		44,834	
Social Security		16,557	
Pensions		16,826	
Life Insurance		112	
Medical Insurance		52,953	
Dental Insurance		1,738	
Employer Medicare		3,872	
Communication		3,936	
Dues and Memberships		2,842	
Travel		9,468	
Other Contracted Services		30,131	
Office Supplies		3,254	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Vehicle Parts	\$	200	
Judgments		129,900	
Other Charges		11,906	
Total Director of Schools			\$ 552,681

Office of the Principal

Principals	\$	590,293	
Career Ladder Program		3,000	
Assistant Principals		1,250	
Secretary(ies)		196,373	
Clerical Personnel		138,101	
Educational Assistants		118	
Social Security		56,329	
Pensions		59,901	
Life Insurance		601	
Medical Insurance		112,478	
Dental Insurance		2,761	
Employer Medicare		13,174	
Communication		5,000	
Travel		2,909	
Other Contracted Services		50,605	
Total Office of the Principal			1,232,893

Operation of Plant

Bus Drivers	\$	1,696	
Custodial Personnel		743,381	
Maintenance Personnel		25,418	
Other Salaries and Wages		58,620	
Social Security		49,824	
Pensions		48,550	
Life Insurance		666	
Medical Insurance		140,744	
Dental Insurance		1,861	
Employer Medicare		11,652	
Other Contracted Services		25,921	
Custodial Supplies		88,935	
Electricity		710,973	
Natural Gas		118,954	
Water and Sewer		120,423	
Other Charges		198	
Total Operation of Plant			2,147,816

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	63,728	
Custodial Personnel		126	
Maintenance Personnel		146,394	
Social Security		12,732	
Pensions		12,762	
Life Insurance		140	
Medical Insurance		28,236	
Dental Insurance		596	
Employer Medicare		2,978	
Communication		4,347	
Contributions		55,940	
Maintenance and Repair Services - Buildings		69,765	
Travel		527	
Other Contracted Services		255,190	
Other Supplies and Materials		14,628	
Other Charges		37,292	
Administration Equipment		107,325	
Maintenance Equipment		4,513	
Total Maintenance of Plant			\$ 817,219

Transportation

Supervisor/Director	\$	67,138
Mechanic(s)		80,910
Bus Drivers		764,891
Other Salaries and Wages		42,440
Social Security		82,198
Pensions		54,094
Life Insurance	\$	662
Medical Insurance		52,283
Dental Insurance		816
Employer Medicare		13,745
Communication		5,020
Maintenance and Repair Services - Vehicles		16,234
Travel		4,259
Other Contracted Services		53,180
Diesel Fuel		126,309
Equipment and Machinery Parts		6,835
Gasoline		84,000
Lubricants		350
Natural Gas		2,284
Propane Gas		16,033
Tires and Tubes		24,934

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	63,765	
Other Charges		14,908	
Transportation Equipment		683,884	
Total Transportation			\$ 2,261,172

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	11,073	
Social Security		687	
Pensions		626	
Employer Medicare		161	
Other Supplies and Materials		7,668	
Other Charges		10,621	
Total Community Services			30,836

Early Childhood Education

Teachers	\$	423,920	
Bus Drivers		46,732	
Clerical Personnel		14,524	
Educational Assistants		475,892	
Non-certified Substitute Teachers		1,854	
Social Security		59,175	
Pensions		59,746	
Life Insurance		594	
Medical Insurance		107,513	
Dental Insurance		2,949	
Employer Medicare		13,839	
Travel		17,298	
Other Contracted Services		311	
Diesel Fuel		12,662	
Instructional Supplies and Materials		107,132	
Textbooks - Bound	\$	18,415	
Other Supplies and Materials		305	
In Service/Staff Development		2,248	
Other Charges		2,036	
Total Early Childhood Education			1,367,145

