



ANNUAL FINANCIAL REPORT

Cannon County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

CANNON COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Cannon County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	29-30
Ambulance Service Fund	C-6	31
Other General Government Fund	C-7	32
Highway/Public Works Fund	C-8	33
Proprietary Funds:		
Statement of Net Position	D	34
Fiduciary Funds:		
Statement of Net Position	E-1	35
Statement of Changes in Net Position	E-2	36
Index and Notes to the Financial Statements		37-92
REQUIRED SUPPLEMENTARY INFORMATION:		93
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	94
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	95

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Cannon County School Department	F-3	96
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Cannon County School Department	F-4	97
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Cannon County School Department	F-5	98
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Cannon County School Department	F-6	99
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan – Discretely Presented Cannon County School Department	F-7	100
Notes to the Required Supplementary Information		101
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		102
Nonmajor Governmental Funds:		103-104
Combining Balance Sheet	G-1	105-108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	109-110
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	G-3	111
Drug Control Fund	G-4	112
General Debt Service Fund	G-5	113
Education Capital Projects Fund	G-6	114
Other Capital Projects Fund	G-7	115
Major Governmental Funds:		116
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Education Debt Service Fund	H-1	117
General Capital Projects Fund	H-2	118
Fiduciary Funds:		119
Combining Statement of Net Position – Custodial Funds	I-1	120
Combining Statement of Changes in Net Position – Custodial Funds	I-2	121
Component Unit:		
Discretely Presented Cannon County School Department:		122
Statement of Activities	J-1	123
Balance Sheet – Governmental Funds	J-2	124
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	125
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	126
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	127
Combining Balance Sheet - Nonmajor Governmental Funds	J-6	128

	Exhibit	Page(s)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	J-7	129
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	130-131
School Federal Projects Fund	J-9	132-133
Central Cafeteria Fund	J-10	134
Miscellaneous Schedules:		135
Schedule of Changes in Long-term Bonds and Other Loans	K-1	136
Schedule of Long-term Debt Requirements by Year	K-2	137
Schedule of Investments	K-3	138
Schedule of Notes Receivable	K-4	139
Schedule of Transfers – Primary Government and Discretely Presented Cannon County School Department	K-5	140
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Cannon County School Department	K-6	141
Schedule of Detailed Revenues – All Governmental Fund Types	K-7	142-153
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Cannon County School Department	K-8	154-157
Schedule of Detailed Expenditures – All Governmental Fund Types	K-9	158-172
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Cannon County School Department	K-10	173-184
Schedule of Detailed Additions, Deductions, and Changes in Net Position – City Custodial Fund	K-11	185
 <u>SINGLE AUDIT SECTION</u>		 186
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 <i>Government Auditing Standards</i>		187-188
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 Uniform Guidance		189-192
Schedule of Expenditures of Federal Awards and State Grants		193-194
Summary Schedule of Prior-year Findings		195
Schedule of Findings and Questioned Costs		196-198
Management's Corrective Action Plan		199

Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.



INTRODUCTORY SECTION

Cannon County Officials

June 30, 2022

Officials

Brent Bush, County Executive
Wayne Hancock, Road Supervisor
William Curtis, Director of Schools
Norma Knox, Trustee
Angela Schwartz, Assessor of Property
Lana Jones, County Clerk
Katina George, Circuit and General Sessions Courts Clerk
Dana Davenport, Clerk and Master
Sandy Hollandsworth, Register of Deeds
Darrell Young, Sheriff
Diane Hickman, Finance Director

Board of County Commissioners

Greg Mitchell, Chairman	Corey Davenport
Kristal Alexander	Jeannine Floyd
Karen Ashford	Randy Gannon
Brent Brandon	Ronnie Mahaffey
Jim Bush	Russell Reed

Board of Education

Aletha Thomas, Chairman
Jennifer Duggin
Carly Gannon
Wade McMackins
Derrick Mullins

Highway Commission

Terry Horn, Chairman
Doyle Duke
Jimmy Williams

Financial Management Committee

Russell Reed, Chairman
Brent Bush, County Executive
William Curtis, Director of Schools
Wayne Hancock, Road Supervisor
Karen Ashford
Brent Brandon
Randy Gannon

Audit Committee

David Faulkner, Chairman
John Haggerty
Kim Williams
Vacant
Vacant

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cannon County, Tennessee, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General, Ambulance Service, Other General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Cannon County School Department (a discretely presented component unit), which represent 1.85 percent, 2.66 percent, and 4.06 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cannon County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cannon 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 OPEB 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 Cannon County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Cannon 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 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 Education Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Cannon 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 14, 2023, on our consideration of Cannon 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 Cannon 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 Cannon County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 14, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Cannon County School Department
<u>ASSETS</u>		
Cash	\$ 845	\$ 498,160
Equity in Pooled Cash and Investments	12,907,549	5,895,933
Accounts Receivable	1,989,809	856
Allowance for Uncollectibles	(1,797,014)	0
Due from Other Governments	675,095	1,394,976
Due from Component Unit	14,903	0
Property Taxes Receivable	5,316,068	2,096,680
Allowance for Uncollectible Property Taxes	(102,807)	(40,482)
Notes Receivable - Long-term	41,324	0
Net Pension Asset - Agent Plan	2,016,819	904,837
Net Pension Asset - Teacher Retirement Plan	0	166,438
Net Pension Asset - Teacher Legacy Pension Plan	0	8,238,132
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	194,631
Capital Assets:		
Assets Not Depreciated:		
Land	267,389	170,879
Construction in Progress	755,768	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,831,429	6,669,748
Infrastructure	11,389,170	0
Other Capital Assets	1,384,607	731,565
Total Assets	<u>\$ 37,690,954</u>	<u>\$ 26,922,353</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 97,107	\$ 74,148
Pension Changes in Assumptions	1,038,033	2,726,833
Pension Changes in Proportion	0	87,606
Pension Changes in Contributions after Measurement Date	82,161	762,922
OPEB Changes in Experience	0	286,882
OPEB Changes in Assumptions	0	437,749
OPEB Changes in Proportion	0	38,034
OPEB Contributions after Measurement Date	0	72,416
Total Deferred Outflows of Resources	<u>\$ 1,217,301</u>	<u>\$ 4,486,590</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Cannon County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 330,249	\$ 833
Accrued Payroll	0	57,929
Payroll Deductions Payable	11,368	100
Due to Primary Government	0	14,903
Due to Other Governments	2,851,029	0
Due to State of Tennessee	461	437
Accrued Interest Payable	23,108	0
Noncurrent Liabilities:		
Due Within One Year - Debt	797,300	0
Due Within One Year - Other	3,584	48,830
Due in More Than One Year - Debt	3,614,206	0
Due in More Than One Year - Other	68,082	2,012,661
Total Liabilities	<u>\$ 7,699,387</u>	<u>\$ 2,135,693</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Current Property Taxes	\$ 5,112,260	\$ 2,013,043
Pension Changes in Experience	109,739	766,776
Pension Changes in Proportion	0	14,624
Pension Changes in Investment Earnings	1,655,317	7,408,183
OPEB Changes in Experience	0	178,821
OPEB Changes in Assumptions	0	101,121
OPEB Changes in Proportion	0	46,872
Total Deferred Inflows of Resources	<u>\$ 6,877,316</u>	<u>\$ 10,529,440</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 16,628,363	\$ 7,572,192
Restricted for:		
General Government	76,648	0
Finance	7,156	0
Administration of Justice	45,975	0
Public Safety	483,055	0
Public Health and Welfare	606,773	0
Highway/Public Works	2,843,020	0
Education	0	949,304
Debt Service	1,661,476	0
Capital Outlay	1,062,323	0
Pensions	2,016,819	9,504,038
Unrestricted	<u>(1,100,056)</u>	<u>718,276</u>
Total Net Position	<u>\$ 24,331,552</u>	<u>\$ 18,743,810</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Cannon County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,100,302	\$ 252,377	\$ 372,652	\$ 459,839	\$ (1,015,434)	\$ 0
Finance	932,782	456,728	1,000	0	(475,054)	0
Administration of Justice	617,499	340,085	9,000	0	(268,414)	0
Public Safety	2,995,458	186,399	13,800	0	(2,795,259)	0
Public Health and Welfare	1,684,052	745,621	7,335	64,398	(866,698)	0
Social, Cultural, and Recreational Services	210,975	24,924	0	0	(186,051)	0
Agriculture and Natural Resources	73,934	0	0	0	(73,934)	0
Highways/Public Works	2,713,663	0	2,119,189	1,704,168	1,109,694	0
Education	651,026	0	0	0	(651,026)	0
Interest on Long-term Debt	82,141	0	0	0	(82,141)	0
Total Primary Government	\$ 12,061,832	\$ 2,006,134	\$ 2,522,976	\$ 2,228,405	\$ (5,304,317)	\$ 0
Component Unit:						
Cannon County School Department	\$ 21,005,439	\$ 136,352	\$ 6,806,829	\$ 502,057	\$ 0	\$ (13,560,201)
Total Component Unit	\$ 21,005,439	\$ 136,352	\$ 6,806,829	\$ 502,057	\$ 0	\$ (13,560,201)

(Continued)

Exhibit B

Cannon County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Cannon County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,103,553	\$ 2,032,464
Property Taxes Levied for Debt Service					57,473	0
Local Option Sales Taxes					582,057	1,136,253
Wheel Tax					742,801	0
Litigation Tax					179,356	0
Business Tax					98,144	0
Wholesale Beer Tax					64,900	0
Mineral Severance Tax					107,707	0
Adequate Facilities/Development Tax					92,338	0
Mixed Drink Tax					0	6,942
Other Local Taxes					9,257	0
Grants and Contributions Not Restricted to Specific Programs					378,193	13,350,400
Unrestricted Investment Earnings					43,035	0
Sale of Equipment					161,363	5,405
Miscellaneous					110,252	34,351
Total General Revenues					\$ 7,730,429	\$ 16,565,815
Insurance Recovery					\$ 299,248	\$ 84,927
Change in Net Position					\$ 2,725,360	\$ 3,090,541
Net Position, July 1, 2021					21,606,192	15,653,269
Net Position, June 30, 2022					\$ 24,331,552	\$ 18,743,810

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

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Education Debt Service	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	3,131,681	866,255	2,847,490	2,568,409	1,070,558	1,067,219
Accounts Receivable	14,138	1,975,337	0	0	0	0
Allowance for Uncollectibles	0	(1,797,014)	0	0	0	0
Due from Other Governments	275,946	0	0	346,158	0	0
Due from Other Funds	3,259	0	0	0	0	0
Due from Component Units	0	0	0	0	0	0
Property Taxes Receivable	4,442,606	421,671	0	0	0	240,955
Allowance for Uncollectible Property Taxes	(85,915)	(8,155)	0	0	0	(4,660)
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	\$ 7,781,960	\$ 1,458,094	\$ 2,847,490	\$ 2,914,567	\$ 1,070,558	\$ 1,303,514
<u>LIABILITIES</u>						
Accounts Payable	\$ 143,004	\$ 28,846	\$ 14,765	\$ 59,718	\$ 0	\$ 56,483
Payroll Deductions Payable	0	0	0	11,368	0	0
Due to Other Funds	0	2,441	0	0	0	0
Due to State of Tennessee	0	0	0	461	0	0
Due to Other Governments	0	0	2,851,029	0	0	0
Total Liabilities	\$ 143,004	\$ 31,287	\$ 2,865,794	\$ 71,547	\$ 0	\$ 56,483
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 4,272,286	\$ 405,505	\$ 0	\$ 0	\$ 0	\$ 231,717
Deferred Delinquent Property Taxes	77,221	7,329	0	0	0	4,189

(Continued)

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Education Debt Service	General Capital Projects
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 26,697	\$ 131,872	\$ 0	\$ 162,664	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 4,376,204	\$ 544,706	\$ 0	\$ 162,664	\$ 0	\$ 235,906
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 2,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	7,156	0	0	0	0	0
Restricted for Administration of Justice	45,975	0	0	0	0	0
Restricted for Public Safety	348,516	0	0	0	0	0
Restricted for Public Health and Welfare	101,816	0	0	0	0	0
Restricted for Other Operations	73,803	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	2,680,356	0	0
Restricted for Capital Outlay	0	0	0	0	0	1,011,125
Restricted for Debt Service	0	0	0	0	1,070,558	0
Committed:						
Committed for Public Safety	59,710	0	0	0	0	0
Committed for Public Health and Welfare	0	882,101	0	0	0	0
Committed for Social, Cultural, and Recreational Services	7,867	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for Debt Service	0	0	0	0	0	0
Unassigned	2,615,064	0	(18,304)	0	0	0
Total Fund Balances	\$ 3,262,752	\$ 882,101	\$ (18,304)	\$ 2,680,356	\$ 1,070,558	\$ 1,011,125
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,781,960	\$ 1,458,094	\$ 2,847,490	\$ 2,914,567	\$ 1,070,558	\$ 1,303,514

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 600	\$	845
Equity in Pooled Cash and Investments	1,345,937		12,897,549
Accounts Receivable	334		1,989,809
Allowance for Uncollectibles	0		(1,797,014)
Due from Other Governments	52,991		675,095
Due from Other Funds	0		3,259
Due from Component Units	14,903		14,903
Property Taxes Receivable	210,836		5,316,068
Allowance for Uncollectible Property Taxes	(4,077)		(102,807)
Notes Receivable - Long-term	41,324		41,324
	\$ 1,662,848	\$	19,039,031
Total Assets			
<u>LIABILITIES</u>			
Accounts Payable	\$ 27,433	\$	330,249
Payroll Deductions Payable	0		11,368
Due to Other Funds	818		3,259
Due to State of Tennessee	0		461
Due to Other Governments	0		2,851,029
Total Liabilities	\$ 28,251	\$	3,196,366
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 202,752	\$	5,112,260
Deferred Delinquent Property Taxes	3,666		92,405

(Continued)

Exhibit C-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
\$ 25,704		\$ 346,937
<u>\$ 232,122</u>		<u>\$ 5,551,602</u>

FUND BALANCES

Restricted:

Restricted for General Government
 Restricted for Finance
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Restricted for Capital Outlay
 Restricted for Debt Service

\$ 0	\$ 2,845
0	7,156
0	45,975
134,539	483,055
337,434	439,250
0	73,803
0	2,680,356
47,009	1,058,134
589,870	1,660,428

Committed:

Committed for Public Safety
 Committed for Public Health and Welfare
 Committed for Social, Cultural, and Recreational Services
 Committed for Capital Projects

0	59,710
0	882,101
0	7,867
252,299	252,299

Assigned:

Assigned for Debt Service

41,324	41,324
--------	--------

Unassigned

0	2,596,760
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Total Fund Balances

<u>\$ 1,402,475</u>	<u>\$ 10,291,063</u>
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Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>\$ 1,662,848</u>	<u>\$ 19,039,031</u>
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The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Cannon County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 10,291,063
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 267,389	
Add: construction in progress	755,768	
Add: buildings and improvements net of accumulated depreciation	2,831,429	
Add: infrastructure net of accumulated depreciation	11,389,170	
Add: other capital assets net of accumulated depreciation	<u>1,384,607</u>	16,628,363
(2) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		10,000
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (2,911,000)	
Less: other loans payable	(1,500,506)	
Less: accrued interest on bonds	(23,108)	
Less: compensated absences payable	<u>(71,666)</u>	(4,506,280)
(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	\$ 1,217,301	
Less: deferred inflows of resources related to pensions	<u>(1,765,056)</u>	(547,755)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		2,016,819
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>439,342</u>
Net position of governmental activities (Exhibit A)		<u>\$ 24,331,552</u>

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

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Education Debt Service	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 4,870,773	\$ 414,457	\$ 0	\$ 109,207	\$ 742,801	\$ 228,469
Licenses and Permits	670	0	0	0	0	0
Fines, Forfeitures, and Penalties	69,708	0	0	0	0	0
Charges for Current Services	236,050	732,725	0	0	0	0
Other Local Revenues	271,960	50	0	4,617	29,639	256,559
Fees Received From County Officials	723,218	0	0	0	0	0
State of Tennessee	398,444	0	0	3,743,613	0	317,168
Federal Government	178,106	0	0	44,269	0	338,753
Other Governments and Citizens Groups	500	0	0	0	0	0
Total Revenues	\$ 6,749,429	\$ 1,147,232	\$ 0	\$ 3,901,706	\$ 772,440	\$ 1,140,949
<u>Expenditures</u>						
Current:						
General Government	\$ 742,716	\$ 0	\$ 0	\$ 0	\$ 0	\$ 455,920
Finance	925,653	0	0	0	0	0
Administration of Justice	617,854	0	0	0	0	0
Public Safety	3,087,822	0	0	0	0	0
Public Health and Welfare	79,017	1,052,868	0	0	0	0
Social, Cultural, and Recreational Services	265,098	0	0	0	0	0
Agriculture and Natural Resources	73,934	0	0	0	0	0
Other Operations	705,074	0	0	0	0	0
Highways	0	0	18,304	3,592,113	0	0
Support Services	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	338,753
Debt Service:						
Principal on Debt	0	0	0	0	5,399,219	0

(Continued)

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Education Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Interest on Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,033	\$ 0
Other Debt Service	0	0	0	0	40,530	0
Capital Projects - Donated	0	0	0	0	0	502,057
Total Expenditures	\$ 6,497,168	\$ 1,052,868	\$ 18,304	\$ 3,592,113	\$ 5,498,782	\$ 1,296,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 252,261	\$ 94,364	\$ (18,304)	\$ 309,593	\$ (4,726,342)	\$ (155,781)
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,911,000	\$ 0
Other Loans Issued	0	0	0	0	0	502,057
Insurance Recovery	0	0	0	0	0	299,248
Transfers In	0	0	0	0	100,000	0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,011,000	\$ 801,305
Net Change in Fund Balances	\$ 252,261	\$ 94,364	\$ (18,304)	\$ 309,593	\$ (1,715,342)	\$ 645,524
Fund Balance, July 1, 2021	3,010,491	787,737	0	2,370,763	2,785,900	365,601
Fund Balance, June 30, 2022	\$ 3,262,752	\$ 882,101	\$ (18,304)	\$ 2,680,356	\$ 1,070,558	\$ 1,011,125

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 655,213		\$ 7,020,920
Licenses and Permits	0		670
Fines, Forfeitures, and Penalties	20,308		90,016
Charges for Current Services	19,755		988,530
Other Local Revenues	48,190		611,015
Fees Received From County Officials	0		723,218
State of Tennessee	0		4,459,225
Federal Government	0		561,128
Other Governments and Citizens Groups	0		500
Total Revenues	<u>\$ 743,466</u>		<u>\$ 14,455,222</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0		\$ 1,198,636
Finance	151		925,804
Administration of Justice	76		617,930
Public Safety	11,498		3,099,320
Public Health and Welfare	445,728		1,577,613
Social, Cultural, and Recreational Services	0		265,098
Agriculture and Natural Resources	0		73,934
Other Operations	0		705,074
Highways	0		3,610,417
Support Services	108,439		108,439
Capital Outlay	0		338,753
Debt Service:			
Principal on Debt	0		5,399,219

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>			
Debt Service (Cont.)			
Interest on Debt	\$	0	\$ 59,033
Other Debt Service		1,941	42,471
Capital Projects - Donated		0	502,057
Total Expenditures	\$	567,833	\$ 18,523,798
Excess (Deficiency) of Revenues Over Expenditures	\$	175,633	\$ (4,068,576)
<u>Other Financing Sources (Uses)</u>			
Refunding Debt Issued	\$	0	\$ 2,911,000
Other Loans Issued		0	502,057
Insurance Recovery		0	299,248
Transfers In		0	100,000
Transfers Out		(100,000)	(100,000)
Total Other Financing Sources (Uses)	\$	(100,000)	\$ 3,712,305
Net Change in Fund Balances	\$	75,633	\$ (356,271)
Fund Balance, July 1, 2021		1,326,842	10,647,334
Fund Balance, June 30, 2022	\$	1,402,475	\$ 10,291,063

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (356,271)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,013,040	
Less: current-year depreciation expense	<u>(1,107,946)</u>	905,094
(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		(113,550)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 439,342	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(406,620)</u>	32,722
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) 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 other loans	\$ 2,488,219	
Less: other loan proceeds	(502,057)	
Less: refunding bonds proceeds	(2,911,000)	
Add: payments to refunded debt escrow agent	<u>2,911,000</u>	1,986,162
(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	\$ (23,108)	
Change in compensated absences payable	(18,084)	
Change in net pension asset	1,020,108	
Change in deferred outflows related to pensions	864,968	
Change in deferred inflows related to pensions	<u>(1,572,681)</u>	<u>271,203</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,725,360</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,870,773	\$ 4,654,315	\$ 4,661,815	\$ 208,958
Licenses and Permits	670	750	46,162	(45,492)
Fines, Forfeitures, and Penalties	69,708	62,800	62,800	6,908
Charges for Current Services	236,050	174,863	174,863	61,187
Other Local Revenues	271,960	200,855	283,427	(11,467)
Fees Received From County Officials	723,218	665,400	669,900	53,318
State of Tennessee	398,444	391,399	434,731	(36,287)
Federal Government	178,106	53,663	233,541	(55,435)
Other Governments and Citizens Groups	500	0	5,000	(4,500)
Total Revenues	\$ 6,749,429	\$ 6,204,045	\$ 6,572,239	\$ 177,190
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 6,826	\$ 8,210	\$ 8,210	\$ 1,384
Other Boards and Committees	0	34	34	34
County Mayor/Executive	126,478	128,582	128,582	2,104
Personnel Office	15,646	20,000	20,000	4,354
County Attorney	49,850	40,000	50,000	150
Election Commission	169,958	171,163	171,163	1,205
Register of Deeds	116,231	122,813	117,113	882
Planning	13,467	13,790	13,790	323
Codes Compliance	19,662	0	25,126	5,464
County Buildings	203,722	220,540	241,740	38,018
Preservation of Records	20,876	6,100	42,195	21,319
<u>Finance</u>				
Accounting and Budgeting	348,882	351,217	351,217	2,335
Property Assessor's Office	150,865	158,677	158,677	7,812
County Trustee's Office	162,066	168,977	168,977	6,911
County Clerk's Office	239,325	242,598	247,098	7,773
Data Processing	24,515	12,500	32,500	7,985
<u>Administration of Justice</u>				
Circuit Court	235,899	247,626	247,626	11,727
General Sessions Court	111,297	113,354	113,354	2,057
Chancery Court	139,272	136,613	139,373	101
Juvenile Court	24,022	25,215	25,215	1,193
Judicial Commissioners	45,423	46,855	46,855	1,432
Probation Services	61,114	56,261	62,096	982
Victim Assistance Programs	827	1,300	1,300	473
<u>Public Safety</u>				
Sheriff's Department	1,541,677	1,516,366	1,584,326	42,649
Administration of the Sexual Offender Registry	224	2,000	2,000	1,776
Jail	1,285,396	1,168,997	1,447,780	162,384
Fire Prevention and Control	115,631	117,290	117,290	1,659
Other Emergency Management	112,593	85,770	214,043	101,450
County Coroner/Medical Examiner	32,301	28,705	36,705	4,404
Other Public Safety	0	1	1	1
<u>Public Health and Welfare</u>				
Local Health Center	27,287	27,914	27,914	627

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Regional Mental Health Center	\$ 7,446	\$ 29,700	\$ 29,700	\$ 22,254
General Welfare Assistance	1,000	1,000	1,000	0
Sanitation Management	43,284	44,200	44,200	916
<u>Social, Cultural, and Recreational Services</u>				
Libraries	248,316	230,537	252,854	4,538
Parks and Fair Boards	16,782	14,500	17,000	218
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	73,934	77,402	77,402	3,468
<u>Other Operations</u>				
Veterans' Services	15,438	15,717	15,717	279
Other Charges	267,857	283,266	279,266	11,409
Contributions to Other Agencies	267,580	267,581	269,081	1,501
Employee Benefits	5,246	7,775	5,275	29
COVID-19 Grant #4	68,364	0	75,000	6,636
Miscellaneous	80,589	31,363	82,683	2,094
Total Expenditures	\$ 6,497,168	\$ 6,242,509	\$ 6,991,478	\$ 494,310
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 252,261	\$ (38,464)	\$ (419,239)	\$ 671,500
Net Change in Fund Balance				
Fund Balance, July 1, 2021	\$ 3,010,491	\$ 2,561,893	\$ 2,561,893	\$ 448,598
Fund Balance, June 30, 2022				
	\$ 3,262,752	\$ 2,523,429	\$ 2,142,654	\$ 1,120,098

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 414,457	\$ 412,036	\$ 412,036	\$ 2,421
Charges for Current Services	732,725	580,000	580,000	152,725
Other Local Revenues	50	0	0	50
Total Revenues	<u>\$ 1,147,232</u>	<u>\$ 992,036</u>	<u>\$ 992,036</u>	<u>\$ 155,196</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,052,868	\$ 1,112,440	\$ 1,285,203	\$ 232,335
Total Expenditures	<u>\$ 1,052,868</u>	<u>\$ 1,112,440</u>	<u>\$ 1,285,203</u>	<u>\$ 232,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 94,364</u>	<u>\$ (120,404)</u>	<u>\$ (293,167)</u>	<u>\$ 387,531</u>
Net Change in Fund Balance	\$ 94,364	\$ (120,404)	\$ (293,167)	\$ 387,531
Fund Balance, July 1, 2021	<u>787,737</u>	<u>722,353</u>	<u>722,353</u>	<u>65,384</u>
Fund Balance, June 30, 2022	<u><u>\$ 882,101</u></u>	<u><u>\$ 601,949</u></u>	<u><u>\$ 429,186</u></u>	<u><u>\$ 452,915</u></u>

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

Exhibit C-7

Cannon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other General Government Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 0	\$ 0	\$ 70,000	\$ (70,000)
Total Revenues	\$ 0	\$ 0	\$ 70,000	\$ (70,000)
<u>Expenditures</u>				
<u>Highways</u>				
American Rescue Plan Act Grant #1	\$ 18,304	\$ 0	\$ 30,000	\$ 11,696
American Rescue Plan Act Grant #2	0	0	40,000	40,000
Total Expenditures	\$ 18,304	\$ 0	\$ 70,000	\$ 51,696
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,304)	\$ 0	\$ 0	\$ (18,304)
Net Change in Fund Balance	\$ (18,304)	\$ 0	\$ 0	\$ (18,304)
Fund Balance, July 1, 2021	0	0	0	0
Fund Balance, June 30, 2022	\$ (18,304)	\$ 0	\$ 0	\$ (18,304)

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

Exhibit C-8

Cannon 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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 109,207	\$ 0	\$ 109,207	\$ 141,500	\$ 141,500	\$ (32,293)
Other Local Revenues	4,617	0	4,617	18,500	18,500	(13,883)
State of Tennessee	3,743,613	0	3,743,613	3,859,282	3,859,282	(115,669)
Federal Government	44,269	0	44,269	300,000	300,000	(255,731)
Total Revenues	\$ 3,901,706	\$ 0	\$ 3,901,706	\$ 4,319,282	\$ 4,319,282	\$ (417,576)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 162,172	\$ 0	\$ 162,172	\$ 199,810	\$ 199,810	\$ 37,638
Highway and Bridge Maintenance	1,221,891	0	1,221,891	1,592,200	1,592,200	370,309
Operation and Maintenance of Equipment	248,839	0	248,839	330,600	330,600	81,761
Other Charges	105,472	0	105,472	110,500	110,500	5,028
Employee Benefits	77,321	0	77,321	93,000	93,000	15,679
Capital Outlay	1,776,418	(788,734)	987,684	2,178,682	2,178,682	1,190,998
Total Expenditures	\$ 3,592,113	\$ (788,734)	\$ 2,803,379	\$ 4,504,792	\$ 4,504,792	\$ 1,701,413
Excess (Deficiency) of Revenues Over Expenditures	\$ 309,593	\$ 788,734	\$ 1,098,327	\$ (185,510)	\$ (185,510)	\$ 1,283,837
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Net Change in Fund Balance	\$ 309,593	\$ 788,734	\$ 1,098,327	\$ (180,510)	\$ (180,510)	\$ 1,278,837
Fund Balance, July 1, 2021	2,370,763	(788,734)	1,582,029	2,025,179	2,025,179	(443,150)
Fund Balance, June 30, 2022	\$ 2,680,356	\$ 0	\$ 2,680,356	\$ 1,844,669	\$ 1,844,669	\$ 835,687

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

Exhibit D

Cannon County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2022

	<u>Governmental Activities - Internal Service Fund</u>
	<u>Employee Insurance - Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 10,000
Total Assets	<u>\$ 10,000</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 10,000</u>
Total Net Position	<u><u>\$ 10,000</u></u>

This fund had no activity in the fiscal year ending June 30, 2022.

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

Exhibit E-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,364,821
Investments	99,099
Due from Other Governments	<u>97,292</u>
Total Assets	<u>\$ 2,561,212</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 97,292</u>
Total Liabilities	<u>\$ 97,292</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,463,920</u>
Total Net Position	<u><u>\$ 2,463,920</u></u>

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

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

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 553,006
Fines/Fees and Other Collections	<u>5,959,693</u>
Total Additions	<u>\$ 6,512,699</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 553,006
Payments to State	2,159,255
Payments to County/City	1,392,907
Payments to Individuals and Others	<u>1,088,581</u>
Total Deductions	<u>\$ 5,193,749</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 1,318,950
Net Position, July 1, 2021	<u>1,144,970</u>
Net Position, June 30, 2022	<u><u>\$ 2,463,920</u></u>

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

CANNON COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	43
2. Receivables and Payables	44
3. Restricted Assets	45
4. Capital Assets	45
5. Deferred Outflows/Inflows of Resources	46
6. Compensated Absences	47
7. Long-term Debt and Long-term Obligations	47
8. Net Position and Fund Balance	48
9. Minimum Fund Balance Policy	50
E. Pension Plans	50
F. Other Postemployment Benefit (OPEB) Plan	51
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	51
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	51
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	52
B. Fund Deficit	53
IV. Detailed Notes on All Funds	
A. Deposits and Investments	53
B. Notes Receivable	56
C. Capital Assets	57
D. Insurance Recoveries	59
E. Construction Commitments	59
F. Interfund Receivables, Payables, and Transfers	59
G. Long-term Debt	61
H. Long-term Obligations	63
I. On-Behalf Payments	65
V. Other Information	
A. Risk Management	65
B. Accounting Changes	66
C. Contingent Liabilities	68
D. Joint Venture	68
E. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	68
2. Deferred Compensation	86
F. Other Postemployment Benefits (OPEB)	86
G. Office of Central Accounting, Budgeting, and Purchasing	92
H. Purchasing Law	92
I. Subsequent Events	92

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cannon 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 Cannon County:

A. Reporting Entity

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

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 Cannon County School Department operates the public school system in the county, and the voters of Cannon 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 Cannon County Industrial Development Board provides assistance in industrial recruitment in Cannon County, and the Cannon County Commission appoints its seven-member board. The board is fiscally dependent on the county because its budget is subject to the county commission's approval. The board is funded primarily through lease payments collected from industries that lease buildings from the Industrial Development Board. The financial statements of the Cannon County Industrial Development Board were not material to the component units' opinion unit and therefore have been omitted from this report.

The Cannon County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Cannon County, and the Cannon 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 Cannon County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

Cannon County Industrial
Development Board
1424 John Bragg Highway
Woodbury, TN 37190

Cannon County Emergency
Communications District
P.O. Box 475
Woodbury, TN 37190

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, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Cannon 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 Cannon 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.

Cannon County issues all debt for the discretely presented Cannon County School Department. Net debt issues totaling \$502,057 were contributed by the county to the school department during the year ended June 30, 2022.

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

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

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

Fund financial statements of Cannon County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Cannon County only reports one proprietary fund, an internal service fund; it has no enterprise funds to report.

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

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

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

The proprietary fund and 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.

Cannon County reports the following major governmental funds:

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

Ambulance Service Fund – This special revenue fund accounts for transactions related to the operation of the county’s ambulance service. Patient charges are the foundational revenues of this fund.

Other General Government Fund – This special revenue fund accounts for transactions involving the American Rescue Plan Act Grant. Grant revenue is the foundational revenue 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.

Education Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt issued by the county on behalf of the schools.

General Capital Projects Fund – This fund accounts for and reports resources and the accompanying transactions related to capital outlays, including the acquisition or construction of capital facilities and other capital assets. This fund also accounts for debt issued by Cannon County that is subsequently contributed to the discretely presented Cannon County School Department for construction and renovation projects.

Additionally, Cannon County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund accounts for the remaining transactions of the county’s self-insurance program, which ceased current operations in September 2019.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, and local sales taxes received by the state to be forwarded to the various cities in Cannon County.

The discretely presented Cannon County School Department reports the following major governmental fund:

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.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 22) report was not

available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Cannon 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. Cannon 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 polices 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 polices 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 polices 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. Cannon 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 the school department's investment in the TCRS Stabilization Trust, as discussed in Note IV.A., and the nonpooled investments in the Constitutional Officers – Custodial Fund, 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. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is

the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements.

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 Cannon 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 Cannon County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Cannon 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 initial, individual cost of \$10,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Infrastructure	20 - 50
Other Capital Assets	5 - 30

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 changes in experience, assumptions, and proportionate share of contributions; other postemployment benefits (OPEB) changes in experience, assumptions, and proportionate share; and pension and OPEB employer contributions made after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) 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 changes in experience, investment earnings, and proportionate share of contributions; OPEB changes in experience, assumptions, and proportionate share of contributions; and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

6. Compensated Absences

The general policy of Cannon County (except for the highway department, which does not allow for the accumulation of unused vacation leave beyond year-end) is to permit employees to accumulate a limited amount of vacation benefits, which will be paid to employees upon separation from service with the government. The county's policy also permits the unlimited accumulation of unused sick leave days for county employees and up to 60 days for ambulance service employees. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the school department is to permit employees to accumulate a limited amount of vacation benefits, which will be paid to employees upon separation from service with the government. The general policy of the school department for professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented school department. 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.

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

systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and 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 \$8,803,245 of restricted net position, of which \$2,834,107 is restricted by enabling legislation.

As of June 30, 2022, Cannon County had \$4,411,506 in outstanding debt for capital purposes for the discretely presented Cannon County School Department. This debt is a liability of Cannon County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Cannon County has incurred a liability

significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose

School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – 25 percent of current-year appropriations.

Solid Waste/Sanitation Fund – 25 percent of current-year appropriations.

Ambulance Service Fund – 25 percent of current-year appropriations.

Debt Service Funds – 50 percent of current-year appropriations.

The minimum fund balance policy states that the county would like to meet these policy goals within “five years from the 2016-2017 budget year.” Cannon County has met all these goals and continues to work toward maintaining them.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Cannon County School Department

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

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

Primary Government

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

Discretely Presented Cannon County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted. 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 Executive, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2022, the discretely presented Cannon County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Major Fund:	
General Purpose School	\$ 456,977

B. Fund Deficit

The Other General Government Fund had a fund deficit of \$18,304 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL No. 21.027). The grant expenditures can only be reported in April of each year, and fund revenues are not recognized until the expenditures are reported. Cannon County made expenditures of grant funds in the current period, but they have yet to report these expenditures which resulted in the deficit.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cannon County and the Cannon 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 and investments reflected on the balance sheets or statements of net position represent 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 investments as of June 30, 2022.

Investment Balances. As of June 30, 2022, Cannon County had the following investments, which were established by court orders requiring the funds to be held by the county clerk on behalf of litigants.

Nonpooled investments in the Constitutional Officers – Custodial Fund are by court order and at the request of a litigant. These investments do not expose the county to any risk; therefore, further disclosure is not required.

<u>Investment</u>	<u>Amounts</u>
Nonpooled:	
Constitutional Officers - Custodial Fund:	
County Clerk:	
Farm Bureau - Annuities	\$ 83,582
Edward Jones - Mutual Funds	<u>15,517</u>
 Total Nonpooled Investments	 <u><u>\$ 99,099</u></u>

TCRS Stabilization Trust

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

On June 30, 2022, the Cannon 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	\$ 60,336
Developed Market International Equity	N/A	N/A	27,249
Emerging Market International Equity	N/A	N/A	7,785
U.S. Fixed Income	N/A	N/A	38,926
Real Estate	N/A	N/A	19,463
Short-term Securities	N/A	N/A	1,946
NAV - Private Equity and Strategic Lending	N/A	N/A	38,926
 Total			 \$ 194,631

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/ag21066.pdf>.

B. Notes Receivable

Notes receivable in the General Debt Service Fund resulted from the issuance of \$100,000 in capital outlay notes for a building on behalf of the Cannon County Emergency Communications District in prior years. This debt was retired by the county in 2012; however, the district is repaying the county in accordance with an agreed-upon payment schedule. Under the terms of this agreement, the loan bears no interest and matures in the fiscal year ending June 30, 2030. The district's building is pledged as collateral on the indebtedness until the existing principal is paid in full. The balance of notes receivable is \$41,324 at June 30, 2022.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 279,849	\$ 0	\$ (12,460)	\$ 267,389
Construction in Progress	250,241	747,198	(241,671)	755,768
Total Capital Assets Not Depreciated	\$ 530,090	\$ 747,198	\$ (254,131)	\$ 1,023,157
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,981,996	\$ 91,115	\$ (75,329)	\$ 7,997,782
Infrastructure	27,182,199	1,057,495	0	28,239,694
Other Capital Assets	3,547,736	358,903	(618,454)	3,288,185
Total Capital Assets Depreciated	\$ 38,711,931	\$ 1,507,513	\$ (693,783)	\$ 39,525,661
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,015,822	\$ 189,923	\$ (39,392)	\$ 5,166,353
Infrastructure	16,187,248	663,276	0	16,850,524
Other Capital Assets	2,202,132	254,747	(553,301)	1,903,578
Total Accumulated Depreciation	\$ 23,405,202	\$ 1,107,946	\$ (592,693)	\$ 23,920,455
Total Capital Assets Depreciated, Net	\$ 15,306,729	\$ 399,567	\$ (101,090)	\$ 15,605,206
Governmental Activities Capital Assets, Net	\$ 15,836,819	\$ 1,146,765	\$ (355,221)	\$ 16,628,363

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

Governmental Activities:

General Government	\$	130,548
Public Safety		176,774
Public Health and Welfare		88,509
Social, Cultural, and Recreational Services		11,347
Highways/Public Works		<u>700,768</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,107,946</u></u>

Discretely Presented Cannon County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Balance 6-30-22
Capital Assets Not Depreciated:			
Land	\$ 170,879	\$ 0	\$ 170,879
Total Capital Assets Not Depreciated	<u>\$ 170,879</u>	<u>\$ 0</u>	<u>\$ 170,879</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 19,512,089	\$ 95,971	\$ 19,608,060
Other Capital Assets	<u>1,566,093</u>	<u>65,678</u>	<u>1,631,771</u>
Total Capital Assets Depreciated	<u>\$ 21,078,182</u>	<u>\$ 161,649</u>	<u>\$ 21,239,831</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 12,596,429	\$ 341,883	\$ 12,938,312
Other Capital Assets	<u>811,060</u>	<u>89,146</u>	<u>900,206</u>
Total Accumulated Depreciation	<u>\$ 13,407,489</u>	<u>\$ 431,029</u>	<u>\$ 13,838,518</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,670,693</u>	<u>\$ (269,380)</u>	<u>\$ 7,401,313</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,841,572</u></u>	<u><u>\$ (269,380)</u></u>	<u><u>\$ 7,572,192</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2022.