Capital Outlay

Regular Capital Outlay

Architects	\$	12,000	
Total Regular Capital Outlay			12,000

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government \$ 1,193,346

Total Education \$ 1,193,346

Total General Purpose School Fund \$ 30,468,866

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers \$ 521,674

Educational Assistants 180,556

Other Salaries and Wages 6,310

Certified Substitute Teachers 545

Non-certified Substitute Teachers 900

Social Security 42,980

Pensions 46,835

Life Insurance 581

Medical Insurance 104,042

Dental Insurance 3,462

Unemployment Compensation 830

Employer Medicare 10,052

Contracts with Private Agencies 137,675

Other Contracted Services 166,806

Instructional Supplies and Materials 92,081

Software 184,108

Other Charges 239

Regular Instruction Equipment 59,949

Total Regular Instruction Program 1,559,625

Special Education Program

Educational Assistants \$ 432,532

Speech Pathologist 57,408

Other Salaries and Wages 3,520

Social Security 28,600

Pensions 29,955

Life Insurance 516

Medical Insurance 131,017

Dental Insurance 1,100

Unemployment Compensation 1,440

Employer Medicare 6,689

Lease/SBITA Payments 9,260

Instructional Supplies and Materials 30,790

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Special Education Equipment	\$	42,377	
Total Special Education Program			\$ 775,204

Career and Technical Education Program

Instructional Supplies and Materials	\$	3,304	
Other Supplies and Materials		3,638	
Vocational Instruction Equipment		20,399	
Total Career and Technical Education Program			27,341

Support Services

Health Services

Medical Personnel	\$	258,817	
Social Security		15,873	
Pensions		17,236	
Life Insurance		281	
Medical Insurance		16,810	
Dental Insurance		2,871	
Unemployment Compensation		336	
Employer Medicare		3,712	
Health Equipment		86,728	
Total Health Services			402,664

Other Student Support

Guidance Personnel	\$	144,847	
Other Salaries and Wages		2,778	
Social Security		8,866	
Pensions		8,792	
Life Insurance		166	
Medical Insurance		24,538	
Dental Insurance		57	
Unemployment Compensation		454	
Employer Medicare		2,074	
Travel		5,723	
Other Contracted Services		9,888	
Other Supplies and Materials		36,371	
In Service/Staff Development		10,906	
Other Charges		10,725	
Other Equipment		115,696	
Total Other Student Support			381,881

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	84,649	
Secretary(ies)		35,710	
Educational Assistants		120,576	
Other Salaries and Wages		94,893	
Certified Substitute Teachers		760	
Non-certified Substitute Teachers		2,280	
Social Security		20,677	
Pensions		21,644	
Life Insurance		249	
Medical Insurance		37,683	
Dental Insurance		816	
Unemployment Compensation		556	
Employer Medicare		4,836	
Postal Charges		74	
Travel		1,396	
Other Contracted Services		71,250	
Other Supplies and Materials		28,567	
In Service/Staff Development		85,411	
Other Equipment		43,791	
Total Regular Instruction Program			\$ 655,818

Special Education Program

Medical Personnel	\$	91,277	
Other Salaries and Wages		4,000	
Social Security		5,801	
Pensions		2,588	
Life Insurance		4	
Dental Insurance		59	
Unemployment Compensation		113	
Employer Medicare		891	
Other Contracted Services		115,005	
In Service/Staff Development		7,082	
Total Special Education Program			226,820

Career and Technical Education Program

Travel	\$	962	
In Service/Staff Development		704	
Total Career and Technical Education Program			1,666

Technology

Instructional Computer Personnel	\$	61,391	
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(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Social Security	\$	3,417	
Pensions		4,181	
Life Insurance		44	
Medical Insurance		16,540	
Dental Insurance		211	
Unemployment Compensation		48	
Employer Medicare		799	
Other Equipment		260,232	
Total Technology			\$ 346,863

Office of the Principal

Assistant Principals	\$	407,540	
Social Security		24,741	
Pensions		27,647	
Life Insurance		262	
Medical Insurance		58,853	
Dental Insurance		1,576	
Unemployment Compensation		297	
Employer Medicare		5,786	
Total Office of the Principal			526,702