Depreciation expense was charged to functions of the school department as follows:

Governmental Activities:

Instruction	\$ 355,782
Support Services	<u>75,247</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 431,029</u>

D. Insurance Recoveries

The county received insurance proceeds of \$262,713 for damages sustained from a fire at the county jail's garage building. As of June 30, 2022, the county had not yet begun repairs on the building.

The school department received \$84,927 in insurance proceeds for repairs of an elementary school's roof that was damaged in a hailstorm (\$74,672), repairs for an elementary school's sign and fence (\$3,397), and repairs of buses (\$6,858). The repairs were made during fiscal year ending June 30, 2023.

E. Construction Commitments

At June 30, 2022, the highway department had uncompleted construction contracts of \$118,126 for a bridge project. Funding for the bridge project future expenditures is expected to be received from state grants.

At June 30, 2022, the discretely presented school department had uncompleted construction contracts of \$779,030 for a cooling tower at an elementary school and \$135,008 for a HVAC system at the high school. Funding for these future expenditures is expected to be received from federal grants.

F. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 818
"	Ambulance Service	2,441

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Education Capital Project	General Purpose School	\$ 14,903

The \$14,903 balance at June 30, 2022, was for a reimbursement of engineering fees related to a future building project at Woodbury Grammar School.

Interfund Transfers:

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

Primary Government

Transfer Out	<u>Transfer In</u>	
	Education Debt Service Fund	Purpose
Nonmajor governmental funds	\$ 100,000	Reimbursement

Discretely Presented Cannon County School Department

Transfers Out	<u>Transfers In</u>		
	General Purpose School Fund	School Federal Projects Fund	Purpose
General Purpose School Fund	\$ 0	\$ 1,100,000	Cash flow
School Federal Projects	104,627	0	Indirect cost
Total	<u>\$ 104,627</u>	<u>\$ 1,100,000</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.

The \$100,000 transfer from the General Debt Service Fund to the Education Debt Service Fund reflects an amount appropriated by the county

commission to reimburse for wheel tax revenue from past years that should have been used for school debt but was used for other debt of Cannon County. In the fiscal year ending June 30, 2016, the General Debt Service transferred \$2,128,971 to create the Education Debt Service Fund. County officials stated that it was the county's intention to reimburse another \$1,000,000 from the General Debt Service Fund to the Education Debt Service Fund over a ten-year period to fully return the estimated amount of wheel tax funds that were used in error. The appropriation of this \$100,000 transfer and the actual transfer of funds during the period appear to support the county officials' statement of intent; however, no formal documentation of a liability between the funds could be produced by the county. Therefore, no receivable or payable between the funds has been reflected on the financial statements of this report. From July 1, 2017, through June 30, 2022, the General Debt Service Fund has reimbursed the Education Debt Service Fund \$600,000 of the planned \$1,000,000 reimbursement.

G. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds – Cannon County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 4 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the Education Debt Service Fund.

Direct Borrowing and Direct Placements - Cannon County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 18 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Other loans included in long-term debt as of June 30, 2022, will be retired from the Education Debt Service Fund.

Other loans outstanding, as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds -				
Refunding	1.98 %	6-1-26	\$ 2,911,000	\$ 2,911,000
Direct Borrowing and Direct Placement:				
Other Loans	0.50	6-1-38	1,500,506	1,500,506

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 707,000	\$ 69,325	\$ 776,325
2024	720,000	43,639	763,639
2025	735,000	29,383	764,383
2026	749,000	14,831	763,831
Total	\$ 2,911,000	\$ 157,178	\$ 3,068,178

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 90,300	\$ 7,260	\$ 97,560
2024	90,756	6,804	97,560
2025	91,212	6,348	97,560
2026	91,668	5,892	97,560
2027	92,124	5,436	97,560
2028-2032	467,616	20,184	487,800
2033-2037	479,460	8,340	487,800
2038	97,370	218	97,588
Total	\$ 1,500,506	\$ 60,482	\$ 1,560,988

There is \$631,194 available in the General Debt Service Fund and \$1,070,558 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$201, based on the 2020 federal census. Total debt per capita, including bonds and other loans, totaled \$304 based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 0	\$ 6,397,668
Additions	2,911,000	502,057
Reductions	0	(5,399,219)
Balance, June 30, 2022	<u>\$ 2,911,000</u>	<u>\$ 1,500,506</u>
Balance Due Within One Year	<u>\$ 707,000</u>	<u>\$ 90,300</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 4,411,506
Less: Balance Due Within One Year - Debt	<u>(797,300)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 3,614,206</u>

Current Refunding

On March 18, 2022, Cannon County refunded the other loan issued for school construction and improvements with a separate general obligation bond issue. The county issued \$2,911,000 of general obligation refunding bonds to provide resources to retire the debt. The purpose of the refunding was to convert the debt from a variable rate to a fixed rate of 1.98 percent. As a result, the other loan is considered retired, and the liability has been removed from the county's long-term debt.

H. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2021	\$ 53,582
Additions	57,974
Reductions	<u>(39,890)</u>
Balance, June 30, 2022	<u>\$ 71,666</u>
Balance Due Within One Year	<u>\$ 3,584</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 71,666
Less: Balance Due Within One Year - Other	<u>(3,584)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 68,082</u>

Compensated absences will be paid from the employing funds, primarily the General Fund.

Discretely Presented Cannon County School Department

Changes in Long-term Obligations

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

Governmental Activities:	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2021	\$ 70,594	\$ 1,641,266
Additions	56,084	473,346
Reductions	<u>(56,921)</u>	<u>(122,878)</u>
Balance, June 30, 2022	<u>\$ 69,757</u>	<u>\$ 1,991,734</u>
Balance Due Within One Year	<u>\$ 48,830</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 2,061,491
Less: Balance Due Within One Year - Other	<u>(48,830)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,012,661</u>

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

I. On-Behalf Payments

Discretely Presented Cannon County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cannon County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2022, were \$38,146 and \$20,022, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Cannon County and the Cannon County School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and 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.

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

losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

B. Accounting Changes

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

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

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

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

C. Contingent Liabilities

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

There are several pending lawsuits in which the government is involved. Attorneys and county officials estimate that the potential claims not covered by insurance resulting from such litigation against the county and the school department would not materially affect the financial statements of the government.

D. Joint Venture

Cannon County is a participant with Coffee, Rutherford, and Warren counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the city of Manchester (1), the city of McMinnville (1), the city of Murfreesboro (1), and the city of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report. Cannon County does not have an equity interest in this joint venture.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Cannon County and non-certified employees of the discretely presented Cannon 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 69.03 percent, the non-certified employees of the discretely presented school department comprise 30.97 percent of the plan based on contribution data. The TCRS was created by state statute under

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

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	122
Inactive Employees Entitled to But Not Yet Receiving Benefits	299
Active Employees	<u>213</u>
Total	<u><u>634</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. Cannon 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, 2022, the employer contribution for Cannon County was \$121,478 based on a rate of 1.94 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Cannon 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)

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

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

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

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

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

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 16,157,556	\$ 17,697,829	\$ (1,540,273)
Changes for the Year:			
Service Cost	\$ 459,158	\$ 0	\$ 459,158
Interest	1,172,613	0	1,172,613
Differences Between Expected and Actual Experience	(12,912)	0	(12,912)
Changes in Assumptions	1,879,677	0	1,879,677
Contributions-Employer	0	111,072	(111,072)
Contributions-Employees	0	286,268	(286,268)
Net Investment Income	0	4,500,247	(4,500,247)
Benefit Payments, Including Refunds of Employee Contributions	(885,478)	(885,478)	0
Administrative Expense	0	(17,668)	17,668
Net Changes	\$ 2,613,058	\$ 3,994,441	\$ (1,381,383)
Balance, June 30, 2021	\$ 18,770,614	\$ 21,692,270	\$ (2,921,656)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	69.03%	\$ 12,957,355	\$ 14,974,174	\$ (2,016,819)
School Department	30.97%	5,813,259	6,718,096	(904,837)
Total		\$ 18,770,614	\$ 21,692,270	\$ (2,921,656)

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

Net Pension Liability (Asset) \$ (340,802) \$ (2,921,656) \$ (5,046,439)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Cannon County recognized (negative pension expense) of (\$229,084).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Cannon 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	\$ 140,674	\$ 158,973
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,397,968
Changes in Assumptions	1,503,742	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	121,478	N/A
Total	<u>\$ 1,765,894</u>	<u>\$ 2,556,941</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in 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	\$ 1,217,301	\$ 1,765,056
School Department	548,593	791,885
Total	<u>\$ 1,765,894</u>	<u>\$ 2,556,941</u>

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

Year Ending June 30	Amount
2023	\$ (317,018)
2024	(137,188)
2025	(184,581)
2026	(273,745)
2027	0
Thereafter	0

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

Discretely Presented Cannon County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Cannon County and non-certified employees of the discretely presented Cannon 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 69.03 percent and the non-certified employees of the discretely presented school department comprise 30.97 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cannon County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch

of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions

are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were \$57,868, which is 2.01 percent of covered payroll. In addition, employer contributions of \$55,017, which is 1.99 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$166,438) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .153652 percent. The proportion as of June 30, 2020, was .163383 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized (negative pension expense) of \$19,861.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,896	\$ 30,455
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	95,806
Changes in Assumptions	60,033	0
Changes in Proportion of Net Pension Liability (Asset)	8,585	11,655
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	57,868	N/A
Total	<u>\$ 129,382</u>	<u>\$ 137,916</u>

The school department's employer contributions of \$57,868 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (21,394)
2024	(20,870)
2025	(20,720)
2026	(23,131)
2027	2,423
Thereafter	17,290

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 57,217 \$ (166,438) \$ (331,392)

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

At June 30, 2022, the Cannon School Department reported a payable of \$100 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cannon 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 Cannon County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$665,737, which is 10.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$8,238,132) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's

proportion was .190996 percent. The proportion measured at June 30, 2020, was .205290 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$1,265,458).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,685	\$ 687,087
Changes in Assumptions	2,201,091	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,569,726
Changes in Proportion of Net Pension Liability (Asset)	79,021	2,969
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>665,737</u>	<u>N/A</u>
Total	<u>\$ 2,973,534</u>	<u>\$ 7,259,782</u>

The school department's employer contributions of \$665,737 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (1,168,292)
2024	(1,106,161)
2025	(904,553)
2026	(1,772,980)
2027	0
Thereafter	0

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income Real Estate	6.57	20
Short-term Securities	1.20	10
	4.38	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 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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (1,466,110) \$ (8,238,132) \$ (13,873,805)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$150,397 and teachers contributed \$53,057 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

The Cannon County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Cannon 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 for the plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2020, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.16%, based on the daily rate of 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future 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 General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

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

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

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

Benefits Provided. The Cannon 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 school department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	10
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	<u>168</u>
Total	<u><u>178</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$72,416 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Cannon County School Department</u> 64.35%	<u>State of TN</u> 35.65%	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 1,641,266	\$ 842,076	\$ 2,483,342
Changes for the Year:			
Service Cost	\$ 85,823	\$ 47,552	\$ 133,375
Interest	36,337	20,134	56,471
Difference between Expected and Actuarial Experience	32,911	18,235	51,146
Change in Proportion	(43,314)	43,314	0
Changes in Assumption and Other Inputs	318,275	176,350	494,625
Benefit Payments	(79,564)	(44,085)	(123,649)
Net Changes	<u>\$ 350,468</u>	<u>\$ 261,500</u>	<u>\$ 611,968</u>
Balance June 30, 2021	<u>\$ 1,991,734</u>	<u>\$ 1,103,576</u>	<u>\$ 3,095,310</u>

The Cannon 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 Cannon 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 \$101,570 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Cannon County School Department's proportionate share of the collective OPEB liability was 64.35 percent and the State of Tennessee's share was 35.65 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$282,442, including the state's share of the expense. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 286,882	\$ 178,821
Changes of Assumptions and Other Inputs	437,749	101,121
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	38,034	46,872
Benefits Paid After the Measurement Date of June 30, 2021	<u>72,416</u>	<u>0</u>
Total	<u>\$ 835,081</u>	<u>\$ 326,814</u>

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

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

Year Ending June 30	School Department
2023	\$ 58,712
2024	58,712
2025	58,712
2026	58,712
2027	58,712
Thereafter	142,291

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

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

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,132,087	\$ 1,991,734	\$ 1,855,416
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 1,766,780	\$ 1,991,734	\$ 2,254,776
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G. Office of Central Accounting, Budgeting, and Purchasing

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

H. 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 Cannon County, and all purchase orders are issued by the finance department. Purchases exceeding \$25,000 are required to be competitively bid.

I. Subsequent Events

On August 31, 2022, Brent Bush left the Office of County Executive and was succeeded by Greg Mitchell.

The Cannon County Board of Education closed three elementary schools at the beginning of the 2022-2023 academic year. The school department sold the Auburntown Elementary School in September 2022 (\$868,550) and the Short Mountain Elementary School in January 2023 (\$660,891).

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 348,558	\$ 370,691	\$ 410,650	\$ 394,333	\$ 422,188	\$ 420,680	\$ 419,484	\$ 459,158
Interest	827,397	865,340	930,251	976,138	1,035,483	1,039,361	1,113,356	1,172,613
Differences Between Actual and Expected Experience	(205,229)	87,733	(213,266)	65,662	(743,223)	268,436	55,497	(12,912)
Changes in Assumptions	0	0	0	390,178	0	0	0	1,879,677
Benefit Payments, Including Refunds of Employee Contributions	(444,221)	(529,698)	(466,784)	(532,188)	(641,453)	(677,443)	(735,872)	(885,478)
Net Change in Total Pension Liability	\$ 526,505	\$ 794,066	\$ 660,851	\$ 1,294,123	\$ 72,995	\$ 1,051,034	\$ 852,465	\$ 2,613,058
Total Pension Liability, Beginning	10,905,517	11,432,022	12,226,088	12,886,939	14,181,062	14,254,057	15,305,091	16,157,556
Total Pension Liability, Ending (a)	\$ 11,432,022	\$ 12,226,088	\$ 12,886,939	\$ 14,181,062	\$ 14,254,057	\$ 15,305,091	\$ 16,157,556	\$ 18,770,614
Plan Fiduciary Net Position								
Contributions - Employer	\$ 413,808	\$ 418,337	\$ 438,698	\$ 443,053	\$ 419,280	\$ 415,081	\$ 102,295	\$ 111,072
Contributions - Employee	223,235	245,660	270,198	259,096	245,193	245,228	264,258	286,268
Net Investment Income	1,708,609	375,154	337,733	1,502,700	1,231,935	1,195,770	845,467	4,500,247
Benefit Payments, Including Refunds of Employee Contributions	(444,221)	(529,698)	(466,784)	(532,188)	(641,453)	(677,443)	(735,872)	(885,478)
Administrative Expense	(6,699)	(10,271)	(15,075)	(16,324)	(18,041)	(16,126)	(16,781)	(17,668)
Net Change in Plan Fiduciary Net Position	\$ 1,894,732	\$ 499,182	\$ 564,770	\$ 1,656,337	\$ 1,236,914	\$ 1,162,510	\$ 459,367	\$ 3,994,441
Plan Fiduciary Net Position, Beginning	10,224,017	12,118,749	12,617,931	13,182,701	14,839,038	16,075,952	17,238,462	17,697,829
Plan Fiduciary Net Position, Ending (b)	\$ 12,118,749	\$ 12,617,931	\$ 13,182,701	\$ 14,839,038	\$ 16,075,952	\$ 17,238,462	\$ 17,697,829	\$ 21,692,270
Net Pension Liability (Asset), Ending (a - b)	\$ (686,727)	\$ (391,843)	\$ (295,762)	\$ (657,976)	\$ (1,821,895)	\$ (1,933,371)	\$ (1,540,273)	\$ (2,921,656)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.01%	103.20%	102.30%	104.64%	112.78%	112.63%	109.53%	115.57%
Covered Payroll	\$ 4,288,165	\$ 4,892,826	\$ 5,130,974	\$ 4,970,589	\$ 4,910,211	\$ 4,854,743	\$ 5,272,942	\$ 5,725,691
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(16.01)%	(8.01)%	(5.76)%	(13.24)%	(37.10)%	(39.82)%	(29.21)%	(51.03)%

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 413,808	\$ 418,337	\$ 438,698	\$ 343,965	\$ 419,280	\$ 171,858	\$ 102,295	\$ 111,072	\$ 121,478
Less: Contributions in Relation to the Actuarially Determined Contribution	(413,808)	(418,337)	(438,698)	(443,053)	(419,280)	(415,081)	(102,295)	(111,072)	(121,478)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (99,088)	\$ 0	\$ (243,223)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 4,288,165	\$ 4,892,826	\$ 5,130,974	\$ 4,970,589	\$ 4,910,211	\$ 4,854,743	\$ 5,272,942	\$ 5,725,691	\$ 6,261,686
Contributions as a Percentage of Covered Payroll	9.65%	8.55%	8.55%	8.91%	8.54%	8.55%	1.94%	1.94%	1.94%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 8,173	\$ 20,475	\$ 36,777	\$ 53,451	\$ 35,584	\$ 41,854	\$ 44,794	\$ 57,868
Less: Contributions in Relation to the Contractually Required Contribution	(8,173)	(20,475)	(36,777)	(53,451)	(35,584)	(41,854)	(44,794)	(57,868)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 204,315	\$ 511,869	\$ 919,431	\$ 1,336,278	\$ 1,834,221	\$ 2,061,783	\$ 2,217,537	\$ 2,882,513
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

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

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 688,431	\$ 667,670	\$ 648,617	\$ 643,024	\$ 639,814	\$ 738,528	\$ 726,303	\$ 643,809	\$ 665,737
Less: Contributions in Relation to the Contractually Required Contribution	(688,431)	(667,670)	(648,617)	(643,024)	(639,814)	(738,528)	(726,303)	(643,809)	(665,737)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,752,601	\$ 7,385,732	\$ 7,174,965	\$ 7,113,092	\$ 7,040,046	\$ 7,060,490	\$ 6,832,577	\$ 6,268,823	\$ 6,463,471
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.09%	10.46%	10.63%	10.27%	10.30%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.096305%	0.116333%	0.140085%	0.152913%	0.173335%	0.163383%	0.153652%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,956)	\$ (12,111)	\$ (36,960)	\$ (69,350)	\$ (97,845)	\$ (92,907)	\$ (166,438)
Covered Payroll	\$ 204,315	\$ 511,869	\$ 919,431	\$ 1,336,278	\$ 1,834,221	\$ 2,061,783	\$ 2,217,537
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.197519%	0.197295%	0.198764%	0.201222%	0.201230%	0.210564%	0.205290%	0.190996%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (32,096)	\$ 80,819	\$ 1,242,163	\$ (65,837)	\$ (708,110)	\$ (2,164,973)	\$ (1,565,487)	\$ (8,238,132)
Covered Payroll	\$ 7,752,601	\$ 7,385,732	\$ 7,174,965	\$ 7,113,092	\$ 7,040,046	\$ 7,060,490	\$ 6,832,577	\$ 6,268,823
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.06)%	(30.66)%	(22.91)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Exhibit F-7

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 126,075	\$ 116,731	\$ 100,552	\$ 105,319	\$ 133,375
Interest	58,386	71,813	62,094	71,240	56,471
Differences Between Actual and Expected Experience	0	(451,591)	407,755	166,647	51,146
Changes in Assumptions or Other Inputs	(95,069)	56,195	(163,023)	269,614	494,625
Benefit Payments	(55,243)	(69,443)	(89,104)	(106,668)	(123,649)
Net Change in Total OPEB Liability	\$ 34,149	\$ (276,295)	\$ 318,274	\$ 506,152	\$ 611,968
Total OPEB Liability, Beginning	1,901,062	1,935,211	1,658,916	1,977,190	2,483,342
Total OPEB Liability, Ending	\$ 1,935,211	\$ 1,658,916	\$ 1,977,190	\$ 2,483,342	\$ 3,095,310
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 687,228	\$ 567,253	\$ 697,224	\$ 842,076	\$ 1,103,576
Employer Proportionate Share of the Total OPEB Liability	1,247,983	1,091,663	1,279,966	1,641,266	1,991,734
Covered Employee Payroll	\$ 9,755,232	\$ 10,674,368	\$ 10,752,418	\$ 10,256,770	\$ 11,372,646
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.84%	15.54%	18.39%	24.21%	27.22%

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

Note 2: Changes in assumptions.

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

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

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

Plan year 2019	- from 5.4% to 6.75%
Plan year 2020	- from 6.75% to 6.03%
Plan year 2021	- from 6.03% to 9.02%
Plan year 2022	- from 9.02% to 7.36%

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

CANNON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the July 1, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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.

Debt Service Funds

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

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

Capital Projects Funds

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

Education Capital Projects Fund – The Education Capital Projects Fund accounts for the accumulation of the school adequate facilities tax on residential development for funding capital expenditures for education.

Other Capital Projects Fund – The Other Capital Projects Fund accounts for the accumulation of commissary revenues at the jail and future debt to be issued for the eventual expansion of the county's jail facility.

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Capital
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	Funds Education Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 600	\$ 600	\$ 0	\$ 0
Equity in Pooled Cash and Investments	335,945	134,539	0	470,484	589,773	33,381
Accounts Receivable	116	0	218	334	0	0
Due from Other Governments	52,991	0	0	52,991	0	0
Due from Component Units	0	0	0	0	0	14,903
Property Taxes Receivable	150,597	0	0	150,597	60,239	0
Allowance for Uncollectible Property Taxes	(2,912)	0	0	(2,912)	(1,165)	0
Notes Receivable - Long-term	0	0	0	0	41,324	0
Total Assets	\$ 536,737	\$ 134,539	\$ 818	\$ 672,094	\$ 690,171	\$ 48,284
<u>LIABILITIES</u>						
Accounts Payable	\$ 26,158	\$ 0	\$ 0	\$ 26,158	\$ 0	\$ 1,275
Due to Other Funds	0	0	818	818	0	0
Total Liabilities	\$ 26,158	\$ 0	\$ 818	\$ 26,976	\$ 0	\$ 1,275
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 144,823	\$ 0	\$ 0	\$ 144,823	\$ 57,929	\$ 0
Deferred Delinquent Property Taxes	2,618	0	0	2,618	1,048	0
Other Deferred/Unavailable Revenue	25,704	0	0	25,704	0	0
Total Deferred Inflows of Resources	\$ 173,145	\$ 0	\$ 0	\$ 173,145	\$ 58,977	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Capital
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	Funds Education Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 134,539	\$ 0	\$ 134,539	\$ 0	\$ 0
Restricted for Public Health and Welfare	337,434	0	0	337,434	0	0
Restricted for Capital Outlay	0	0	0	0	0	47,009
Restricted for Debt Service	0	0	0	0	589,870	0
Committed:						
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for Debt Service	0	0	0	0	41,324	0
Total Fund Balances	<u>\$ 337,434</u>	<u>\$ 134,539</u>	<u>\$ 0</u>	<u>\$ 471,973</u>	<u>\$ 631,194</u>	<u>\$ 47,009</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 536,737</u>	<u>\$ 134,539</u>	<u>\$ 818</u>	<u>\$ 672,094</u>	<u>\$ 690,171</u>	<u>\$ 48,284</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other		Nonmajor
	Capital	Total	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 600
Equity in Pooled Cash and Investments	252,299	285,680	1,345,937
Accounts Receivable	0	0	334
Due from Other Governments	0	0	52,991
Due from Component Units	0	14,903	14,903
Property Taxes Receivable	0	0	210,836
Allowance for Uncollectible Property Taxes	0	0	(4,077)
Notes Receivable - Long-term	0	0	41,324
	<hr/>		
Total Assets	\$ 252,299	\$ 300,583	\$ 1,662,848
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 1,275	\$ 27,433
Due to Other Funds	0	0	818
Total Liabilities	\$ 0	\$ 1,275	\$ 28,251
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 202,752
Deferred Delinquent Property Taxes	0	0	3,666
Other Deferred/Unavailable Revenue	0	0	25,704
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 232,122

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Outlay
 Restricted for Debt Service

Committed:

 Committed for Capital Projects

Assigned:

 Assigned for Debt Service

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
Other Capital Projects	Total		
\$ 0	\$ 0	\$	134,539
0	0		337,434
0	47,009		47,009
0	0		589,870
252,299	252,299		252,299
0	0		41,324
<u>\$ 252,299</u>	<u>\$ 299,308</u>	<u>\$</u>	<u>1,402,475</u>
<u>\$ 252,299</u>	<u>\$ 300,583</u>	<u>\$</u>	<u>1,662,848</u>

Exhibit G-2

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

	Special Revenue Funds				Debt Service	Capital
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	Projects Funds Education Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 434,057	\$ 0	\$ 0	\$ 434,057	\$ 128,818	\$ 92,338
Fines, Forfeitures, and Penalties	0	20,308	0	20,308	0	0
Charges for Current Services	19,528	0	227	19,755	0	0
Other Local Revenues	766	200	0	966	0	14,903
Total Revenues	\$ 454,351	\$ 20,508	\$ 227	\$ 475,086	\$ 128,818	\$ 107,241
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 151	\$ 151	\$ 0	\$ 0
Administration of Justice	0	0	76	76	0	0
Public Safety	0	11,498	0	11,498	0	0
Public Health and Welfare	445,728	0	0	445,728	0	0
Support Services	0	0	0	0	0	108,439
Debt Service:						
Other Debt Service	0	0	0	0	1,941	0
Total Expenditures	\$ 445,728	\$ 11,498	\$ 227	\$ 457,453	\$ 1,941	\$ 108,439
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,623	\$ 9,010	\$ 0	\$ 17,633	\$ 126,877	\$ (1,198)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (100,000)	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (100,000)	\$ 0
Net Change in Fund Balances	\$ 8,623	\$ 9,010	\$ 0	\$ 17,633	\$ 26,877	\$ (1,198)
Fund Balance, July 1, 2021	328,811	125,529	0	454,340	604,317	48,207
Fund Balance, June 30, 2022	\$ 337,434	\$ 134,539	\$ 0	\$ 471,973	\$ 631,194	\$ 47,009

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 92,338	\$ 655,213
Fines, Forfeitures, and Penalties	0	0	20,308
Charges for Current Services	0	0	19,755
Other Local Revenues	32,321	47,224	48,190
Total Revenues	<u>\$ 32,321</u>	<u>\$ 139,562</u>	<u>\$ 743,466</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 151
Administration of Justice	0	0	76
Public Safety	0	0	11,498
Public Health and Welfare	0	0	445,728
Support Services	0	108,439	108,439
Debt Service:			
Other Debt Service	0	0	1,941
Total Expenditures	<u>\$ 0</u>	<u>\$ 108,439</u>	<u>\$ 567,833</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 32,321</u>	<u>\$ 31,123</u>	<u>\$ 175,633</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ 0	\$ 0	\$ (100,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (100,000)</u>
Net Change in Fund Balances	\$ 32,321	\$ 31,123	\$ 75,633
Fund Balance, July 1, 2021	219,978	268,185	1,326,842
Fund Balance, June 30, 2022	<u>\$ 252,299</u>	<u>\$ 299,308</u>	<u>\$ 1,402,475</u>

Exhibit G-3

Cannon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 434,057	\$ 392,370	\$ 392,370	\$ 41,687
Charges for Current Services	19,528	8,500	18,500	1,028
Other Local Revenues	766	0	0	766
Total Revenues	<u>\$ 454,351</u>	<u>\$ 400,870</u>	<u>\$ 410,870</u>	<u>\$ 43,481</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 445,728	\$ 409,900	\$ 449,900	\$ 4,172
Total Expenditures	<u>\$ 445,728</u>	<u>\$ 409,900</u>	<u>\$ 449,900</u>	<u>\$ 4,172</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,623</u>	<u>\$ (9,030)</u>	<u>\$ (39,030)</u>	<u>\$ 47,653</u>
Net Change in Fund Balance	\$ 8,623	\$ (9,030)	\$ (39,030)	\$ 47,653
Fund Balance, July 1, 2021	<u>328,811</u>	<u>313,096</u>	<u>313,096</u>	<u>15,715</u>
Fund Balance, June 30, 2022	<u>\$ 337,434</u>	<u>\$ 304,066</u>	<u>\$ 274,066</u>	<u>\$ 63,368</u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 20,308	\$ 18,800	\$ 18,800	\$ 1,508
Other Local Revenues	200	0	0	200
Total Revenues	<u>\$ 20,508</u>	<u>\$ 18,800</u>	<u>\$ 18,800</u>	<u>\$ 1,708</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 11,498	\$ 28,500	\$ 28,500	\$ 17,002
Total Expenditures	<u>\$ 11,498</u>	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 17,002</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,010</u>	<u>\$ (9,700)</u>	<u>\$ (9,700)</u>	<u>\$ 18,710</u>
Net Change in Fund Balance	\$ 9,010	\$ (9,700)	\$ (9,700)	\$ 18,710
Fund Balance, July 1, 2021	<u>125,529</u>	<u>121,521</u>	<u>121,521</u>	<u>4,008</u>
Fund Balance, June 30, 2022	<u>\$ 134,539</u>	<u>\$ 111,821</u>	<u>\$ 111,821</u>	<u>\$ 22,718</u>

Exhibit G-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 128,818	\$ 131,548	\$ 131,548	\$ (2,730)
Total Revenues	\$ 128,818	\$ 131,548	\$ 131,548	\$ (2,730)
<u>Expenditures</u>				
<u>Other Debt Service</u>				
General Government	\$ 1,941	\$ 3,300	\$ 3,300	\$ 1,359
Total Expenditures	\$ 1,941	\$ 3,300	\$ 3,300	\$ 1,359
Excess (Deficiency) of Revenues Over Expenditures	\$ 126,877	\$ 128,248	\$ 128,248	\$ (1,371)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ 0
Total Other Financing Sources	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ 0
Net Change in Fund Balance	\$ 26,877	\$ 28,248	\$ 28,248	\$ (1,371)
Fund Balance, July 1, 2021	604,317	595,670	595,670	8,647
Fund Balance, June 30, 2022	\$ 631,194	\$ 623,918	\$ 623,918	\$ 7,276

Exhibit G-6

Cannon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 92,338	\$ 50,000	\$ 90,000	\$ 2,338
Other Local Revenues	14,903	0	15,123	(220)
Total Revenues	<u>\$ 107,241</u>	<u>\$ 50,000</u>	<u>\$ 105,123</u>	<u>\$ 2,118</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Operation of Plant	\$ 108,439	\$ 20,000	\$ 115,123	\$ 6,684
Total Expenditures	<u>\$ 108,439</u>	<u>\$ 20,000</u>	<u>\$ 115,123</u>	<u>\$ 6,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,198)</u>	<u>\$ 30,000</u>	<u>\$ (10,000)</u>	<u>\$ 8,802</u>
Net Change in Fund Balance	\$ (1,198)	\$ 30,000	\$ (10,000)	\$ 8,802
Fund Balance, July 1, 2021	<u>48,207</u>	<u>46,996</u>	<u>46,996</u>	<u>1,211</u>
Fund Balance, June 30, 2022	<u><u>\$ 47,009</u></u>	<u><u>\$ 76,996</u></u>	<u><u>\$ 36,996</u></u>	<u><u>\$ 10,013</u></u>

Exhibit G-7

Cannon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 32,321	\$ 25,000	\$ 25,000	\$ 7,321
Total Revenues	\$ 32,321	\$ 25,000	\$ 25,000	\$ 7,321
<u>Expenditures</u>				
<u>Public Safety</u>				
Jail	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000
Total Expenditures	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 32,321	\$ 0	\$ 0	\$ 32,321
Net Change in Fund Balance	\$ 32,321	\$ 0	\$ 0	\$ 32,321
Fund Balance, July 1, 2021	219,978	219,631	219,631	347
Fund Balance, June 30, 2022	\$ 252,299	\$ 219,631	\$ 219,631	\$ 32,668

Major Governmental Funds

Education Debt Service Fund

The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs of debt issued on behalf of the schools.

General Capital Projects Funds

The General Capital Projects Fund is used to account for general capital expenditures of the county. This fund also accounts for debt issued by Cannon County that is subsequently contributed to the discretely presented Cannon County School Department for construction and renovation projects.

Exhibit H-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 742,801	\$ 725,000	\$ 725,000	\$ 17,801
Other Local Revenues	29,639	0	0	29,639
Total Revenues	<u>\$ 772,440</u>	<u>\$ 725,000</u>	<u>\$ 725,000</u>	<u>\$ 47,440</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 5,399,219	\$ 800,220	\$ 5,399,220	\$ 1
<u>Interest on Debt</u>				
Education	59,033	60,000	60,000	967
<u>Other Debt Service</u>				
Education	40,530	40,000	48,700	8,170
Total Expenditures	<u>\$ 5,498,782</u>	<u>\$ 900,220</u>	<u>\$ 5,507,920</u>	<u>\$ 9,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,726,342)</u>	<u>\$ (175,220)</u>	<u>\$ (4,782,920)</u>	<u>\$ 56,578</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,911,000	\$ 0	\$ 2,911,000	\$ 0
Transfers In	100,000	100,000	100,000	0
Total Other Financing Sources	<u>\$ 3,011,000</u>	<u>\$ 100,000</u>	<u>\$ 3,011,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (1,715,342)</u>	<u>\$ (75,220)</u>	<u>\$ (1,771,920)</u>	<u>\$ 56,578</u>
Fund Balance, July 1, 2021	2,785,900	2,769,741	2,769,741	16,159
Fund Balance, June 30, 2022	<u>\$ 1,070,558</u>	<u>\$ 2,694,521</u>	<u>\$ 997,821</u>	<u>\$ 72,737</u>

Exhibit H-2

Cannon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 228,469	\$ 215,042	\$ 215,042	\$ 13,427
Other Local Revenues	256,559	0	100,000	156,559
State of Tennessee	317,168	0	317,168	0
Federal Government	338,753	464,863	464,863	(126,110)
Total Revenues	<u>\$ 1,140,949</u>	<u>\$ 679,905</u>	<u>\$ 1,097,073</u>	<u>\$ 43,876</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 455,920	\$ 579,625	\$ 1,289,289	\$ 833,369
<u>Capital Outlay</u>				
Regular Capital Outlay	338,753	464,863	464,863	126,110
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	502,057	0	502,057	0
Total Expenditures	<u>\$ 1,296,730</u>	<u>\$ 1,044,488</u>	<u>\$ 2,256,209</u>	<u>\$ 959,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (155,781)</u>	<u>\$ (364,583)</u>	<u>\$ (1,159,136)</u>	<u>\$ 1,003,355</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 502,057	\$ 0	\$ 502,057	\$ 0
Insurance Recovery	299,248	0	292,496	6,752
Total Other Financing Sources	<u>\$ 801,305</u>	<u>\$ 0</u>	<u>\$ 794,553</u>	<u>\$ 6,752</u>
Net Change in Fund Balance	\$ 645,524	\$ (364,583)	\$ (364,583)	\$ 1,010,107
Fund Balance, July 1, 2021	365,601	364,583	364,583	1,018
Fund Balance, June 30, 2022	<u>\$ 1,011,125</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,011,125</u>

Custodial Funds

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

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.

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, other county funds, litigants, heirs, and others.

Exhibit I-1

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

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	<u>Total</u>
		<u>Custodial</u>	
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,364,821	\$ 2,364,821
Investments	0	99,099	99,099
Due from Other Governments	97,292	0	97,292
Total Assets	<u>\$ 97,292</u>	<u>\$ 2,463,920</u>	<u>\$ 2,561,212</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 97,292	\$ 0	\$ 97,292
Total Liabilities	<u>\$ 97,292</u>	<u>\$ 0</u>	<u>\$ 97,292</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 2,463,920	\$ 2,463,920
Total Net Position	<u>\$ 0</u>	<u>\$ 2,463,920</u>	<u>\$ 2,463,920</u>

Exhibit I-2

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

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 553,006	\$ 0	\$ 553,006
Fines/Fees and Other Collections	0	5,959,693	5,959,693
Total Additions	<u>\$ 553,006</u>	<u>\$ 5,959,693</u>	<u>\$ 6,512,699</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 553,006	\$ 0	\$ 553,006
Payments to State	0	2,159,255	2,159,255
Payments to County/City	0	1,392,907	1,392,907
Payments to Individuals and Others	0	1,088,581	1,088,581
Total Deductions	<u>\$ 553,006</u>	<u>\$ 4,640,743</u>	<u>\$ 5,193,749</u>
Change in Net Position	\$ 0	\$ 1,318,950	\$ 1,318,950
Net Position July 1, 2021	0	1,144,970	1,144,970
Net Position June 30, 2022	<u>\$ 0</u>	<u>\$ 2,463,920</u>	<u>\$ 2,463,920</u>

Cannon County School Department

This section presents combining and individual fund financial statements for the Cannon 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.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 9,313,137	\$ 3,000	\$ 1,405,917	\$ 0	\$ (7,904,220)
Support Services	9,119,535	36,090	3,640,449	502,057	(4,940,939)
Operation of Non-instructional Services	2,572,767	97,262	1,760,463	0	(715,042)
Total Governmental Activities	\$ 21,005,439	\$ 136,352	\$ 6,806,829	\$ 502,057	\$ (13,560,201)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,032,464
Local Option Sales Taxes					1,136,253
Mixed Drink Tax					6,942
Grants and Contributions Not Restricted to Specific Programs					13,350,400
Sale of Equipment					5,405
Miscellaneous					34,351
Total General Revenues					\$ 16,565,815
Insurance Recovery					\$ 84,927
Change in Net Position					\$ 3,090,541
Net Position, July 1, 2021					15,653,269
Net Position, June 30, 2022					\$ 18,743,810

Exhibit J-2

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 498,060	\$ 498,160
Equity in Pooled Cash and Investments	4,796,098	630,203	469,632	5,895,933
Accounts Receivable	23	0	833	856
Due from Other Governments	812,844	567,227	14,905	1,394,976
Property Taxes Receivable	2,096,680	0	0	2,096,680
Allowance for Uncollectible Property Taxes	(40,482)	0	0	(40,482)
Restricted Assets	194,631	0	0	194,631
Total Assets	<u>\$ 7,859,894</u>	<u>\$ 1,197,430</u>	<u>\$ 983,430</u>	<u>\$ 10,040,754</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 833	\$ 833
Accrued Payroll	12,743	45,186	0	57,929
Payroll Deductions Payable	0	100	0	100
Due to Primary Government	14,903	0	0	14,903
Due to State of Tennessee	0	260	177	437
Total Liabilities	<u>\$ 27,646</u>	<u>\$ 45,546</u>	<u>\$ 1,010</u>	<u>\$ 74,202</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,013,043	\$ 0	\$ 0	\$ 2,013,043
Deferred Delinquent Property Taxes	36,606	0	0	36,606
Other Deferred/Unavailable Revenue	99,152	0	0	99,152
Total Deferred Inflows of Resources	<u>\$ 2,148,801</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,148,801</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 1,884	\$ 947,420	\$ 949,304
Restricted for Hybrid Retirement Stabilization Funds	194,631	0	0	194,631
Committed:				
Committed for Education	0	1,150,000	35,000	1,185,000
Assigned:				
Assigned for Education	456,977	0	0	456,977
Unassigned	5,031,839	0	0	5,031,839
Total Fund Balances	<u>\$ 5,683,447</u>	<u>\$ 1,151,884</u>	<u>\$ 982,420</u>	<u>\$ 7,817,751</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,859,894</u>	<u>\$ 1,197,430</u>	<u>\$ 983,430</u>	<u>\$ 10,040,754</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	7,817,751
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	170,879	
Add: buildings and improvements net of accumulated depreciation		6,669,748	
Add: other capital assets net of accumulated depreciation		<u>731,565</u>	7,572,192
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(69,757)	
Less: net OPEB liability		<u>(1,991,734)</u>	(2,061,491)
(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	\$	3,651,509	
Less: deferred inflows of resources related to pensions		(8,189,583)	
Add: deferred outflows of resources related to OPEB		835,081	
Less: deferred inflows of resources related to OPEB		<u>(326,814)</u>	(4,029,807)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	904,837	
Add: net pension asset - teacher retirement plan		166,438	
Add: net pension asset - teacher legacy pension plan		<u>8,238,132</u>	9,309,407
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>135,758</u>
Net position of governmental activities (Exhibit A)			<u>\$ 18,743,810</u>

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 3,162,580	\$ 0	\$ 0	\$ 3,162,580
Licenses and Permits	475	0	0	475
Charges for Current Services	39,090	0	97,262	136,352
Other Local Revenues	38,090	0	978,366	1,016,456
State of Tennessee	13,866,726	0	9,653	13,876,379
Federal Government	165,200	3,776,545	1,311,334	5,253,079
Other Governments and Citizens Groups	502,057	0	0	502,057
Total Revenues	<u>\$ 17,774,218</u>	<u>\$ 3,776,545</u>	<u>\$ 2,396,615</u>	<u>\$ 23,947,378</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 9,441,356	\$ 1,646,827	\$ 0	\$ 11,088,183
Support Services	5,362,312	1,879,182	0	7,241,494
Operation of Non-Instructional Services	516,388	75,991	1,979,375	2,571,754
Capital Outlay	1,593,098	97,848	0	1,690,946
Total Expenditures	<u>\$ 16,913,154</u>	<u>\$ 3,699,848</u>	<u>\$ 1,979,375</u>	<u>\$ 22,592,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 861,064</u>	<u>\$ 76,697</u>	<u>\$ 417,240</u>	<u>\$ 1,355,001</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 84,927	\$ 0	\$ 0	\$ 84,927
Transfers In	104,627	1,100,000	0	1,204,627
Transfers Out	(1,100,000)	(104,627)	0	(1,204,627)
Total Other Financing Sources (Uses)	<u>\$ (910,446)</u>	<u>\$ 995,373</u>	<u>\$ 0</u>	<u>\$ 84,927</u>
Net Change in Fund Balances	\$ (49,382)	\$ 1,072,070	\$ 417,240	\$ 1,439,928
Fund Balance, July 1, 2021	<u>5,732,829</u>	<u>79,814</u>	<u>565,180</u>	<u>6,377,823</u>
Fund Balance, June 30, 2022	<u>\$ 5,683,447</u>	<u>\$ 1,151,884</u>	<u>\$ 982,420</u>	<u>\$ 7,817,751</u>

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,439,928
(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	\$ 161,649	
Less: current-year depreciation expense	<u>(431,029)</u>	(269,380)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 135,758	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(115,485)</u>	20,273
(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	\$ 837	
Change in net pension asset - agent plan	361,275	
Change in net pension asset - teacher retirement plan	73,531	
Change in net pension asset - teacher legacy pension plan	6,672,645	
Change in deferred outflows related to pensions	2,191,283	
Change in deferred inflows related to pensions	(7,291,395)	
Change in net OPEB liability	(350,468)	
Change in deferred outflows related to OPEB	218,996	
Change in deferred inflows related to OPEB	<u>23,016</u>	<u>1,899,720</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,090,541</u>

Exhibit J-6

Cannon County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cannon County School Department
June 30, 2022

	<u>Special Revenue Funds</u>		Total
	Central Cafeteria	Internal School	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 100	\$ 497,960	\$ 498,060
Equity in Pooled Cash and Investments	469,632	0	469,632
Accounts Receivable	0	833	833
Due from Other Governments	14,905	0	14,905
Total Assets	<u>\$ 484,637</u>	<u>\$ 498,793</u>	<u>\$ 983,430</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 833	\$ 833
Due to State of Tennessee	177	0	177
Total Liabilities	<u>\$ 177</u>	<u>\$ 833</u>	<u>\$ 1,010</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 449,460	\$ 497,960	\$ 947,420
Committed:			
Committed for Education	35,000	0	35,000
Total Fund Balances	<u>\$ 484,460</u>	<u>\$ 497,960</u>	<u>\$ 982,420</u>
Total Liabilities and Fund Balances	<u>\$ 484,637</u>	<u>\$ 498,793</u>	<u>\$ 983,430</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 97,262	\$ 0	\$ 97,262
Other Local Revenues	3,873	974,493	978,366
State of Tennessee	9,653	0	9,653
Federal Government	1,311,334	0	1,311,334
Total Revenues	<u>\$ 1,422,122</u>	<u>\$ 974,493</u>	<u>\$ 2,396,615</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,109,185	\$ 870,190	\$ 1,979,375
Total Expenditures	<u>\$ 1,109,185</u>	<u>\$ 870,190</u>	<u>\$ 1,979,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 312,937</u>	<u>\$ 104,303</u>	<u>\$ 417,240</u>
Net Change in Fund Balances	\$ 312,937	\$ 104,303	\$ 417,240
Fund Balance, July 1, 2021	<u>171,523</u>	<u>393,657</u>	<u>565,180</u>
Fund Balance, June 30, 2022	<u><u>\$ 484,460</u></u>	<u><u>\$ 497,960</u></u>	<u><u>\$ 982,420</u></u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures/ (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,162,580	\$ 0	\$ 0	\$ 3,162,580	\$ 2,717,443	\$ 2,744,317	\$ 418,263
Licenses and Permits	475	0	0	475	400	400	75
Charges for Current Services	39,090	0	0	39,090	29,750	29,750	9,340
Other Local Revenues	38,090	0	0	38,090	30,000	52,767	(14,677)
State of Tennessee	13,866,726	0	0	13,866,726	14,120,555	13,758,649	108,077
Federal Government	165,200	0	0	165,200	198,119	198,119	(32,919)
Other Governments and Citizens Groups	502,057	0	0	502,057	0	477,120	24,937
Total Revenues	\$ 17,774,218	\$ 0	\$ 0	\$ 17,774,218	\$ 17,096,267	\$ 17,261,122	\$ 513,096
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 7,516,323	\$ (69,996)	\$ 31,736	\$ 7,478,063	\$ 8,157,775	\$ 8,109,254	\$ 631,191
Alternative Instruction Program	70,461	0	0	70,461	69,984	70,734	273
Special Education Program	1,211,784	(2,500)	0	1,209,284	1,212,774	1,215,730	6,446
Career and Technical Education Program	642,788	(2,470)	150	640,468	664,734	657,215	16,747
<u>Support Services</u>							
Attendance	80,326	0	600	80,926	98,853	99,346	18,420
Health Services	88,677	(8,037)	7,411	88,051	209,676	210,662	122,611
Other Student Support	174,361	(1,256)	4,946	178,051	349,068	349,068	171,017
Regular Instruction Program	431,880	(182)	0	431,698	450,850	451,584	19,886
Special Education Program	127,264	0	0	127,264	129,960	129,960	2,696
Career and Technical Education Program	5,635	0	0	5,635	5,496	5,637	2
Technology	502,208	(52,629)	30,058	479,637	478,680	510,505	30,868
Other Programs	58,168	0	0	58,168	0	58,168	0
Board of Education	292,003	(8,550)	8,853	292,306	310,050	310,050	17,744
Director of Schools	251,090	(1,234)	541	250,397	273,165	274,643	24,246
Office of the Principal	1,172,836	(1,750)	550	1,171,636	1,142,404	1,216,492	44,856
Fiscal Services	105,175	0	0	105,175	105,175	105,175	0
Operation of Plant	987,775	(19,958)	3,095	970,912	971,698	977,605	6,693

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 278,161	\$ (14,814)	\$ 26,902	\$ 290,249	\$ 314,314	\$ 315,792	\$ 25,543
Transportation	806,753	(19,931)	132,616	919,438	893,197	935,089	15,651
<u>Operation of Non-Instructional Services</u>							
Community Services	94,926	0	0	94,926	109,371	109,371	14,445
Early Childhood Education	421,462	(25,797)	17,017	412,682	413,954	413,954	1,272
<u>Capital Outlay</u>							
Regular Capital Outlay	1,593,098	(1,181,920)	192,502	603,680	1,839,989	1,839,989	1,236,309
<u>Principal on Debt</u>							
Education	0	0	0	0	95,000	95,000	95,000
<u>Interest on Debt</u>							
Education	0	0	0	0	2,500	2,500	2,500
Total Expenditures	\$ 16,913,154	\$ (1,411,024)	\$ 456,977	\$ 15,959,107	\$ 18,298,667	\$ 18,463,523	\$ 2,504,416
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 861,064	\$ 1,411,024	\$ (456,977)	\$ 1,815,111	\$ (1,202,400)	\$ (1,202,401)	\$ 3,017,512
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 84,927	\$ 0	\$ 0	\$ 84,927	\$ 0	\$ 0	\$ 84,927
Transfers In	104,627	0	0	104,627	57,979	57,979	46,648
Transfers Out	(1,100,000)	0	0	(1,100,000)	0	(1,100,000)	0
Total Other Financing Sources	\$ (910,446)	\$ 0	\$ 0	\$ (910,446)	\$ 57,979	\$ (1,042,021)	\$ 131,575
Net Change in Fund Balance							
Fund Balance, July 1, 2021	\$ (49,382)	\$ 1,411,024	\$ (456,977)	\$ 904,665	\$ (1,144,421)	\$ (2,244,422)	\$ 3,149,087
	5,732,829	(1,411,024)	0	4,321,805	6,211,436	6,211,436	(1,889,631)
Fund Balance, June 30, 2022	\$ 5,683,447	\$ 0	\$ (456,977)	\$ 5,226,470	\$ 5,067,015	\$ 3,967,014	\$ 1,259,456

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,776,545	\$ 0	\$ 3,776,545	\$ 7,984,488	\$ 8,514,332	\$ (4,737,787)
Total Revenues	\$ 3,776,545	\$ 0	\$ 3,776,545	\$ 7,984,488	\$ 8,514,332	\$ (4,737,787)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,078,588	\$ (1,099)	\$ 1,077,489	\$ 2,350,877	\$ 2,463,542	\$ 1,386,053
Special Education Program	289,314	0	289,314	338,906	655,805	366,491
Career and Technical Education Program	278,925	(10,591)	268,334	178,803	269,658	1,324
<u>Support Services</u>						
Health Services	242,886	(447)	242,439	411,385	380,755	138,316
Other Student Support	222,600	(438)	222,162	520,208	552,941	330,779
Regular Instruction Program	325,888	(876)	325,012	1,126,534	1,050,279	725,267
Special Education Program	281,907	(4,436)	277,471	325,655	437,961	160,490
Career and Technical Education Program	19,543	0	19,543	4,503	20,026	483
Board of Education	0	0	0	900	0	0
Director of Schools	6,741	0	6,741	0	7,095	354
Office of the Principal	10,587	0	10,587	0	11,825	1,238
Human Services/Personnel	18,659	0	18,659	19,805	18,659	0
Operation of Plant	696,468	0	696,468	1,109,565	1,848,120	1,151,652
Maintenance of Plant	0	0	0	752,093	0	0
Transportation	53,903	0	53,903	54,280	64,808	10,905
<u>Operation of Non-Instructional Services</u>						
Food Service	22,407	0	22,407	30,500	32,407	10,000
Community Services	53,584	0	53,584	53,584	53,584	0

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Capital Outlay</u>						
Regular Capital Outlay	\$ 97,848	\$ 0	\$ 97,848	\$ 701,747	\$ 280,766	\$ 182,918
Total Expenditures	\$ 3,699,848	\$ (17,887)	\$ 3,681,961	\$ 7,979,345	\$ 8,148,231	\$ 4,466,270
Excess (Deficiency) of Revenues Over Expenditures	\$ 76,697	\$ 17,887	\$ 94,584	\$ 5,143	\$ 366,101	\$ (271,517)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 1,100,000	\$ 0	\$ 1,100,000	\$ 0	\$ 0	\$ 1,100,000
Transfers Out	(104,627)	0	(104,627)	(5,143)	(366,101)	261,474
Total Other Financing Sources	\$ 995,373	\$ 0	\$ 995,373	\$ (5,143)	\$ (366,101)	\$ 1,361,474
Net Change in Fund Balance	\$ 1,072,070	\$ 17,887	\$ 1,089,957	\$ 0	\$ 0	\$ 1,089,957
Fund Balance, July 1, 2021	79,814	(17,887)	61,927	0	0	61,927
Fund Balance, June 30, 2022	\$ 1,151,884	\$ 0	\$ 1,151,884	\$ 0	\$ 0	\$ 1,151,884

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 97,262	\$ 275,000	\$ 275,000	\$ (177,738)
Other Local Revenues	3,873	3,200	3,200	673
State of Tennessee	9,653	8,600	8,600	1,053
Federal Government	1,311,334	835,000	919,859	391,475
Total Revenues	<u>\$ 1,422,122</u>	<u>\$ 1,121,800</u>	<u>\$ 1,206,659</u>	<u>\$ 215,463</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,109,185	\$ 1,071,800	\$ 1,156,659	\$ 47,474
Total Expenditures	<u>\$ 1,109,185</u>	<u>\$ 1,071,800</u>	<u>\$ 1,156,659</u>	<u>\$ 47,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 312,937</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 262,937</u>
Net Change in Fund Balance	\$ 312,937	\$ 50,000	\$ 50,000	\$ 262,937
Fund Balance, July 1, 2021	<u>171,523</u>	<u>146,540</u>	<u>146,540</u>	<u>24,983</u>
Fund Balance, June 30, 2022	<u>\$ 484,460</u>	<u>\$ 196,540</u>	<u>\$ 196,540</u>	<u>\$ 287,920</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6-30-22
<u>BONDS PAYABLE</u>									
<u>Payable through Education Debt Service Fund</u>									
G.O. School Refunding Bonds, Series 2022	\$ 2,911,000	1.98 %	3-18-22	6-1-26	\$ 0	\$ 2,911,000	\$ 0	\$ 0	\$ 2,911,000
Total Bonds Payable					\$ 0	\$ 2,911,000	\$ 0	\$ 0	\$ 2,911,000
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Education Debt Service Fund</u>									
School Construction/Improvements - Elementary	11,400,000	Variable	5-25-02	3-18-22	\$ 3,554,000	\$ 0	\$ 643,000	\$ 2,911,000	\$ 0
School Roof Repair	1,999,757	Variable	2-14-20	5-6-22	1,845,219	0	1,845,219	0	0
Energy Efficient Schools Initiative	1,500,506	0.5	11-24-20	6-1-38	998,449	502,057	0	0	1,500,506
Total Other Loans Payable					\$ 6,397,668	\$ 502,057	\$ 2,488,219	\$ 2,911,000	\$ 1,500,506

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 707,000	\$ 69,325	\$ 776,325
2024	720,000	43,639	763,639
2025	735,000	29,383	764,383
2026	749,000	14,831	763,831
Total	\$ 2,911,000	\$ 157,178	\$ 3,068,178

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 90,300	\$ 7,260	\$ 97,560
2024	90,756	6,804	97,560
2025	91,212	6,348	97,560
2026	91,668	5,892	97,560
2027	92,124	5,436	97,560
2028	92,592	4,968	97,560
2029	93,060	4,500	97,560
2030	93,516	4,044	97,560
2031	93,984	3,576	97,560
2032	94,464	3,096	97,560
2033	94,932	2,628	97,560
2034	95,412	2,148	97,560
2035	95,892	1,668	97,560
2036	96,372	1,188	97,560
2037	96,852	708	97,560
2038	97,370	218	97,588
Total	\$ 1,500,506	\$ 60,482	\$ 1,560,988

Exhibit K-3

Cannon County, Tennessee
Schedule of Investments
June 30, 2022

<u>Fund and Type</u>	<u>Amount</u>
<u>Fiduciary Fund</u>	
<u>Constitutional Officers - Custodial Fund</u>	
<u>Office of County Clerk</u>	
Farm Bureau Annuities	\$ 83,582
Edward Jones Mutual Funds	<u>15,517</u>
Total Investments	<u>\$ 99,099</u>

Exhibit K-4

Cannon County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2022

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-22
<u>General Debt Service Fund</u>						
Repayment of E-911 building renovation costs	Cannon County Emergency Communications District (E-911)	\$ 100,000 (1)	12-19-08	6-30-30	0 %	<u>\$ 41,324</u>
Total Notes Receivable						<u><u>\$ 41,324</u></u>

(1) Cannon County issued a \$100,000 USDA Rural Development Loan in 2008 to fund the renovation of the county's E-911 building. The E-911 District agreed to repay the county the amount of this loan in annual installments.

Exhibit K-5

Cannon County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Cannon County School Department
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Debt Service	Education Debt Service	Reimbursement	\$ 100,000
Total Transfers Primary Government			<u>\$ 100,000</u>
<u>DISCRETELY PRESENTED CANNON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 1,100,000
School Federal Projects	General Purpose School	Indirect costs	<u>104,627</u>
Total Transfers Discretely Presented Cannon County School Department			<u>\$ 1,204,627</u>

Exhibit K-6

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 90,416	(4)	
Road Supervisor	Section 8-24-102, <i>TCA</i>	86,110	(4)	
Director of Schools	State Board of Education and Cannon County Board of Education	88,800 (1)	(4)	
Trustee	Section 8-24-102, <i>TCA</i>	78,282	(4)	
Assessor of Property	Section 8-24-102, <i>TCA</i>	78,282	(4)	
Finance Director	County Commission	79,177	(4)	
County Clerk	Section 8-24-102, <i>TCA</i>	78,282	(4)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	78,282	(4)	
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	78,282 (2)	(4)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	78,282	(4)	
Sheriff	Section 8-24-102, <i>TCA</i>	86,110 (3)	(4)	
Employee Blanket Bonds:				
	Public Employee Dishonesty - County Employees		\$ 400,000	Tennessee Risk Management Trust
	Public Employee Dishonesty - School Employees		400,000	"

- (1) Does not include a chief executive officer training supplement of \$1,000 or bonus of \$1,000.
- (2) Does not include special commissioner fees of \$22,110.
- (3) Does not include a law enforcement training supplement of \$800.
- (4) Official was covered by the \$400,000 employee blanket bond.

Exhibit K-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,136,393	\$ 140,214	\$ 392,609	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	85,959	3,074	12,151	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	46,741	2,306	5,969	0	0	0
Interest and Penalty	17,377	872	2,279	0	0	0
Payments in-Lieu-of Taxes - Other	2,191	74	208	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	289,273	287,074	0	0	0	0
Hotel/Motel Tax	9,257	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	45,435	0	0	0	0	0
Litigation Tax - Special Purpose	45,927	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	17,599	0	0	0	0	0
Business Tax	96,644	0	0	0	0	1,500
Mineral Severance Tax	0	0	0	0	0	107,707
Adequate Facilities/Development Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	13,077	443	1,241	0	0	0
Wholesale Beer Tax	64,900	0	0	0	0	0
Total Local Taxes	\$ 4,870,773	\$ 434,057	\$ 414,457	\$ 0	\$ 0	\$ 109,207
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 432	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	238	0	0	0	0	0
Total Licenses and Permits	\$ 670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 17,250	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	8,933	0	0
DUI Treatment Fines	142	0	0	0	0	0
Data Entry Fee - Circuit Court	377	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	36,575	0	0	864	0	0
Officers Costs	238	0	0	0	0	0
Game and Fish Fines	4	0	0	0	0	0
Drug Control Fines	0	0	0	6,089	0	0
DUI Treatment Fines	2,753	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,726	0	0	0	0	0
Courtroom Security Fee	247	0	0	0	0	0
<u>Juvenile Court</u>						
Victims Assistance Assessments	827	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	190	0	0	0	0	0
Data Entry Fee - Chancery Court	1,614	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	1,761	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	4,422	0	0
Total Fines, Forfeitures, and Penalties	\$ 69,708	\$ 0	\$ 0	\$ 20,308	\$ 0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 9,178	\$ 0	\$ 0	\$ 0	\$ 0
Convenience Waste Centers Collection Charge	0	7,789	0	0	0	0
Surcharge - Waste Tire Disposal	0	2,561	0	0	0	0
Patient Charges	0	0	732,725	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	58,595	0	0	0	0	0
Recreation Fees	750	0	0	0	0	0
Copy Fees	80	0	0	0	0	0
Library Fees	24,174	0	0	0	0	0
Archives and Records Management Fee	32,100	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	48,146	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	227	0
Data Processing Fee - Register	6,662	0	0	0	0	0
Probation Fees	57,431	0	0	0	0	0
Data Processing Fee - Sheriff	1,741	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,150	0	0	0	0	0
Data Processing Fee - County Clerk	1,791	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,280	0	0	0	0	0
Total Charges for Current Services	\$ 236,050	\$ 19,528	\$ 732,725	\$ 0	\$ 227	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 43,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	33,620	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Commissary Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Gasoline	0	0	0	0	0	1,295
Miscellaneous Refunds	58,324	766	50	0	0	3,322
<u>Nonrecurring Items</u>						
Sale of Equipment	7,323	0	0	0	0	0
Sale of Property	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	200	0	0
Contributions and Gifts	129,658	0	0	0	0	0
Total Other Local Revenues	\$ 271,960	\$ 766	\$ 50	\$ 200	\$ 0	\$ 4,617
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 188,227	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	21,988	0	0	0	0	0
General Sessions Court Clerk	110,965	0	0	0	0	0
Clerk and Master	64,107	0	0	0	0	0
Register	103,686	0	0	0	0	0
Sheriff	7,982	0	0	0	0	0
Trustee	226,263	0	0	0	0	0
Total Fees Received From County Officials	\$ 723,218	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	1,000	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 13,600	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	7,335	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	1,352,406
State Aid Program	0	0	0	0	0	307,493
Litter Program	38,173	0	0	0	0	0
Other Public Works Grants	0	0	0	0	0	7,378
<u>Other State Revenues</u>						
Income Tax	8,961	0	0	0	0	0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	6,258	0	0	0	0	0
Alcoholic Beverage Tax	47,062	0	0	0	0	0
State Revenue Sharing - Telecommunications	44,326	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	11,039	0	0	0	0	0
Contracted Prisoner Boarding	136,783	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,066,667
Petroleum Special Tax	0	0	0	0	0	9,669
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	40,320	0	0	0	0	0
Other State Revenues	229	0	0	0	0	0
Total State of Tennessee	\$ 398,444	\$ 0	\$ 0	\$ 0	\$ 0	3,743,613

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	0	44,269
Homeland Security Grants	57,020	0	0	0	0	0
COVID-19 Grant #5	68,364	0	0	0	0	0
COVID-19 Grant A	22,317	0	0	0	0	0
Other Federal through State	30,405	0	0	0	0	0
Total Federal Government	\$ 178,106	\$ 0	\$ 0	\$ 0	\$ 0	44,269
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Governments and Citizens Groups	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 6,749,429	\$ 454,351	\$ 1,147,232	\$ 20,508	\$ 227	\$ 3,901,706

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 53,522	\$ 0	\$ 224,345	\$ 0	\$ 0	\$ 4,947,083
Trustee's Collections - Prior Year	2,898	0	2,055	0	0	106,137
Circuit Clerk/Clerk and Master Collections - Prior Years	1,293	0	891	0	0	57,200
Interest and Penalty	503	0	666	0	0	21,697
Payments in-Lieu-of Taxes - Other	30	0	119	0	0	2,622
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	576,347
Hotel/Motel Tax	0	0	0	0	0	9,257
Wheel Tax	0	742,801	0	0	0	742,801
Litigation Tax - General	0	0	0	0	0	45,435
Litigation Tax - Special Purpose	0	0	0	0	0	45,927
Litigation Tax - Jail, Workhouse, or Courthouse	70,395	0	0	0	0	87,994
Business Tax	0	0	0	0	0	98,144
Mineral Severance Tax	0	0	0	0	0	107,707
Adequate Facilities/Development Tax	0	0	0	92,338	0	92,338
<u>Statutory Local Taxes</u>						
Bank Excise Tax	177	0	393	0	0	15,331
Wholesale Beer Tax	0	0	0	0	0	64,900
Total Local Taxes	\$ 128,818	\$ 742,801	\$ 228,469	\$ 92,338	\$ 0	\$ 7,020,920
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 432
<u>Permits</u>						
Beer Permits	0	0	0	0	0	238
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 670

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,250
Drug Control Fines	0	0	0	0	0	8,933
DUI Treatment Fines	0	0	0	0	0	142
Data Entry Fee - Circuit Court	0	0	0	0	0	377
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	37,439
Officers Costs	0	0	0	0	0	238
Game and Fish Fines	0	0	0	0	0	4
Drug Control Fines	0	0	0	0	0	6,089
DUI Treatment Fines	0	0	0	0	0	2,753
Data Entry Fee - General Sessions Court	0	0	0	0	0	7,726
Courtroom Security Fee	0	0	0	0	0	247
<u>Juvenile Court</u>						
Victims Assistance Assessments	0	0	0	0	0	827
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	190
Data Entry Fee - Chancery Court	0	0	0	0	0	1,614
Courtroom Security Fee	0	0	0	0	0	4
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	1,761
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	4,422
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	90,016

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,178
Convenience Waste Centers Collection Charge	0	0	0	0	0	7,789
Surcharge - Waste Tire Disposal	0	0	0	0	0	2,561
Patient Charges	0	0	0	0	0	732,725
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	58,595
Recreation Fees	0	0	0	0	0	750
Copy Fees	0	0	0	0	0	80
Library Fees	0	0	0	0	0	24,174
Archives and Records Management Fee	0	0	0	0	0	32,100
Greenbelt Late Application Fee	0	0	0	0	0	150
Telephone Commissions	0	0	0	0	0	48,146
Constitutional Officers' Fees and Commissions	0	0	0	0	0	227
Data Processing Fee - Register	0	0	0	0	0	6,662
Probation Fees	0	0	0	0	0	57,431
Data Processing Fee - Sheriff	0	0	0	0	0	1,741
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,150
Data Processing Fee - County Clerk	0	0	0	0	0	1,791
Vehicle Registration Reinstatement Fees	0	0	0	0	0	1,280
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	988,530
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,035
Lease/Rentals	0	0	0	0	0	33,620

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Commissary Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,321	\$ 32,321
Sale of Gasoline	0	0	0	0	0	1,295
Miscellaneous Refunds	0	29,639	2,519	14,903	0	109,523
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	7,323
Sale of Property	0	0	154,040	0	0	154,040
Damages Recovered from Individuals	0	0	0	0	0	200
Contributions and Gifts	0	0	100,000	0	0	229,658
Total Other Local Revenues	\$ 0	\$ 29,639	\$ 256,559	\$ 14,903	\$ 32,321	\$ 611,015
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 188,227
Circuit Court Clerk	0	0	0	0	0	21,988
General Sessions Court Clerk	0	0	0	0	0	110,965
Clerk and Master	0	0	0	0	0	64,107
Register	0	0	0	0	0	103,686
Sheriff	0	0	0	0	0	7,982
Trustee	0	0	0	0	0	226,263
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 723,218
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Other General Government Grants	0	0	0	0	0	1,000

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,600
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	7,335
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	1,352,406
State Aid Program	0	0	0	0	0	307,493
Litter Program	0	0	0	0	0	38,173
Other Public Works Grants	0	0	0	0	0	7,378
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	8,961
Beer Tax	0	0	0	0	0	19,194
Vehicle Certificate of Title Fees	0	0	0	0	0	6,258
Alcoholic Beverage Tax	0	0	0	0	0	47,062
State Revenue Sharing - Telecommunications	0	0	0	0	0	44,326
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	11,039
Contracted Prisoner Boarding	0	0	0	0	0	136,783
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,066,667
Petroleum Special Tax	0	0	0	0	0	9,669
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	317,168	0	0	357,488
Other State Revenues	0	0	0	0	0	229
Total State of Tennessee	\$ 0	\$ 0	\$ 317,168	\$ 0	\$ 0	4,459,225

(Continued)

Exhibit K-7

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

	Debt Service Funds		Capital Projects Funds			Total
	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects	Other Capital Projects	
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 338,753	\$ 0	\$ 0	\$ 338,753
Disaster Relief	0	0	0	0	0	44,269
Homeland Security Grants	0	0	0	0	0	57,020
COVID-19 Grant #5	0	0	0	0	0	68,364
COVID-19 Grant A	0	0	0	0	0	22,317
Other Federal through State	0	0	0	0	0	30,405
Total Federal Government	\$ 0	\$ 0	\$ 338,753	\$ 0	\$ 0	\$ 561,128
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
Total	\$ 128,818	\$ 772,440	\$ 1,140,949	\$ 107,241	\$ 32,321	\$ 14,455,222

Exhibit K-8

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,949,029	\$ 0	\$ 0	\$ 0	\$ 0	1,949,029
Trustee's Collections - Prior Year	41,868	0	0	0	0	41,868
Circuit Clerk/Clerk and Master Collections - Prior Years	21,072	0	0	0	0	21,072
Interest and Penalty	8,393	0	0	0	0	8,393
Payments in-Lieu-of Taxes - Other	1,032	0	0	0	0	1,032
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,128,082	0	0	0	0	1,128,082
Mixed Drink Tax	6,942	0	0	0	0	6,942
<u>Statutory Local Taxes</u>						
Bank Excise Tax	6,162	0	0	0	0	6,162
Total Local Taxes	<u>\$ 3,162,580</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,162,580</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 475	\$ 0	\$ 0	\$ 0	\$ 0	475
Total Licenses and Permits	<u>\$ 475</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>475</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 0	3,000
Lunch Payments - Children	0	0	32,225	0	0	32,225
Lunch Payments - Adults	0	0	20,850	0	0	20,850
Income from Breakfast	0	0	7,632	0	0	7,632
A la Carte Sales	0	0	36,555	0	0	36,555

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 30,740	\$ 0	\$ 0	\$ 0	\$ 0	30,740
Other Charges for Services	5,350	0	0	0	0	5,350
Total Charges for Current Services	<u>\$ 39,090</u>	<u>\$ 0</u>	<u>\$ 97,262</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>136,352</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (9,008)	\$ 0	\$ 115	\$ 0	\$ 0	(8,893)
Miscellaneous Refunds	33,593	0	758	0	0	34,351
<u>Nonrecurring Items</u>						
Sale of Equipment	5,405	0	0	0	0	5,405
Contributions and Gifts	500	0	3,000	0	0	3,500
<u>Other Local Revenues</u>						
Other Local Revenues	7,600	0	0	974,493	0	982,093
Total Other Local Revenues	<u>\$ 38,090</u>	<u>\$ 0</u>	<u>\$ 3,873</u>	<u>\$ 974,493</u>	<u>\$ 0</u>	<u>1,016,456</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 58,168	\$ 0	\$ 0	\$ 0	\$ 0	58,168
<u>State Education Funds</u>						
Basic Education Program	12,438,000	0	0	0	0	12,438,000
Early Childhood Education	413,954	0	0	0	0	413,954
School Food Service	0	0	9,653	0	0	9,653
Driver Education	9,645	0	0	0	0	9,645
Other State Education Funds	534,680	0	0	0	0	534,680
Career Ladder Program	33,026	0	0	0	0	33,026

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	\$ 376,281	\$ 0	\$ 0	\$ 0	\$ 376,281
Other State Grants	2,972	0	0	0	2,972
Total State of Tennessee	<u>\$ 13,866,726</u>	<u>\$ 0</u>	<u>\$ 9,653</u>	<u>\$ 0</u>	<u>\$ 13,876,379</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 835,073	\$ 0	\$ 835,073
USDA - Commodities	0	0	74,046	0	74,046
Breakfast	0	0	333,012	0	333,012
USDA - Other	0	0	69,203	0	69,203
Vocational Education - Basic Grants to States	0	286,056	0	0	286,056
Title I Grants to Local Education Agencies	0	528,450	0	0	528,450
Special Education - Grants to States	0	457,509	0	0	457,509
Special Education Preschool Grants	0	14,210	0	0	14,210
Eisenhower Professional Development State Grants	0	29,133	0	0	29,133
COVID-19 Grant #1	0	37,158	0	0	37,158
COVID-19 Grant B	0	778,297	0	0	778,297
COVID-19 Grant D	0	174,800	0	0	174,800
COVID-19 Grant E	0	14,999	0	0	14,999
American Rescue Plan Act Grant #1	0	833,804	0	0	833,804
American Rescue Plan Act Grant #2	0	98,692	0	0	98,692
American Rescue Plan Act Grant #3	0	1,253	0	0	1,253
American Rescue Plan Act Grant #4	0	303	0	0	303
Other Federal through State	165,200	521,881	0	0	687,081
Total Federal Government	<u>\$ 165,200</u>	<u>\$ 3,776,545</u>	<u>\$ 1,311,334</u>	<u>\$ 0</u>	<u>\$ 5,253,079</u>

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 502,057	\$ 0	\$ 0	\$ 0	\$ 502,057
Total Other Governments and Citizens Groups	<u>\$ 502,057</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 502,057</u>
Total	<u>\$ 17,774,218</u>	<u>\$ 3,776,545</u>	<u>\$ 1,422,122</u>	<u>\$ 974,493</u>	<u>\$ 23,947,378</u>

Exhibit K-9

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

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	2,800	
Board and Committee Members Fees		1,360	
Social Security		224	
Employer Medicare		53	
Legal Notices, Recording, and Court Costs		2,389	
Total County Commission			\$ 6,826

County Mayor/Executive

County Official/Administrative Officer	\$	90,416	
Secretary(ies)		20,600	
Social Security		6,802	
Pensions		2,154	
Employer Medicare		1,591	
Communication		2,125	
Dues and Memberships		1,300	
Legal Notices, Recording, and Court Costs		625	
Travel		368	
Office Supplies		497	
Total County Mayor/Executive			126,478

Personnel Office

Travel	\$	2,446	
Other Contracted Services		13,200	
Total Personnel Office			15,646

County Attorney

Legal Services	\$	49,850	
Total County Attorney			49,850

Election Commission

County Official/Administrative Officer	\$	70,454	
Clerical Personnel		25,592	
Election Commission		3,583	
Election Workers		11,420	
Social Security		6,071	
Pensions		1,880	
Employee and Dependent Insurance		5,397	
Employer Medicare		1,420	
Communication		2,150	
Legal Notices, Recording, and Court Costs		1,483	
Maintenance Agreements		20,610	
Travel		58	
Office Supplies		1,575	
Building Improvements		18,265	
Total Election Commission			169,958

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	78,282	
Secretary(ies)		18,096	
In-service Training		144	
Social Security		5,975	
Pensions		1,870	
Employer Medicare		1,397	
Communication		1,432	
Data Processing Services		6,678	
Dues and Memberships		587	
Postal Charges		168	
Office Supplies		1,602	
Total Register of Deeds			\$ 116,231

Planning

Contracts with Government Agencies	\$	10,750	
Legal Notices, Recording, and Court Costs		754	
Other Contracted Services		1,963	
Total Planning			13,467

Codes Compliance

Supervisor/Director	\$	15,671	
Social Security		972	
Pensions		67	
Employer Medicare		227	
Communication		150	
Postal Charges		92	
Office Supplies		1,085	
Office Equipment		1,398	
Total Codes Compliance			19,662