Operation of Plant

Plant Operation Equipment	\$	11,161	
Total Operation of Plant			11,161

Transportation

Transportation Equipment	\$	528,441	
Total Transportation			528,441

Total School Federal Projects Fund			\$ 5,444,186
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	79,983	
Clerical Personnel		37,104	
Cafeteria Personnel		920,975	
Bonus Payments		22,750	
Social Security		62,035	
Pensions		61,408	
Life Insurance		981	
Medical Insurance		161,444	

(Continued)

MORGAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Morgan County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Dental Insurance	\$	2,270	
Employer Medicare		14,883	
Communication		1,934	
Maintenance and Repair Services - Equipment		82,667	
Pest Control		4,200	
Travel		37,629	
Other Contracted Services		10,386	
Food Preparation Supplies		81,576	
Food Supplies		1,240,391	
Office Supplies		2,584	
Uniforms		7,490	
USDA - Commodities		378,951	
In Service/Staff Development		9,112	
Other Charges		18,612	
Food Service Equipment		68,506	
Total Food Service			\$ 3,307,871

Community Services

Cafeteria Personnel	\$	84,384	
Social Security		5,232	
Pensions		4,819	
Employer Medicare		1,224	
Maintenance and Repair Services - Equipment		88,157	
Food Preparation Supplies		8,174	
Food Supplies		28,643	
Total Community Services			220,633

Total Central Cafeteria Fund			\$ 3,528,504
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,856,237	
Total Community Services			1,856,237

Total Internal School Fund			1,856,237
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Total Governmental Funds - Morgan County School Department			\$ 41,297,793
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SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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*

Morgan County Executive and
Board of County Commissioners
Morgan County, Tennessee

To the County Executive 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 Morgan County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Morgan County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 18, 2025. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Morgan County Economic Development Board, Inc., and the Internal School Fund of the discretely presented Morgan County School Department, as described in our report on Morgan County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan 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 Morgan County's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan 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 identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morgan 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.


Morgan County's Response to the Finding

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

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 Morgan 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 18, 2025

JEM/gc



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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

Morgan County Executive and
Board of County Commissioners
Morgan County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Morgan 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 Morgan County's major federal programs for the year ended June 30, 2024. Morgan 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, Morgan 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, 2024.

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; the standards applicable to financial audits contained in *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 Morgan 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 Morgan 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 Morgan 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 Morgan 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 generally accepted auditing standards, *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 noncompliance 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 Morgan County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Morgan 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 Morgan 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 Morgan 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 Morgan County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Morgan County's basic financial statements. We issued our report thereon dated February 18, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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 18, 2025

JEM/gc

MORGAN COUNTY, TENNESSEE, AND THE MORGAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	\$ 0	\$ 978,893
National School Lunch Program	10.555	N/A	0	1,795,866 (5)
National School Lunch Program (Supply Chain Assistance Grant)	10.555	N/A	0	70,598 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	0	75,829
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	0	3,256
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	378,951 (5)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	0	5,197 (5)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-80448	0	12,031
Passed-through East Tennessee Human Resources Agency:				
COVID 19 - Child and Adult Care Food Program	10.558	(3)	0	219,914
Total U.S. Department of Agriculture				<u>\$ 3,540,535</u>
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	33004-38923	0	\$ 86,380
Passed-through State Housing Development Agency:				
Home Investment Partnerships Program	14.239	(3)	0	539,352
Total U.S. Department of Housing and Urban Development				<u>\$ 625,732</u>
U.S. Department of Transportation:				
Passed-through Tennessee Highway Safety Office:				
Alcohol Open Container Requirements	20.607	Z-24-THS202	0	\$ 2,785
Total U.S. Department of Transportation				<u>\$ 2,785</u>
U.S. Department of the Treasury:				
Direct Program:				
COVID 19 - Coronavirus State and Local Recovery Funds	21.027	N/A	0	\$ 898,767 (5)
Passed-through State Department of Education:				
COVID 19 - Coronavirus State and Local Recovery Funds	21.027	N/A	0	58,857 (5)
Passed-through State Department of Environment and Conservation:				
COVID 19 - Coronavirus State and Local Recovery Funds	21.027	(3)	(7) 121,323	177,573 (5)
Total U.S. Department of the Treasury				<u>\$ 1,135,197</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 1,070,780
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	0	798,465 (5)
COVID 19 - Special Education - Grants to States(ARP)	84.027	84.027X	0	12,037 (5)
Special Education - Preschool Grants	84.173	N/A	0	33,485 (5)
COVID 19 - Special Education - Preschool Grants(ARP)	84.173	84.173X	0	7,945 (5)
Career and Technical Education - Basic Grants to States	84.048	N/A	0	58,511
Rural Education	84.358	N/A	0	82,595
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	0	171,016
Student Support and Academic Enrichment Program	84.424	N/A	0	29,267
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	151,300 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Math implementation Support Grant (ESSER II)	84.425D	N/A	0	71,250 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	3,099,258 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Tennessee ALL Corps (ESSER ARP)	84.425U	N/A	0	126,561 (5)
Passed-through Save the Children:				
Twenty-first Century Community Learning Centers	84.287	(3)	0	244,144
Total U.S. Department of Education				<u>\$ 5,956,614</u>

(Continued)

MORGAN COUNTY, TENNESSEE, AND THE MORGAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Health and Human Services:				
Passed-through State Department of Mental Health and Substance Abuse:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	(3)	\$ 0	\$ 25,051
Passed-through State Department of Health:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(ARP)	93.323	34349-16723		180,947
Medicaid Cluster: (4)				
Medical Assistance Program	93.778	GG-24-80448	0	13,453
State Survey and Certification of Health Care Providers and Suppliers	93.977	GG-24-80448	0	2,349
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-80448	0	1,771
Passed-through Save the Children:				
Temporary Assistance for Needy Families	93.558	(3)	0	101,708
Total U.S. Department of Health and Human Services				<u>\$ 325,279</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	(3)	0	\$ 9,962
Homeland Security Grant Program	97.067	(3)	0	9,050
Total U.S. Department of Homeland Security				<u>\$ 19,012</u>
Total Expenditures of Federal Grants				<u>\$ 11,605,154</u>
State Grants		Contract Number		
Governor's Earmark Direct Appropriation - Language and Literacy Development				
- Save the Children	N/A	(3)	\$	41,065
Governor's Earmark Direct Appropriation FY24 - Save the Children	N/A	(3)		147,480
Adult Drug Court - State Administrative Offices of the Court	N/A	(3)		46,419
Juvenile Services Program - State Children's Services Commission	N/A	(3)		4,500
Litter Program - State Department of Transportation	N/A	(3)		46,226
Law Enforcement Training Grants - State Department of Commerce and Insurance	N/A	(3)		19,200
2024 Public School Security Grant - State Department of Education	N/A	(3)		113,402
Early Childhood Education - State Department of Education	N/A	(3)		444,855
Innovative School Models - State Department of Education	N/A	(3)		688,282
State Special Education Grant - State Department of Education	N/A	(3)		18,651
Summer Learning Camps - State Department of Education	N/A	(3)		202,046
Summer Learning Camps - Transportation - State Department of Education	N/A	(3)		49,610
Local Parks and Recreation Fund Grant - State Department of Environment and Conservation	N/A	(3)		28,485
State Direct Appropriation Grant FY 2021 - State Department of Finance and Administration	N/A	(3)		9,747
Violent Crime Intervention Funding - State Department of Finance and Administration	N/A	(3)		85,925
Health Department Grants - State Department of Health	N/A	GG-24-80448		14,020
Project Diabetes - State Department of Health	N/A	(3)		90,000
Statewide School Resource Officer (SRO) Grant - State Department of Safety and Homeland Security	N/A	(3)		553,935
2023 Archives Development Grant - State Library and Archives	N/A	(3)		4,200
Court Security Grant - State Administrative Office of the Courts	N/A	(3)		3,742
FY24 Training Equipment Grant - Tennessee Corrections Institute	N/A	(3)		13,991
Total State Grants				<u>\$ 2,625,781</u>