County Buildings

Maintenance Personnel	\$	33,280	
Part-time Personnel		8,304	
Other Salaries and Wages		5,658	
Social Security		3,132	
Pensions		916	
Employee and Dependent Insurance		6,144	
Employer Medicare		733	
Communication		2,396	
Contracts with Other Public Agencies		15,181	
Janitorial Services		4,141	
Maintenance Agreements		646	
Maintenance and Repair Services - Buildings		43,791	
Maintenance and Repair Services - Office Equipment		987	
Maintenance and Repair Services - Vehicles		1,841	
Pest Control		1,520	
Custodial Supplies		7,360	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Gasoline	\$	17,037	
Utilities		50,655	
Total County Buildings			\$ 203,722

Preservation of Records

Other Supplies and Materials	\$	19,818	
Other Charges		1,058	
Total Preservation of Records			20,876

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	79,177	
Assistant(s)		56,000	
Accountants/Bookkeepers		130,751	
In-service Training		884	
Social Security		16,070	
Pensions		5,109	
Employee and Dependent Insurance		10,727	
Employer Medicare		3,758	
Audit Services		5,947	
Communication		1,067	
Contracts with Other Public Agencies		19,995	
Legal Notices, Recording, and Court Costs		4,098	
Maintenance Agreements		1,741	
Postal Charges		2,833	
Travel		138	
Office Supplies		7,630	
Other Supplies and Materials		2,957	
Total Accounting and Budgeting			348,882

Property Assessor's Office

County Official/Administrative Officer	\$	78,282	
Secretary(ies)		27,092	
Part-time Personnel		11,592	
Board and Committee Members Fees		1,240	
Social Security		6,830	
Pensions		2,269	
Employee and Dependent Insurance		10,629	
Employer Medicare		1,597	
Audit Services		2,550	
Communication		1,056	
Data Processing Services		4,227	
Dues and Memberships		1,445	
Legal Notices, Recording, and Court Costs		189	
Postal Charges		808	
Office Supplies		1,059	
Total Property Assessor's Office			150,865

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		32,728	
Part-time Personnel		7,416	
Social Security		7,170	
Pensions		2,297	
Employee and Dependent Insurance		10,504	
Employer Medicare		1,677	
Communication		2,150	
Data Processing Services		3,730	
Dues and Memberships		1,352	
Maintenance Agreements		10,375	
Postal Charges		2,250	
Travel		591	
Office Supplies		1,544	
Total County Trustee's Office			\$ 162,066

County Clerk's Office

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		30,008	
Clerical Personnel		29,968	
Attendants		30,512	
Part-time Personnel		13,538	
Other Salaries and Wages		4,767	
Social Security		11,465	
Pensions		3,213	
Employee and Dependent Insurance		9,652	
Employer Medicare		2,681	
Communication		1,465	
Dues and Memberships		797	
Postal Charges		7,995	
Travel		549	
Office Supplies		4,967	
Data Processing Equipment		8,212	
Office Equipment		1,254	
Total County Clerk's Office			239,325

Data Processing

Data Processing Personnel	\$	384	
Social Security		24	
Pensions		11	
Employer Medicare		6	
Maintenance Agreements		1,356	
Other Contracted Services		22,633	
Office Equipment		101	
Total Data Processing			24,515

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		30,000	
Secretary(ies)		31,532	
Clerical Personnel		29,856	
Part-time Personnel		12,428	
Jury and Witness Expense		612	
Social Security		11,059	
Pensions		3,179	
Employee and Dependent Insurance		5,435	
Employer Medicare		2,586	
Communication		2,650	
Contracts with Other Public Agencies		16,439	
Dues and Memberships		1,556	
Legal Notices, Recording, and Court Costs		95	
Maintenance Agreements		987	
Postal Charges		1,166	
Other Contracted Services		335	
Office Supplies		3,378	
Office Equipment		4,324	
Total Circuit Court			\$ 235,899

General Sessions Court

Judge(s)	\$	95,721	
Social Security		5,701	
Pensions		1,857	
Employee and Dependent Insurance		5,435	
Employer Medicare		1,333	
Other Contracted Services		1,250	
Total General Sessions Court			111,297

Chancery Court

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		31,008	
Social Security		6,698	
Pensions		2,120	
Employee and Dependent Insurance		5,252	
Employer Medicare		1,567	
Communication		1,113	
Contracts with Other Public Agencies		6,084	
Dues and Memberships		1,012	
Maintenance Agreements		570	
Postal Charges		1,199	
Travel		131	
Office Supplies		2,636	
Office Equipment		1,600	
Total Chancery Court			139,272

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Other Salaries and Wages	\$	21,024	
Social Security		1,303	
Pensions		408	
Employer Medicare		305	
Communication		650	
Contracts with Other Public Agencies		175	
Dues and Memberships		20	
Office Supplies		137	
Total Juvenile Court			\$ 24,022

Judicial Commissioners

Other Salaries and Wages	\$	39,615	
Social Security		2,456	
Pensions		388	
Employer Medicare		574	
Communication		2,064	
Dues and Memberships		300	
Travel		26	
Total Judicial Commissioners			45,423

Probation Services

Probation Officer(s)	\$	44,434	
Social Security		2,618	
Pensions		862	
Employee and Dependent Insurance		4,095	
Employer Medicare		612	
Communication		728	
Data Processing Services		3,600	
Drugs and Medical Supplies		3,886	
Office Supplies		279	
Total Probation Services			61,114

Victim Assistance Programs

Other Charges	\$	827	
Total Victim Assistance Programs			827

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	86,110	
Deputy(ies)		409,015	
Investigator(s)		89,440	
Captain(s)		50,960	
Sergeant(s)		74,656	
Accountants/Bookkeepers		40,464	
Salary Supplements		13,600	
Dispatchers/Radio Operators		29,768	
Clerical Personnel		7,800	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

School Resource Officer	\$	81,120	
Overtime Pay		34,506	
Other Salaries and Wages		88,753	
In-service Training		4,617	
Social Security		60,836	
Pensions		27,008	
Employee and Dependent Insurance		136,429	
Employer Medicare		14,228	
Communication		10,334	
Dues and Memberships		1,530	
Maintenance and Repair Services - Equipment		10,885	
Maintenance and Repair Services - Vehicles		38,094	
Postal Charges		351	
Gasoline		102,895	
Office Supplies		2,604	
Uniforms		5,745	
Other Supplies and Materials		5,479	
Vehicle and Equipment Insurance		40,605	
Law Enforcement Equipment		13,745	
Motor Vehicles		60,100	
Total Sheriff's Department			\$ 1,541,677

Administration of the Sexual Offender Registry

Office Supplies	\$	224	
Total Administration of the Sexual Offender Registry			224

Jail

Assistant(s)	\$	37,440	
Supervisor/Director		35,360	
Sergeant(s)		9,372	
Truck Drivers		24,335	
Guards		427,722	
Cafeteria Personnel		56,870	
Maintenance Personnel		11,880	
Social Security		36,920	
Employer Medicare		8,635	
Maintenance and Repair Services - Buildings		39,959	
Medical and Dental Services		209,204	
Travel		1,247	
Custodial Supplies		5,725	
Food Supplies		55,666	
Utilities		44,332	
Other Supplies and Materials		17,571	
Food Service Equipment		4,478	
Office Equipment		1,909	
Other Construction		256,771	
Total Jail			1,285,396

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

In-service Training	\$	2,023	
Communication		1,248	
Consultants		1,300	
Contracts with Other Public Agencies		6,850	
Maintenance and Repair Services - Equipment		10,786	
Maintenance and Repair Services - Vehicles		16,935	
Gasoline		5,003	
Office Supplies		612	
Uniforms		31,483	
Utilities		19,911	
Other Supplies and Materials		556	
Vehicle and Equipment Insurance		5,132	
Other Charges		3,336	
Communication Equipment		10,456	
Total Fire Prevention and Control			\$ 115,631

Other Emergency Management

In-service Training	\$	1,245	
Communication		50,985	
Maintenance and Repair Services - Equipment		5,248	
Maintenance and Repair Services - Vehicles		965	
Gasoline		2,841	
Office Supplies		904	
Uniforms		384	
Other Supplies and Materials		7,681	
Other Charges		227	
Other Equipment		42,113	
Total Other Emergency Management			112,593

County Coroner/Medical Examiner

In-service Training	\$	2,038	
Contracts with Private Agencies		18,694	
Travel		1,969	
Other Contracted Services		5,000	
Other Charges		4,600	
Total County Coroner/Medical Examiner			32,301

Public Health and Welfare

Local Health Center

Communication	\$	2,883	
Contracts with Government Agencies		15,864	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		231	
Utilities		7,886	
Other Charges		223	
Total Local Health Center			27,287

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Other Salaries and Wages	\$	6,758	
Social Security		419	
Employer Medicare		98	
Other Supplies and Materials		171	
Total Regional Mental Health Center			\$ 7,446

General Welfare Assistance

Other Contracted Services	\$	1,000	
Total General Welfare Assistance			1,000

Sanitation Management

Laborers	\$	27,040	
Social Security		1,606	
Pensions		525	
Employer Medicare		376	
Maintenance and Repair Services - Vehicles		1,723	
Gasoline		3,286	
Instructional Supplies and Materials		8,728	
Total Sanitation Management			43,284

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$	82,368	
Supervisor/Director		33,000	
Bonus Payments		34,793	
In-service Training		636	
Social Security		8,668	
Pensions		2,265	
Employee and Dependent Insurance		20,352	
Employer Medicare		2,027	
Advertising		601	
Contributions		16,155	
Maintenance Agreements		6,000	
Postal Charges		272	
Remittance of Revenue Collected		1,525	
Data Processing Supplies		200	
Instructional Supplies and Materials		737	
Library Books/Media		2,981	
Office Supplies		4,199	
Utilities		4,001	
Other Supplies and Materials		2,723	
Other Charges		24,813	
Total Libraries			248,316

Parks and Fair Boards

Utilities	\$	14,101	
Other Supplies and Materials		2,681	
Total Parks and Fair Boards			16,782

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	38,941	
Other Fringe Benefits		15,046	
Communication		2,600	
Maintenance Agreements		1,532	
Office Supplies		1,841	
Utilities		3,299	
Building Improvements		10,675	
Total Agricultural Extension Service			\$ 73,934

Other Operations

Veterans' Services

Other Salaries and Wages	\$	12,136	
Social Security		752	
Pensions		11	
Employer Medicare		176	
Communication		1,539	
Travel		148	
Office Supplies		227	
Office Equipment		449	
Total Veterans' Services			15,438

Other Charges

Building and Contents Insurance	\$	74,766	
Premiums on Corporate Surety Bonds		1,050	
Trustee's Commission		98,862	
Workers' Compensation Insurance		93,179	
Total Other Charges			267,857

Contributions to Other Agencies

Contributions	\$	267,580	
Total Contributions to Other Agencies			267,580

Employee Benefits

Employee and Dependent Insurance	\$	5,246	
Total Employee Benefits			5,246

COVID-19 Grant #4

Other Charges	\$	68,364	
Total COVID-19 Grant #4			68,364

Miscellaneous

Legal Services	\$	7,364	
Other Supplies and Materials		63,183	
Other Charges		10,042	
Total Miscellaneous			80,589

Total General Fund \$ 6,497,168

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Laborers	\$	76,568	
Overtime Pay		3,046	
In-service Training		375	
Social Security		4,732	
Pensions		754	
Employee and Dependent Insurance		7,627	
Employer Medicare		1,107	
Communication		598	
Contracts with Other Public Agencies		290,792	
Dues and Memberships		200	
Engineering Services		1,900	
Legal Notices, Recording, and Court Costs		394	
Maintenance Agreements		1,500	
Maintenance and Repair Services - Equipment		4,143	
Maintenance and Repair Services - Vehicles		923	
Travel		537	
Other Contracted Services		800	
Gasoline		2,814	
Utilities		4,298	
Other Supplies and Materials		4,663	
Trustee's Commission		5,976	
Site Development		31,981	
Total Sanitation Management			\$ 445,728

Total Solid Waste/Sanitation Fund \$ 445,728

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,864	
Medical Personnel		642,842	
Board and Committee Members Fees		1,375	
In-service Training		7,824	
Social Security		40,996	
Pensions		12,632	
Employee and Dependent Insurance		61,472	
Employer Medicare		9,588	
Other Fringe Benefits		45	
Communication		8,386	
Contracts with Private Agencies		43,696	
Dues and Memberships		2,015	
Legal Notices, Recording, and Court Costs		97	
Maintenance Agreements		3,310	
Maintenance and Repair Services - Equipment		729	
Maintenance and Repair Services - Vehicles		11,392	
Remittance of Revenue Collected		3,313	
Other Contracted Services		2,000	

(Continued)

Exhibit K-9

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$	384	
Drugs and Medical Supplies		34,540	
Electricity		5,144	
Gasoline		31,024	
Natural Gas		1,566	
Office Supplies		4,523	
Tires and Tubes		752	
Uniforms		9,417	
Water and Sewer		798	
Other Supplies and Materials		4,663	
Trustee's Commission		15,778	
Vehicle and Equipment Insurance		18,540	
Office Equipment		1,347	
Other Equipment		16,816	
Total Ambulance/Emergency Medical Services			\$ 1,052,868

Total Ambulance Service Fund \$ 1,052,868

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Equipment	\$	3,361	
Maintenance and Repair Services - Vehicles		220	
Trustee's Commission		192	
Other Charges		63	
Law Enforcement Equipment		7,662	
Total Sheriff's Department			\$ 11,498

Total Drug Control Fund 11,498

Other General Government Special Revenue Fund

Highways

American Rescue Plan Act Grant #1

Accounting Services	\$	18,304	
Total American Rescue Plan Act Grant #1			\$ 18,304

Total Other General Government Special Revenue Fund 18,304

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	151	
Total County Clerk's Office			\$ 151

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	76	
Total Circuit Court			76

Total Constitutional Officers - Fees Fund 227

(Continued)

Exhibit K-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	86,110	
Secretary(ies)		41,600	
Board and Committee Members Fees		1,200	
Social Security		7,442	
Pensions		2,478	
Employer Medicare		1,740	
Communication		4,662	
Contributions		5,000	
Dues and Memberships		2,707	
Legal Notices, Recording, and Court Costs		2,620	
Licenses		23	
Postal Charges		252	
Printing, Stationery, and Forms		1,147	
Electricity		3,434	
Natural Gas		915	
Water and Sewer		240	
Other Supplies and Materials		602	
Total Administration			\$ 162,172

Highway and Bridge Maintenance

Equipment Operators	\$	135,285	
Truck Drivers		133,029	
Laborers		112,683	
Overtime Pay		13,158	
Social Security		23,322	
Pensions		7,300	
Employer Medicare		5,454	
Other Contracted Services		25,372	
Asphalt		167,148	
Asphalt - Liquid		275,093	
Concrete		15,674	
Crushed Stone		243,657	
Pipe - Metal		50,391	
Road Signs		8,552	
Structural Steel		2,564	
Other Supplies and Materials		3,209	
Total Highway and Bridge Maintenance			1,221,891

Operation and Maintenance of Equipment

Mechanic(s)	\$	29,569	
Overtime Pay		691	
Social Security		1,677	
Pensions		587	
Employer Medicare		392	
Maintenance and Repair Services - Equipment		14,755	
Other Contracted Services		5,491	
Diesel Fuel		83,085	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	33,817	
Garage Supplies		26,313	
Gasoline		23,370	
Lubricants		8,491	
Tires and Tubes		20,550	
Other Supplies and Materials		51	
Total Operation and Maintenance of Equipment			\$ 248,839

Other Charges

Liability Insurance	\$	4,112	
Trustee's Commission		21,850	
Vehicle and Equipment Insurance		44,386	
Workers' Compensation Insurance		33,752	
Other Charges		1,372	
Total Other Charges			105,472

Employee Benefits

Medical Insurance	\$	73,101	
Unemployment Compensation		4,189	
Other Charges		31	
Total Employee Benefits			77,321

Capital Outlay

Engineering Services	\$	100,624	
Bridge Construction		1,278,554	
Highway Equipment		89,747	
State Aid Projects		307,493	
Total Capital Outlay			<u>1,776,418</u>

Total Highway/Public Works Fund \$ 3,592,113

General Debt Service Fund

Other Debt Service

General Government

Trustee's Commission	\$	1,941	
Total General Government			<u>\$ 1,941</u>

Total General Debt Service Fund 1,941

Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$	5,399,219	
Total Education			\$ 5,399,219

(Continued)

Exhibit K-9

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

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Other Loans	\$ 59,033	
Total Education		\$ 59,033

Other Debt Service

Education

Trustee's Commission	\$ 7,455	
Other Debt Issuance Charges	8,733	
Other Debt Service	24,342	
Total Education		<u>40,530</u>

Total Education Debt Service Fund			\$ 5,498,782
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General Capital Projects Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 156,023	
Other Supplies and Materials	52,451	
Trustee's Commission	4,546	
Other Charges	95,183	
Building Improvements	11,279	
Motor Vehicles	136,438	
Total County Buildings		\$ 455,920

Capital Outlay

Regular Capital Outlay

Other Charges	\$ 338,753	
Total Regular Capital Outlay		338,753

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 502,057	
Total Capital Projects Donated to School Department		<u>502,057</u>

Total General Capital Projects Fund			1,296,730
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Education Capital Projects Fund

Support Services

Operation of Plant

Engineering Services	\$ 107,516	
Trustee's Commission	923	
Total Operation of Plant		<u>\$ 108,439</u>

Total Education Capital Projects Fund			<u>108,439</u>
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Total Governmental Funds - Primary Government			<u>\$ 18,523,798</u>
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Cannon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Cannon County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	5,225,288	
Career Ladder Program		15,825	
Educational Assistants		124,058	
Bonus Payments		79,750	
Certified Substitute Teachers		2,820	
Non-certified Substitute Teachers		55,230	
Social Security		324,252	
Pensions		440,809	
Medical Insurance		798,383	
Unemployment Compensation		9	
Employer Medicare		76,028	
Retirement - Hybrid Stabilization		40,540	
Tuition		7,081	
Other Contracted Services		52,500	
Instructional Supplies and Materials		81,036	
Textbooks - Bound		17,258	
Software		45,323	
Other Supplies and Materials		10,533	
Regular Instruction Equipment		119,600	
Total Regular Instruction Program			\$ 7,516,323

Alternative Instruction Program

Teachers	\$	52,965	
Bonus Payments		750	
Social Security		3,292	
Pensions		5,533	
Medical Insurance		7,151	
Employer Medicare		770	
Total Alternative Instruction Program			70,461

Special Education Program

Teachers	\$	668,591	
Educational Assistants		69,143	
Speech Pathologist		164,264	
Bonus Payments		15,000	
Social Security		54,839	
Pensions		75,198	
Medical Insurance		141,914	
Employer Medicare		12,505	
Retirement - Hybrid Stabilization		5,850	
Other Contracted Services		4,480	
Total Special Education Program			1,211,784

Career and Technical Education Program

Teachers	\$	481,044	
Career Ladder Program		1,000	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Bonus Payments	\$	7,000	
Social Security		29,579	
Pensions		36,590	
Medical Insurance		57,483	
Employer Medicare		6,918	
Retirement - Hybrid Stabilization		6,231	
Instructional Supplies and Materials		16,943	
Total Career and Technical Education Program			\$ 642,788

Support Services

Attendance

Supervisor/Director	\$	38,408	
Other Salaries and Wages		8,977	
Social Security		2,898	
Pensions		4,130	
Medical Insurance		3,572	
Employer Medicare		678	
Communication		452	
Travel		1,401	
Other Supplies and Materials		19,240	
Attendance Equipment		570	
Total Attendance			80,326

Health Services

Supervisor/Director	\$	38,408	
Medical Personnel		12,547	
Other Salaries and Wages		4,700	
Social Security		3,441	
Pensions		4,392	
Medical Insurance		1,421	
Employer Medicare		685	
Retirement - Hybrid Stabilization		1,521	
Communication		76	
Travel		4,017	
Other Contracted Services		370	
Drugs and Medical Supplies		1,342	
Other Supplies and Materials		15,757	
Total Health Services			88,677

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		108,196	
Bonus Payments		2,000	
Social Security		6,787	
Pensions		12,025	
Medical Insurance		15,148	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	1,690	
Retirement - Hybrid Stabilization		825	
Evaluation and Testing		14,741	
Other Contracted Services		2,304	
Other Supplies and Materials		9,240	
Other Equipment		405	
Total Other Student Support			\$ 174,361

Regular Instruction Program

Supervisor/Director	\$	80,040	
Career Ladder Program		3,000	
Librarians		217,419	
Educational Assistants		19,103	
Bonus Payments		3,250	
Social Security		19,384	
Pensions		31,379	
Medical Insurance		27,380	
Employer Medicare		4,533	
Travel		4,253	
Library Books/Media		21,160	
In Service/Staff Development		979	
Total Regular Instruction Program			431,880

Special Education Program

Supervisor/Director	\$	38,408	
Career Ladder Program		2,000	
Psychological Personnel		55,805	
Bonus Payments		1,000	
Social Security		5,527	
Pensions		10,013	
Medical Insurance		12,661	
Employer Medicare		1,293	
Communication		452	
Travel		105	
Total Special Education Program			127,264

Career and Technical Education Program

Supervisor/Director	\$	4,725	
Social Security		291	
Pensions		487	
Employer Medicare		68	
Travel		64	
Total Career and Technical Education Program			5,635

Technology

Supervisor/Director	\$	95,335	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Instructional Computer Personnel	\$	96,310	
Social Security		11,658	
Pensions		7,352	
Medical Insurance		18,260	
Employer Medicare		2,726	
Communication		8,731	
Internet Connectivity		63,354	
Travel		1,361	
Other Contracted Services		6,140	
Cabling		8,825	
Software		15,193	
Other Supplies and Materials		587	
Other Charges		1,832	
Other Equipment		164,544	
Total Technology			\$ 502,208

Other Programs

On-behalf Payments to OPEB	\$	58,168	
Total Other Programs			58,168

Board of Education

Board and Committee Members Fees	\$	7,200	
Social Security		446	
Employer Medicare		104	
Audit Services		8,500	
Dues and Memberships		7,328	
Legal Services		5,215	
Building and Contents Insurance		90,027	
Liability Insurance		38,474	
Trustee's Commission		70,889	
Workers' Compensation Insurance		48,719	
Criminal Investigation of Applicants - TBI		8,701	
Other Charges		6,400	
Total Board of Education			292,003

Director of Schools

County Official/Administrative Officer	\$	88,800	
Career Ladder Program		1,000	
Secretary(ies)		37,501	
Clerical Personnel		41,474	
Social Security		9,965	
Pensions		10,600	
Medical Insurance		34,901	
Employer Medicare		2,287	
Communication		6,413	
Dues and Memberships		4,246	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Postal Charges	\$	986	
Travel		1,868	
Other Contracted Services		6,517	
Office Supplies		3,216	
Administration Equipment		1,316	
Total Director of Schools			\$ 251,090

Office of the Principal

Principals	\$	500,539	
Career Ladder Program		1,000	
Assistant Principals		161,172	
Secretary(ies)		234,582	
Social Security		53,107	
Pensions		71,546	
Medical Insurance		131,599	
Employer Medicare		12,420	
Communication		1,338	
Travel		2,952	
Office Supplies		488	
In Service/Staff Development		1,750	
Other Charges		343	
Total Office of the Principal			1,172,836

Fiscal Services

Contributions	\$	105,175	
Total Fiscal Services			105,175

Operation of Plant

Supervisor/Director	\$	1,250	
Custodial Personnel		227,943	
Social Security		12,784	
Pensions		3,853	
Medical Insurance		46,442	
Employer Medicare		3,147	
Other Contracted Services		80,466	
Electricity		412,266	
Natural Gas		45,039	
Water and Sewer		51,241	
Other Supplies and Materials		99,498	
Boiler Insurance		2,885	
Plant Operation Equipment		961	
Total Operation of Plant			987,775

Maintenance of Plant

Supervisor/Director	\$	1,250	
Maintenance Personnel		99,618	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	6,104	
Pensions		1,957	
Medical Insurance		20,564	
Employer Medicare		1,428	
Communication		415	
Other Contracted Services		73,846	
Other Supplies and Materials		36,991	
Other Charges		1,591	
Administration Equipment		33,401	
Maintenance Equipment		996	
Total Maintenance of Plant			\$ 278,161

Transportation

Supervisor/Director	\$	13,028	
Bus Drivers		296,782	
Other Salaries and Wages		49,075	
Social Security		22,140	
Pensions		6,551	
Employer Medicare		5,178	
Communication		453	
Contracts with Vehicle Owners		207,841	
Travel		2,979	
Gasoline		90,708	
Tires and Tubes		11,469	
Vehicle Parts		69,920	
Vehicle and Equipment Insurance		22,507	
Other Charges		8,122	
Total Transportation			806,753

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	17,056	
Teachers		20,932	
Educational Assistants		22,013	
Other Salaries and Wages		23,204	
Social Security		5,024	
Pensions		3,141	
Employer Medicare		1,272	
Retirement - Hybrid Stabilization		114	
Travel		102	
Instructional Supplies and Materials		768	
Other Charges		1,300	
Total Community Services			94,926

Early Childhood Education

Supervisor/Director	\$	38,408	
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(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Teachers	\$	170,900	
Clerical Personnel		5,000	
Educational Assistants		60,049	
Bonus Payments		3,000	
Non-certified Substitute Teachers		1,440	
Social Security		15,813	
Pensions		20,846	
Medical Insurance		57,093	
Employer Medicare		3,694	
Retirement - Hybrid Stabilization		704	
Travel		284	
Other Contracted Services		8,055	
Food Supplies		90	
Instructional Supplies and Materials		21,890	
Regular Instruction Equipment		14,196	
Total Early Childhood Education			\$ 421,462

Capital Outlay

Regular Capital Outlay

Architects	\$	96,835	
Building Improvements		1,496,263	
Total Regular Capital Outlay			<u>1,593,098</u>

Total General Purpose School Fund \$ 16,913,154

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	397,457	
Educational Assistants		58,169	
Bonus Payments		132,000	
Other Salaries and Wages		67,760	
Social Security		35,266	
Pensions		43,938	
Medical Insurance		65,135	
Unemployment Compensation		563	
Employer Medicare		8,296	
Other Contracted Services		1,840	
Instructional Supplies and Materials		26,201	
Software		88,674	
Other Supplies and Materials		24,652	
Regular Instruction Equipment		128,637	
Total Regular Instruction Program			\$ 1,078,588

Special Education Program

Teachers	\$	20,760	
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(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Homebound Teachers	\$	1,820	
Educational Assistants		115,780	
Bonus Payments		16,750	
Social Security		9,199	
Pensions		3,780	
Medical Insurance		43,695	
Unemployment Compensation		275	
Employer Medicare		2,152	
Contracts with Other Public Agencies		8,093	
Evaluation and Testing		1,074	
Instructional Supplies and Materials		39,286	
Other Supplies and Materials		5,198	
Special Education Equipment		21,452	
Total Special Education Program			\$ 289,314

Career and Technical Education Program

Other Salaries and Wages	\$	60,705	
Social Security		3,688	
Pensions		4,105	
Medical Insurance		11,463	
Unemployment Compensation		63	
Employer Medicare		863	
Instructional Supplies and Materials		18,151	
Other Supplies and Materials		14,636	
Vocational Instruction Equipment		165,251	
Total Career and Technical Education Program			278,925

Support Services

Health Services

Medical Personnel	\$	97,688	
Bonus Payments		34,242	
Social Security		7,950	
Pensions		5,756	
Medical Insurance		5,189	
Unemployment Compensation		46	
Employer Medicare		1,876	
Communication		1,356	
Travel		2,177	
Drugs and Medical Supplies		47,930	
Other Supplies and Materials		544	
In Service/Staff Development		500	
Health Equipment		35,804	
Other Equipment		1,828	
Total Health Services			242,886

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	150,755	
Bonus Payments		10,545	
Social Security		9,479	
Pensions		13,463	
Medical Insurance		21,100	
Unemployment Compensation		87	
Employer Medicare		2,216	
Travel		6,295	
Other Supplies and Materials		2,404	
In Service/Staff Development		3,738	
Other Charges		2,518	
Total Other Student Support			\$ 222,600

Regular Instruction Program

Supervisor/Director	\$	75,681	
Bonus Payments		9,000	
Other Salaries and Wages		69,329	
Social Security		8,802	
Pensions		14,972	
Medical Insurance		20,447	
Unemployment Compensation		129	
Employer Medicare		2,058	
Consultants		250	
Travel		1,954	
Other Contracted Services		112,800	
Other Supplies and Materials		10,267	
In Service/Staff Development		199	
Total Regular Instruction Program			325,888

Special Education Program

Supervisor/Director	\$	38,408	
Psychological Personnel		14,725	
Bonus Payments		20,000	
Other Salaries and Wages		21,060	
Social Security		5,508	
Pensions		5,984	
Medical Insurance		14,351	
Unemployment Compensation		52	
Employer Medicare		1,288	
Contracts with Other Public Agencies		74,997	
Contracts with Private Agencies		8,491	
Maintenance and Repair Services - Equipment		783	
Travel		3,684	
Other Contracted Services		47,876	
Other Supplies and Materials		3,516	
In Service/Staff Development		15,075	
Other Equipment		6,109	
Total Special Education Program			281,907

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	1,524	
Bonus Payments		12,000	
Social Security		820	
Pensions		969	
Unemployment Compensation		5	
Employer Medicare		192	
In Service/Staff Development		4,033	
Total Career and Technical Education Program			\$ 19,543

Director of Schools

Bonus Payments	\$	6,000	
Social Security		350	
Pensions		309	
Employer Medicare		82	
Total Director of Schools			6,741

Office of the Principal

Bonus Payments	\$	9,000	
Social Security		535	
Pensions		927	
Employer Medicare		125	
Total Office of the Principal			10,587

Human Services/Personnel

Bonus Payments	\$	17,000	
Social Security		1,010	
Pensions		413	
Employer Medicare		236	
Total Human Services/Personnel			18,659

Operation of Plant

Custodial Personnel	\$	18,783	
Bonus Payments		11,000	
Social Security		1,852	
Pensions		568	
Employer Medicare		440	
Custodial Supplies		3,477	
Plant Operation Equipment		660,348	
Total Operation of Plant			696,468

Transportation

Bus Drivers	\$	2,664	
Bonus Payments		6,500	
Other Salaries and Wages		21,207	
Social Security		1,717	
Pensions		135	

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Unemployment Compensation	\$	64	
Employer Medicare		402	
Maintenance and Repair Services - Vehicles		11,304	
Gasoline		9,910	
Total Transportation			\$ 53,903

Operation of Non-Instructional Services

Food Service

Bonus Payments	\$	20,500	
Social Security		1,222	
Pensions		398	
Unemployment Compensation		1	
Employer Medicare		286	
Total Food Service			22,407

Community Services

Teachers	\$	4,100	
Other Salaries and Wages		44,764	
Social Security		3,038	
Pensions		981	
Unemployment Compensation		88	
Employer Medicare		613	
Total Community Services			53,584

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	97,848	
Total Regular Capital Outlay			97,848

Total School Federal Projects Fund \$ 3,699,848

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	56,520	
Accountants/Bookkeepers		14,400	
Cafeteria Personnel		333,381	
Social Security		23,559	
Pensions		7,479	
Medical Insurance		80,075	
Unemployment Compensation		535	
Employer Medicare		5,534	
Communication		8	
Maintenance and Repair Services - Equipment		10,969	
Travel		553	
Other Contracted Services		7,067	

(Continued)

Exhibit K-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Supplies	\$	436,753	
Office Supplies		765	
USDA - Commodities		74,046	
Other Supplies and Materials		52,859	
Other Charges		80	
Food Service Equipment		4,602	
Total Food Service		<u>4,602</u>	\$ <u>1,109,185</u>

Total Central Cafeteria Fund \$ 1,109,185

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	870,190	
Total Community Services		<u>870,190</u>	\$ <u>870,190</u>

Total Internal School Fund 870,190

Total Governmental Funds - Cannon County School Department \$ 22,592,377

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

	Cities - Sales Tax Fund
<hr/>	
<u>Additions</u>	
Local Option Sales Tax	\$ 553,006
Total Additions	<u>\$ 553,006</u>
 <u>Deductions</u>	
Remittance of Revenues Collected	\$ 547,475
Trustee's Commission	<u>5,531</u>
Total Deductions	<u>\$ 553,006</u>
 Excess of Additions Over (Under) Deductions	 \$ 0
Net Position, July 1, 2021	<u>0</u>
 Net Position, June 30, 2022	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

Cannon County Executive and
Board of County Commissioners
Cannon 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 Cannon County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Cannon County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Cannon County School Department (a discretely presented component unit) as described in our report on Cannon County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cannon 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 Cannon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cannon County's internal control.

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cannon 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 is required to be reported under *Government Auditing Standards*.

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 result 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 Cannon 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 14, 2023

JEM/tg



JASON E. MUMPOWER
Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Cannon County Executive and
Board of County Commissioners
Cannon 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 Cannon County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cannon County's major federal programs for the year ended June 30, 2022. Cannon 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, Cannon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cannon 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 Cannon 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 Cannon 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 Cannon County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Cannon County's basic financial statements. We issued our report thereon dated February 14, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 14, 2023

JEM/tg

Cannon County, Tennessee, and the Cannon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-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	\$ 333,012
National School Lunch Program	10.555	N/A	0	898,896 (5) (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	215TN100S9009	0	3,063
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	76,363 (5) (7)
Total U.S. Department of Agriculture				<u>\$ 1,311,334</u>
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants	14.228	(3)	338,753	<u>\$ 338,753</u>
U.S. Department of Justice:				
Passed-through State Department of Finance and Administration:				
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(3)	0	<u>\$ 25,363</u>
U.S. Department of Transportation:				
Passed-through State Department of Safety and Homeland Security:				
Alcohol Open Container Requirements	20.607	(3)	0	<u>\$ 5,042</u>
National Endowment for the Humanities:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	(3)	0	<u>\$ 22,317</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(3)	0	\$ 529,513
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	(3)	0	461,945 (5)
COVID 19 - Special Education - Grants to States	84.027	(3)	0	98,692 (5)
Special Education - Preschool Grants	84.173	(3)	0	14,210 (5)
COVID 19 - Special Education - Preschool Grants	84.173	(3)	0	1,253 (5)
Career and Technical Education - Basic Grants to States	84.048	(3)	0	295,668
Twenty-First Century Community Learning Centers	84.287	(3)	0	53,584
Supporting Effective Instruction State Grant	84.367	(3)	0	29,948
Striving Readers	84.371	(3)	0	72,800
Student Support and Academic Enrichment Program	84.424	(3)	0	836
COVID 19 - Education Stabilization Fund Program - Rethink K12 Education Models Grant	84.425B	(3)	0	40,000 (5)
COVID 19 - Education Stabilization Fund Program - Governor's Emergency Education Relief Fund	84.425C	(3)	0	14,999 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	(3)	0	48,813 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(3)	0	876,399 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(3)	0	798,016 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(3)	0	303 (5)
Total U.S. Department of Education				<u>\$ 3,336,979</u>
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Immunization Cooperative Agreements	93.268	(3)	0	\$ 68,364
Passed-through State Department of Education:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	(3)	0	467,496
Temporary Assistance for Needy Families	93.558	(3)	0	90,055
Total U.S. Department of Health and Human Services				<u>\$ 625,915</u>

(Continued)

Cannon County, Tennessee, and the Cannon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 0	\$ 44,269
Emergency Management Performance Grants	97.042	(3)	0	5,031
Homeland Security Grant Program	97.067	(3)	0	51,989
Total U.S. Department of Homeland Security				<u>\$ 101,289</u>
Total Expenditures of Federal Grants				<u>\$ 5,766,992</u>

<u>State Grants</u>		<u>Contract Number</u>		
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(3)	\$	9,000
Litter Program - State Department of Transportation	N/A	(3)		38,173
Rural Local Health Services - State Department of Health	N/A	(3)		7,335
State Direct Appropriation Grant - State Department of Finance and Administration	N/A	(3)		317,168
Technology Opportunities for the Public Grants - State Department of Economic and Community Development	N/A	(3)		2,500
Archives Development Program Direct Grants - Tennessee Secretary of State	N/A	(3)		1,000
Public Assistance Grant - State Department of Military	N/A	(3)		7,378
Lottery for Education Afterschool Programs (LEAPs) - State Department of Education	N/A	(3)		75,145
Early Childhood Education - State Department of Education	N/A	(3)		413,954
Coordinated School Health - State Department of Education	N/A	(3)		89,999
Safe Schools Act - State Department of Education	N/A	(3)		46,779
Bridge Camp - State Department of Education	N/A	(3)		58,299
STREAM Mini-Camp - State Department of Education	N/A	(3)		45,655
Summer Learning Camps - State Department of Education	N/A	(3)		117,613
Summer Learning Camps Transportation - State Department of Education	N/A	(3)		64,042
Three Star Grant - State Department of Economic and Community Development	N/A	(3)		37,820
Total State Grants				<u>\$ 1,331,860</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Cannon 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 \$1,308,271; Special Education Cluster total \$576,100.
- (5) Total for FAL No. 10.555 is \$975,259; Total for 84.027 is \$560,637; Total for FAL No. 84.173 is \$15,463; Total for FAL No. 84.425 is \$1,778,530.
- (6) National School Lunch Program \$835,073; After School Snack Program \$18,991; Child Nutrition Emergency Operational Costs Reimbursement Programs \$3,454; Supply Chain Assistance \$41,378.
- (7) Commodities - Noncash Assistance \$74,046; Commodities Distribution Rebate \$2,317.

Program Title	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 51,640
Supporting Effective Instruction State Grant	84.367	694
Student Support and Academic Enrichment Program	84.424	231
Total amounts consolidated for administration purposes		<u>\$ 52,565</u>

(9) SUBRECIPIENT AMOUNTS

Subrecipient	Federal Assistance Listing Number	Amount Provided to Subrecipients
City of Woodbury	14.228	\$ 338,753

Cannon County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Cannon County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

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

2021	193	2021-001	The office did not file a report on debt obligation with the State Comptroller's Office.	N/A	Corrected
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Prior-year Federal Awards Findings

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

CANNON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Cannon County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations as a result of our audit of the financial statements of Cannon County, Tennessee, for the year ended June 30, 2022.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2022.

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

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