ALN = Assistance Listing Number
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Morgan County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$3,305,334; Special Education Cluster total \$851,932; Medicaid Cluster total \$13,453.
- (5) Total for ALN 10.555 is \$2,250,612; Total for ALN 21.027 is \$1,135,197; Total for ALN 84.027 is \$810,502;
Total for ALN 84.173 is \$41,430; Total for ALN 84.425 is \$3,448,369.

(Continued)

MORGAN COUNTY, TENNESSEE, AND THE MORGAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

(6) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 137,766
Rural Education	84.358	9,683
Supporting Effective Instruction State Grants	84.367	9,683
Student Support and Academic Enrichment Program	84.424	484
Total amounts consolidated for administration purposes		<u>\$ 157,616</u>

(7) SUBRECIPIENT AMOUNTS

The following amounts were paid to subrecipients from the Coronavirus State and Local Fiscal Recovery Funds:

Subrecipient	ALN	Amount Provided to Subrecipients
Cumberland Utility District	21.027	\$ 121,323

MORGAN COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Morgan County, Tennessee, for the year ended June 30, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICES OF TRUSTEE, DIRECTOR OF FINANCE, AND DIRECTOR OF SCHOOLS					
2023	193	2023-001	The School Federal Projects Fund had a cash overdraft for three months of the year and the trustee paid checks from the School Federal Projects Fund that exceeded available funds.	N/A	Corrected
OFFICE OF DIRECTOR OF FINANCE					
2023	195	2023-002	Payroll liability accounts were not reconciled accurately and timely.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF DIRECTOR OF SCHOOLS					
2023	195	2023-003	Some purchases were not made through the county purchasing agent.	N/A	Corrected

Prior-year Federal Award Findings

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

MORGAN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Morgan 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 Numbers: 10.553, 10.555 and 10.582 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Fresh Fruit and Vegetable Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF FINANCE

FINDING 2024-001

PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED ACCURATELY AND TIMELY

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

General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected. This deficiency can be attributed to management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected 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, 2024

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MORGAN COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF FINANCE

2024-001	Payroll liability accounts were not reconciled accurately and timely.	194
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Office of Director of Finance

Morgan County

P.O. Box 250

Wartburg, Tennessee 37887

423-346-6618

Corrective Action Plan

**FINDING: PAYROLL LIABILITY ACCOUNTS WERE NOT
RECONCILED ACCURATELY AND TIMELY**

Response and Corrective Action Plan Prepared by:

Crystal Garrett, Director of Finance

Person Responsible for Implementing the Corrective Action:

Crystal Garrett, Director of Finance

Anticipated Completion Date of Corrective Action:

6/30/25

Repeat Finding: YES

Planned Corrective Action:

The Finance Director will examine the balance sheets each month to attempt to address general discrepancies between insurance bills and liability accounts in lieu of creating detailed reconciliation spreadsheets for the liability accounts that are not currently being reconciled. The Finance Office began reconciling dental and vision insurances for General Purpose Schools, Federal Projects, and Cafeteria funds in the 2023-24 year; this, alone, is a substantial reconciliation to perform monthly. Until an additional position is added to the Finance Office or the number of insurance benefits is cut, the Finance Office cannot devote enough time to adequately perform additional reconciliations for the remaining liability accounts and insurance bills. If the upcoming payroll software upgrade makes the current reconciliations less time consuming, however, the Finance Director will consider creating detailed reconciliations for additional liabilities as time allows.

Signature:

