



ANNUAL FINANCIAL REPORT

Cannon County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

CANNON COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.



INTRODUCTORY SECTION

Cannon County Officials

June 30, 2023

Officials

Greg Mitchell, 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, County Executive, Chairman	
Kristal Alexander	Curtis George
Karen Ashford	Nathan Luna
Brent Brandon	Eddie Mears
Tony Burnett	Nathan Sanders
Randy Gannon	Chris Singleton

Board of Education

Aletha Thomas, Chairman
Jessica Curtis
Wade McMackins
Derrick Mullins
Rebecca Tramel

Highway Commission

Terry Horn, Chairman
Doyle Duke
Jimmy Williams

Financial Management Committee

Greg Mitchell, County Executive, Chairman
William Curtis, Director of Schools
Wayne Hancock, Road Supervisor
Karen Ashford
Brent Brandon
Tony Burnett
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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cannon County, Tennessee, as of June 30, 2023, 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 two percent, 2.08 percent, and 5.59 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, 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, 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

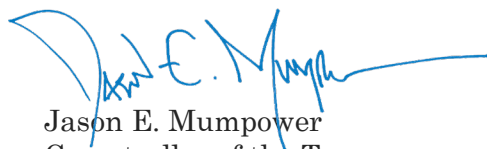
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 October 26, 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

October 26, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Cannon County School Department
<u>ASSETS</u>		
Cash	\$ 845	\$ 465,628
Equity in Pooled Cash and Investments	11,906,432	5,728,873
Accounts Receivable	2,288,574	0
Allowance for Uncollectibles	(2,133,713)	0
Due from Other Governments	702,057	1,909,201
Property Taxes Receivable	5,337,131	2,097,616
Allowance for Uncollectible Property Taxes	(89,064)	(35,017)
Notes Receivable - Long-term	35,783	0
Net Pension Asset - Agent Plan	63,515	30,400
Net Pension Asset - Teacher Retirement Plan	0	51,132
Net Pension Asset - Teacher Legacy Pension Plan	0	2,408,685
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	240,327
Capital Assets:		
Assets Not Depreciated:		
Land	265,389	169,629
Construction in Progress	67,460	2,564,880
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,640,050	5,910,689
Infrastructure	11,818,928	0
Other Capital Assets	1,874,652	1,801,822
Total Assets	<u>\$ 34,778,039</u>	<u>\$ 23,343,865</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 338,284	\$ 560,930
Pension Changes in Assumptions	762,736	1,933,895
Pension Changes in Investment Earnings	19,171	66,481
Pension Changes in Proportion	0	59,149
Pension Changes in Contributions after Measurement Date	238,539	679,049
OPEB Changes in Experience	0	438,277
OPEB Changes in Assumptions	0	370,765
OPEB Changes in Proportion	0	32,294
OPEB Contributions after Measurement Date	0	80,644
Total Deferred Outflows of Resources	<u>\$ 1,358,730</u>	<u>\$ 4,221,484</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	\$ 135,621	\$ 0
Accrued Payroll	0	48,082
Payroll Deductions Payable	11,820	0
Due to State of Tennessee	201	15,761
Accrued Interest Payable	14,546	0
Noncurrent Liabilities:		
Due Within One Year - Debt	810,756	0
Due Within One Year - Other	2,719	55,324
Due in More Than One Year - Debt	2,803,450	0
Due in More Than One Year - Other	51,648	2,082,487
Total Liabilities	<u>\$ 3,830,761</u>	<u>\$ 2,201,654</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 5,134,141	\$ 2,015,660
Pension Changes in Experience	5,240	440,569
Pension Changes in Proportion	0	89,369
OPEB Changes in Experience	0	148,103
OPEB Changes in Assumptions	0	270,323
OPEB Changes in Proportion	0	62,954
Total Deferred Inflows of Resources	<u>\$ 5,139,381</u>	<u>\$ 3,026,978</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 16,666,479	\$ 10,447,020
Restricted for:		
General Government	93,364	0
Finance	21,984	0
Administration of Justice	50,684	0
Public Safety	522,963	0
Public Health and Welfare	649,677	0
Highway/Public Works	2,741,849	0
Education	0	946,461
Debt Service	622,141	0
Capital Outlay	2,265,219	0
Pensions	63,515	2,730,544
Unrestricted	<u>3,468,752</u>	<u>8,212,692</u>
Total Net Position	<u>\$ 27,166,627</u>	<u>\$ 22,336,717</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, 2023

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	Component Unit
					Total Governmental Activities	Cannon County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,825,958	\$ 359,838	\$ 63,836	\$ 278,362	\$ (1,123,922)	\$ 0
Finance	1,018,091	493,189	0	0	(524,902)	0
Administration of Justice	696,985	319,916	9,000	0	(368,069)	0
Public Safety	3,521,200	164,623	9,912	50,632	(3,296,033)	0
Public Health and Welfare	2,535,362	728,178	188,134	41,939	(1,577,111)	0
Social, Cultural, and Recreational Services	296,365	26,380	0	0	(269,985)	0
Agriculture and Natural Resources	69,638	0	0	0	(69,638)	0
Highways/Public Works	2,888,485	26,293	2,133,575	126,576	(602,041)	0
Education	8,936	0	0	0	(8,936)	0
Interest on Long-term Debt	68,024	0	7,260	0	(60,764)	0
Total Primary Government	<u>\$ 12,929,044</u>	<u>\$ 2,118,417</u>	<u>\$ 2,411,717</u>	<u>\$ 497,509</u>	<u>\$ (7,901,401)</u>	<u>\$ 0</u>
Component Unit:						
Cannon County School Department	<u>\$ 20,323,072</u>	<u>\$ 121,412</u>	<u>\$ 7,324,272</u>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ (12,875,388)</u>
Total Component Unit	<u>\$ 20,323,072</u>	<u>\$ 121,412</u>	<u>\$ 7,324,272</u>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ (12,875,388)</u>

(Continued)

Exhibit B

Cannon County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	=	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					\$ 5,107,968	\$ 2,033,017
Property Taxes Levied for Debt Service					58,797	0
Local Option Sales Taxes					602,167	1,218,953
Wheel Tax					746,656	0
Litigation Tax					170,132	0
Business Tax					128,483	0
Wholesale Beer Tax					63,026	0
Mineral Severance Tax					54,185	0
Adequate Facilities/Development Tax					152,650	0
Mixed Drink Tax					0	2,470
Other Local Taxes					11,313	0
Grants and Contributions Not Restricted to Specific Programs					3,211,316	13,126,145
Unrestricted Investment Earnings					296,270	14,470
Sale of Equipment					96,688	335
Miscellaneous					31,122	50,158
Total General Revenues					\$ 10,730,773	\$ 16,445,548
Insurance Recovery					\$ 5,703	\$ 22,747
Change in Net Position					\$ 2,835,075	\$ 3,592,907
Net Position, July 1, 2022					24,331,552	18,743,810
Net Position, June 30, 2023					\$ 27,166,627	\$ 22,336,717

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, 2023

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 245	\$ 0	\$ 0	\$ 0	\$ 600	\$ 845
Equity in Pooled Cash and Investments	3,152,592	322,567	2,404,435	2,424,081	3,602,757	11,906,432
Accounts Receivable	0	2,286,990	0	0	1,584	2,288,574
Allowance for Uncollectibles	0	(2,133,713)	0	0	0	(2,133,713)
Due from Other Governments	259,024	0	0	361,684	81,349	702,057
Due from Other Funds	818	0	0	0	0	818
Property Taxes Receivable	4,463,201	496,135	0	0	377,795	5,337,131
Allowance for Uncollectible Property Taxes	(74,454)	(7,693)	0	0	(6,917)	(89,064)
Notes Receivable - Long-term	0	0	0	0	35,783	35,783
Total Assets	\$ 7,801,426	\$ 964,286	\$ 2,404,435	\$ 2,785,765	\$ 4,092,951	\$ 18,048,863
<u>LIABILITIES</u>						
Accounts Payable	\$ 58,613	\$ 12,248	\$ 0	\$ 31,895	\$ 32,865	\$ 135,621
Payroll Deductions Payable	0	0	0	11,820	0	11,820
Due to Other Funds	0	0	0	0	818	818
Due to State of Tennessee	0	0	0	201	0	201
Total Liabilities	\$ 58,613	\$ 12,248	\$ 0	\$ 43,916	\$ 33,683	\$ 148,460
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 4,293,540	\$ 479,405	\$ 0	\$ 0	\$ 361,196	\$ 5,134,141
Deferred Delinquent Property Taxes	88,412	8,392	0	0	8,991	105,795
Other Deferred/Unavailable Revenue	26,037	100,547	0	165,933	22,000	314,517
Total Deferred Inflows of Resources	\$ 4,407,989	\$ 588,344	\$ 0	\$ 165,933	\$ 392,187	\$ 5,554,453

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 2,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,787
Restricted for Finance	21,984	0	0	0	0	21,984
Restricted for Administration of Justice	50,684	0	0	0	0	50,684
Restricted for Public Safety	366,716	0	0	0	156,247	522,963
Restricted for Public Health and Welfare	192,755	0	0	0	322,986	515,741
Restricted for Other Operations	90,577	0	0	0	0	90,577
Restricted for Highways/Public Works	0	0	0	2,575,916	0	2,575,916
Restricted for Capital Outlay	0	0	0	0	2,260,424	2,260,424
Restricted for Debt Service	0	0	0	0	620,942	620,942
Committed:						
Committed for Public Safety	15,939	0	0	0	0	15,939
Committed for Public Health and Welfare	0	363,694	0	0	0	363,694
Committed for Social, Cultural, and Recreational Services	17,781	0	0	0	0	17,781
Committed for Capital Projects	0	0	0	0	270,699	270,699
Assigned:						
Assigned for General Government	0	0	2,404,435	0	0	2,404,435
Assigned for Debt Service	0	0	0	0	35,783	35,783
Unassigned	2,575,601	0	0	0	0	2,575,601
Total Fund Balances	<u>\$ 3,334,824</u>	<u>\$ 363,694</u>	<u>\$ 2,404,435</u>	<u>\$ 2,575,916</u>	<u>\$ 3,667,081</u>	<u>\$ 12,345,950</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,801,426</u>	<u>\$ 964,286</u>	<u>\$ 2,404,435</u>	<u>\$ 2,785,765</u>	<u>\$ 4,092,951</u>	<u>\$ 18,048,863</u>

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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 12,345,950
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 265,389	
Add: construction in progress	67,460	
Add: buildings and improvements net of accumulated depreciation	2,640,050	
Add: infrastructure net of accumulated depreciation	11,818,928	
Add: other capital assets net of accumulated depreciation	<u>1,874,652</u>	16,666,479
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (2,204,000)	
Less: other loans payable	(1,410,206)	
Less: accrued interest on bonds	(14,546)	
Less: compensated absences payable	<u>(54,367)</u>	(3,683,119)
(3) 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	\$ 1,358,730	
Less: deferred inflows of resources related to pensions	<u>(5,240)</u>	1,353,490
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		63,515
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>420,312</u>
Net position of governmental activities (Exhibit A)		<u>\$ 27,166,627</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, 2023

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 4,929,301	\$ 410,829	\$ 0	\$ 55,685	\$ 1,709,700	\$ 7,105,515
Licenses and Permits	794	0	0	0	0	794
Fines, Forfeitures, and Penalties	63,250	0	0	0	22,090	85,340
Charges for Current Services	373,614	746,580	0	0	13,036	1,133,230
Other Local Revenues	494,582	1,103	31,391	83,181	48,507	658,764
Fees Received From County Officials	704,914	0	0	0	0	704,914
State of Tennessee	412,997	0	0	2,215,499	78,846	2,707,342
Federal Government	42,627	0	2,851,029	0	277,674	3,171,330
Other Governments and Citizens Groups	62,025	0	0	0	97,560	159,585
Total Revenues	\$ 7,084,104	\$ 1,158,512	\$ 2,882,420	\$ 2,354,365	\$ 2,247,413	\$ 15,726,814
<u>Expenditures</u>						
Current:						
General Government	\$ 936,911	\$ 0	\$ 0	\$ 0	\$ 362,333	\$ 1,299,244
Finance	1,027,570	0	0	0	113	1,027,683
Administration of Justice	693,944	0	0	0	0	693,944
Public Safety	3,262,517	0	0	0	230,515	3,493,032
Public Health and Welfare	106,998	1,685,919	0	0	510,211	2,303,128
Social, Cultural, and Recreational Services	286,917	0	0	0	0	286,917
Agriculture and Natural Resources	69,638	0	0	0	0	69,638
Other Operations	633,890	0	0	0	0	633,890
Highways	0	0	459,681	2,458,805	0	2,918,486
Support Services	0	0	0	0	2,187	2,187
Capital Outlay	0	0	0	0	77,001	77,001
Debt Service:						
Principal on Debt	0	0	0	0	797,300	797,300

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Interest on Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,586	\$ 76,586
Other Debt Service	0	0	0	0	8,594	8,594
Total Expenditures	<u>\$ 7,018,385</u>	<u>\$ 1,685,919</u>	<u>\$ 459,681</u>	<u>\$ 2,458,805</u>	<u>\$ 2,064,840</u>	<u>\$ 13,687,630</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 65,719	 \$ (527,407)	 \$ 2,422,739	 \$ (104,440)	 \$ 182,573	 \$ 2,039,184
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 5,353	\$ 0	\$ 0	\$ 0	\$ 350	\$ 5,703
Transfers In	10,000	9,000	0	0	759,719	778,719
Transfers Out	(9,000)	0	0	0	(759,719)	(768,719)
Total Other Financing Sources (Uses)	<u>\$ 6,353</u>	<u>\$ 9,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350</u>	<u>\$ 15,703</u>
 Net Change in Fund Balances	 \$ 72,072	 \$ (518,407)	 \$ 2,422,739	 \$ (104,440)	 \$ 182,923	 \$ 2,054,887
Fund Balance, July 1, 2022	<u>3,262,752</u>	<u>882,101</u>	<u>(18,304)</u>	<u>2,680,356</u>	<u>3,484,158</u>	<u>10,291,063</u>
 Fund Balance, June 30, 2023	 <u>\$ 3,334,824</u>	 <u>\$ 363,694</u>	 <u>\$ 2,404,435</u>	 <u>\$ 2,575,916</u>	 <u>\$ 3,667,081</u>	 <u>\$ 12,345,950</u>

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, 2023

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 2,054,887
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,205,618	
Less: current-year depreciation expense	<u>(1,152,104)</u>	53,514
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 50,632	
Less: book value of capital assets disposed	<u>(66,030)</u>	(15,398)
(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, 2023	\$ 420,312	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(439,342)</u>	(19,030)
(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	\$ 90,300	
Add: payments to refunded debt escrow agent	<u>707,000</u>	797,300
(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	\$ 8,562	
Change in compensated absences payable	17,299	
Change in net pension asset	(1,953,304)	
Change in deferred outflows related to pensions	141,429	
Change in deferred inflows related to pensions	<u>1,759,816</u>	(26,198)
(6) Internal service funds are used by management to maintain the employee self insurance fund. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(10,000)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,835,075</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,929,301	\$ 5,027,375	\$ 5,032,875	\$ (103,574)
Licenses and Permits	794	750	750	44
Fines, Forfeitures, and Penalties	63,250	71,830	71,830	(8,580)
Charges for Current Services	373,614	338,632	338,632	34,982
Other Local Revenues	494,582	196,019	247,817	246,765
Fees Received From County Officials	704,914	748,400	748,400	(43,486)
State of Tennessee	412,997	390,864	399,664	13,333
Federal Government	42,627	14,724	65,887	(23,260)
Other Governments and Citizens Groups	62,025	0	0	62,025
Total Revenues	\$ 7,084,104	\$ 6,788,594	\$ 6,905,855	\$ 178,249
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 11,859	\$ 15,225	\$ 15,225	\$ 3,366
Other Boards and Committees	0	34	34	34
County Mayor/Executive	159,678	159,857	159,857	179
Personnel Office	15,715	20,000	15,800	85
County Attorney	50,866	50,000	50,900	34
Election Commission	192,351	197,538	197,538	5,187
Register of Deeds	125,690	131,529	131,529	5,839
Codes Compliance	98,163	113,952	114,552	16,389
County Buildings	269,236	281,816	294,474	25,238
Preservation of Records	13,353	24,500	24,500	11,147
<u>Finance</u>				
Accounting and Budgeting	383,693	377,999	383,999	306
Property Assessor's Office	175,154	176,896	176,896	1,742
County Trustee's Office	183,820	183,886	184,386	566
County Clerk's Office	263,092	271,642	271,642	8,550
Data Processing	21,811	31,500	24,300	2,489
<u>Administration of Justice</u>				
Circuit Court	254,633	256,813	256,813	2,180
General Sessions Court	125,183	127,657	127,657	2,474
Chancery Court	156,698	150,656	157,075	377
Juvenile Court	29,399	27,379	29,579	180
Judicial Commissioners	57,883	57,953	57,953	70
Probation Services	69,503	66,084	69,584	81
Victim Assistance Programs	645	1,300	1,300	655
<u>Public Safety</u>				
Sheriff's Department	1,690,284	1,748,905	1,731,521	41,237
Administration of the Sexual Offender Registry	1,802	2,000	2,000	198
Jail	1,284,842	1,221,058	1,333,863	49,021
Fire Prevention and Control	141,384	129,978	145,155	3,771
Other Emergency Management	73,052	23,416	73,416	364
County Coroner/Medical Examiner	38,128	29,500	39,500	1,372
Other Public Safety	33,025	9,225	60,388	27,363

(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</u>				
Local Health Center	\$ 32,982	\$ 37,274	\$ 33,274	\$ 292
Regional Mental Health Center	3,321	29,700	29,700	26,379
General Welfare Assistance	25,509	0	30,000	4,491
Sanitation Management	45,186	44,200	45,280	94
<u>Social, Cultural, and Recreational Services</u>				
Libraries	268,826	265,708	270,208	1,382
Parks and Fair Boards	18,091	22,500	18,500	409
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	69,638	78,637	78,137	8,499
<u>Other Operations</u>				
Veterans' Services	19,246	18,135	19,250	4
Other Charges	268,180	274,577	270,462	2,282
Contributions to Other Agencies	274,765	274,766	274,766	1
Employee Benefits	5,640	7,844	5,844	204
Miscellaneous	66,059	12,000	76,420	10,361
Total Expenditures	\$ 7,018,385	\$ 6,953,639	\$ 7,283,277	\$ 264,892
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 65,719	\$ (165,045)	\$ (377,422)	\$ 443,141
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,353	\$ 0	\$ 0	\$ 5,353
Transfers In	10,000	0	0	10,000
Transfers Out	(9,000)	0	(9,000)	0
Total Other Financing Sources	\$ 6,353	\$ 0	\$ (9,000)	\$ 15,353
Net Change in Fund Balance	\$ 72,072	\$ (165,045)	\$ (386,422)	\$ 458,494
Fund Balance, July 1, 2022	3,262,752	3,087,597	3,087,597	175,155
Fund Balance, June 30, 2023	\$ 3,334,824	\$ 2,922,552	\$ 2,701,175	\$ 633,649

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 410,829	\$ 435,710	\$ 435,710	\$ (24,881)
Charges for Current Services	746,580	815,000	815,000	(68,420)
Other Local Revenues	1,103	0	0	1,103
Total Revenues	<u>\$ 1,158,512</u>	<u>\$ 1,250,710</u>	<u>\$ 1,250,710</u>	<u>\$ (92,198)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,685,919	\$ 1,384,048	\$ 1,689,025	\$ 3,106
Total Expenditures	<u>\$ 1,685,919</u>	<u>\$ 1,384,048</u>	<u>\$ 1,689,025</u>	<u>\$ 3,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (527,407)</u>	<u>\$ (133,338)</u>	<u>\$ (438,315)</u>	<u>\$ (89,092)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 9,000	0	9,000	0
Total Other Financing Sources	<u>\$ 9,000</u>	<u>0</u>	<u>9,000</u>	<u>0</u>
Net Change in Fund Balance	\$ (518,407)	\$ (133,338)	\$ (429,315)	\$ (89,092)
Fund Balance, July 1, 2022	<u>882,101</u>	<u>801,022</u>	<u>801,022</u>	<u>81,079</u>
Fund Balance, June 30, 2023	<u>\$ 363,694</u>	<u>\$ 667,684</u>	<u>\$ 371,707</u>	<u>\$ (8,013)</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 31,391	\$ 0	\$ 0	\$ 31,391
Federal Government	2,851,029	2,999,146	2,999,146	(148,117)
Total Revenues	<u>\$ 2,882,420</u>	<u>\$ 2,999,146</u>	<u>\$ 2,999,146</u>	<u>\$ (116,726)</u>
<u>Expenditures</u>				
<u>Highways</u>				
American Rescue Plan Act Grant #1	\$ 459,681	\$ 2,851,030	\$ 2,851,030	\$ 2,391,349
American Rescue Plan Act Grant #2	0	2,999,146	2,999,146	2,999,146
Total Expenditures	<u>\$ 459,681</u>	<u>\$ 5,850,176</u>	<u>\$ 5,850,176</u>	<u>\$ 5,390,495</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,422,739</u>	<u>\$ (2,851,030)</u>	<u>\$ (2,851,030)</u>	<u>\$ 5,273,769</u>
Net Change in Fund Balance	\$ 2,422,739	\$ (2,851,030)	\$ (2,851,030)	\$ 5,273,769
Fund Balance, July 1, 2022	<u>(18,304)</u>	<u>2,851,030</u>	<u>2,851,030</u>	<u>(2,869,334)</u>
Fund Balance, June 30, 2023	<u>\$ 2,404,435</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,404,435</u>

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, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 55,685	\$ 0	\$ 55,685	\$ 118,500	\$ 118,500	\$ (62,815)
Other Local Revenues	83,181	0	83,181	12,500	12,500	70,681
State of Tennessee	2,215,499	0	2,215,499	3,155,910	3,155,910	(940,411)
Federal Government	0	0	0	150,000	150,000	(150,000)
Total Revenues	\$ 2,354,365	\$ 0	\$ 2,354,365	\$ 3,436,910	\$ 3,436,910	\$ (1,082,545)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 181,398	\$ 0	\$ 181,398	\$ 210,214	\$ 210,214	\$ 28,816
Highway and Bridge Maintenance	1,200,623	3,382	1,204,005	2,011,200	2,011,200	807,195
Operation and Maintenance of Equipment	241,302	3,918	245,220	407,100	407,100	161,880
Other Charges	108,229	0	108,229	121,500	121,500	13,271
Employee Benefits	81,645	0	81,645	103,000	103,000	21,355
Capital Outlay	645,608	0	645,608	1,488,461	1,488,461	842,853
Total Expenditures	\$ 2,458,805	\$ 7,300	\$ 2,466,105	\$ 4,341,475	\$ 4,341,475	\$ 1,875,370
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,440)	\$ (7,300)	\$ (111,740)	\$ (904,565)	\$ (904,565)	\$ 792,825
Net Change in Fund Balance	\$ (104,440)	\$ (7,300)	\$ (111,740)	\$ (904,565)	\$ (904,565)	\$ 792,825
Fund Balance, July 1, 2022	2,680,356	0	2,680,356	2,642,997	2,642,997	37,359
Fund Balance, June 30, 2023	\$ 2,575,916	\$ (7,300)	\$ 2,568,616	\$ 1,738,432	\$ 1,738,432	\$ 830,184

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

Exhibit D-1

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

	Governmental Activities - Internal Service Fund
	Employee Insurance Fund
<u>Operating Revenues</u>	
Self-insurance Premiums/Contributions	\$ 0
Total Operating Revenues	<u>\$ 0</u>
<u>Operating Expenses</u>	
Medical Insurance	\$ 0
Total Operating Expenses	<u>\$ 0</u>
Operating Income (Loss)	<u>\$ 0</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 0
Total Nonoperating Revenues (Expenses)	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 0
Transfers In (Out) (1)	(10,000)
Change in Net Position	<u>\$ (10,000)</u>
Net Position, July 1, 2022	<u>10,000</u>
Net Position, June, 30, 2023	<u><u>\$ 0</u></u>

(1) During the year, the county closed this fund by transferring the remaining cash balance to the General Fund.

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

Exhibit D-2

Cannon County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund
	Employee Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 0
Net Cash Provided By (Used In) Operating Activities	\$ 0
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (10,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ (10,000)
Increase (Decrease) in Cash	\$ (10,000)
Cash, July 1, 2022	10,000
Cash, June 30, 2023	\$ 0
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 0
Net Cash Provided By (Used In) Operating Activities	\$ 0

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, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 900,692
Investments	58,736
Due from Other Governments	<u>111,038</u>
Total Assets	<u>\$ 1,070,466</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 111,038</u>
Total Liabilities	<u>\$ 111,038</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 959,428</u>
Total Net Position	<u><u>\$ 959,428</u></u>

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

Exhibit E-2

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

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 619,023
Fines/Fees and Other Collections	4,566,908
Total Additions	<u>\$ 5,185,931</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 619,023
Payments to State	1,795,084
Payments to Cities, Individuals and Others	4,276,316
Total Deductions	<u>\$ 6,690,423</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (1,504,492)
Net Position, July 1, 2022	<u>2,463,920</u>
Net Position, June 30, 2023	<u><u>\$ 959,428</u></u>

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

CANNON COUNTY, TENNESSEE

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

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. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and 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 that was closed during the year ended June 30, 2023. 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 are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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.

Additionally, Cannon County reports the following fund types:

Debt Service Funds - The General Debt Service and Education Debt Service funds are used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs. The Education Debt Service Fund was closed during the year.

Capital Projects Funds – These 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.

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. This fund was closed during the year.

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.

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

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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 .86 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, 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 five 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	10 - 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 and OPEB changes in experience, assumptions, and proportionate share of contributions; pension changes in investment earnings; 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 and OPEB changes in experience and proportionate share of contributions; OPEB changes in assumptions; 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 \$7,031,396 of restricted net position, of which \$1,332,258 is restricted by enabling legislation.

As of June 30, 2023, Cannon County had \$3,614,206 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 I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

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

Primary Government

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

Discretely Presented Cannon County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted. 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, 2023, Cannon County and the discretely presented Cannon County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
Highway/Public Works	\$ 7,300
School Department:	
Major Funds:	
General Purpose School	1,219,265
School Federal Projects	10,000

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.

Investment Balances

Nonpooled Investments - As of June 30, 2023, Cannon County had the following nonpooled investments in the Constitutional Officers – Custodial Fund. These investments were established by court orders requiring the funds to be held by the county clerk on behalf of litigants. These investments do not expose the county to any risk; therefore, further disclosure is not required.

Investment	Amounts
Nonpooled:	
Constitutional Officers - Custodial Fund:	
County Clerk:	
Farm Bureau - Annuities	\$ 42,101
Edward Jones - Mutual Funds	<u>16,635</u>
Total Nonpooled Investments	<u>\$ 58,736</u>

Pooled Investments - As of June 30, 2023, Cannon County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in U.S. Treasury Bills. Separate disclosures concerning pooled investments cannot be made for Cannon County and the discretely presented Cannon County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value
U.S. Treasury Bills	N/A	7-20-23	\$ 2,932,553
U.S. Treasury Bills	N/A	8-31-23	988,224
U.S. Treasury Bills	N/A	10-19-23	1,366,722
U.S. Treasury Bills	N/A	12-28-23	2,874,946
U.S. Treasury Bills	N/A	2-15-24	<u>3,817,425</u>
Total			<u>\$ 11,979,870</u>

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)		
		Significant Other Observable Inputs (Level 2)		
		Significant Unobservable Inputs (Level 3)		
Investment by Fair Value Level	Fair Value 6-30-23			
U.S. Treasury Bills	\$ 11,979,870	\$ 11,979,870	\$ 0	\$ 0

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit

the maturities of certain investments as previously disclosed. Cannon County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cannon County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Cannon County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in U.S. Treasury Bills. These investments are 100 percent of the county's total investments.

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, 2023, 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	\$ 74,502
Developed Market International Equity	N/A	N/A	33,646
Emerging Market International Equity	N/A	N/A	9,613
U.S. Fixed Income	N/A	N/A	48,065
Real Estate	N/A	N/A	24,033
Short-term Securities	N/A	N/A	2,403
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>48,065</u>
Total			<u>\$ 240,327</u>

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

B. 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 \$35,783 at June 30, 2023.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 267,389	\$ 0	\$ (2,000)	\$ 265,389
Construction in Progress	755,768	58,890	(747,198)	67,460
Total Capital Assets Not Depreciated	\$ 1,023,157	\$ 58,890	\$ (749,198)	\$ 332,849
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,997,782	\$ 0	\$ 0	\$ 7,997,782
Infrastructure	28,239,694	1,099,369	0	29,339,063
Other Capital Assets	3,288,185	845,189	(175,164)	3,958,210
Total Capital Assets Depreciated	\$ 39,525,661	\$ 1,944,558	\$ (175,164)	\$ 41,295,055
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,166,353	\$ 191,379	\$ 0	\$ 5,357,732
Infrastructure	16,850,524	669,611	0	17,520,135
Other Capital Assets	1,903,578	291,114	(111,134)	2,083,558
Total Accumulated Depreciation	\$ 23,920,455	\$ 1,152,104	\$ (111,134)	\$ 24,961,425
Total Capital Assets Depreciated, Net	\$ 15,605,206	\$ 792,454	\$ (64,030)	\$ 16,333,630
Governmental Activities Capital Assets, Net	\$ 16,628,363	\$ 851,344	\$ (813,228)	\$ 16,666,479

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

Governmental Activities:

General Government	\$ 131,587
Public Safety	209,092
Public Health and Welfare	83,463
Social, Cultural, and Recreational Services	11,347
Highways/Public Works	<u>716,615</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,152,104</u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$ 16,666,479
Add:	
Outstanding debt for school purposes	3,614,206
Less:	
Outstanding principal of capital debt	<u>(3,614,206)</u>
Net Investment in Capital Assets	<u>\$ 16,666,479</u>

Discretely Presented Cannon County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 170,879	\$ 2,000	\$ (3,250)	\$ 169,629
Construction in Progress	0	2,564,880	0	2,564,880
Total Capital Assets Not Depreciated	<u>\$ 170,879</u>	<u>\$ 2,566,880</u>	<u>\$ (3,250)</u>	<u>\$ 2,734,509</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,608,060	\$ 252,637	\$ (2,569,219)	\$ 17,291,478
Other Capital Assets	1,631,771	1,285,977	(104,431)	2,813,317
Total Capital Assets Depreciated	<u>\$ 21,239,831</u>	<u>\$ 1,538,614</u>	<u>\$ (2,673,650)</u>	<u>\$ 20,104,795</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,938,312	\$ 332,221	\$ (1,889,744)	\$ 11,380,789
Other Capital Assets	900,206	172,207	(60,918)	1,011,495
Total Accumulated Depreciation	<u>\$ 13,838,518</u>	<u>\$ 504,428</u>	<u>\$ (1,950,662)</u>	<u>\$ 12,392,284</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,401,313</u>	<u>\$ 1,034,186</u>	<u>\$ (722,988)</u>	<u>\$ 7,712,511</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,572,192</u></u>	<u><u>\$ 3,601,066</u></u>	<u><u>\$ (726,238)</u></u>	<u><u>\$ 10,447,020</u></u>

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

Governmental Activities:

Instruction	\$ 417,259
Support Services	<u>87,169</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 504,428</u></u>

D. Construction Commitments

At June 30, 2023, the discretely presented school department had uncompleted construction contracts of \$382,590 for a classroom addition at an elementary school. Funding for these future expenditures is expected to be received from federal grants.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 818

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

Interfund Transfers:

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

Primary Government

Transfer Out	Transfers In			Purpose
	General Fund	Ambulance Service Fund	Nonmajor Governmental Funds	
General Fund	\$ 0	\$ 9,000	\$ 0	Reimbursement
Nonmajor governmental funds	0	0	100,000	Reimbursement
"	0	0	659,719	To close fund
"	10,000	0	0	To close fund
Total	\$ 10,000	\$ 9,000	\$ 759,719	

Discretely Presented Cannon County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	Nonmajor Governmental Funds	Purpose
General Purpose School Fund	\$ 0	\$ 68,259	Cash flow
School Federal Projects	91,950	0	Indirect cost
Total	<u>\$ 91,950</u>	<u>\$ 68,259</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 Capital Projects 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. In February 2023, the county transferred the Education Debt Service Fund's fund balance to the Education Capital Projects Fund in order to close the Education Debt Service Fund. From July 1, 2017, through June 30, 2023, the General Debt Service Fund has reimbursed the Education Debt Service Fund or the Education Capital Projects Fund \$700,000 of the planned \$1,000,000 reimbursement.

F. Long-term Debt

Primary Government

General Obligation Bonds 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 an original term of four years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - 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, 2023, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding, as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds -				
Refunding	1.98 %	6-1-26	\$ 2,911,000	\$ 2,204,000
Direct Borrowing and Direct Placement:				
Other Loans	0.5	6-1-38	1,500,506	1,410,206

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 720,000	\$ 43,639	\$ 763,639
2025	735,000	29,383	764,383
2026	749,000	14,831	763,831
Total	\$ 2,204,000	\$ 87,853	\$ 2,291,853

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
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
2029-2033	469,956	17,844	487,800
2034-2038	481,898	5,930	487,828
Total	<u>\$ 1,410,206</u>	<u>\$ 53,222</u>	<u>\$ 1,463,428</u>

There is \$656,725 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$152, based on the 2020 federal census. Total debt per capita, including bonds and other loans, totaled \$249 based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2022	\$ 2,911,000	\$ 1,500,506
Reductions	<u>(707,000)</u>	<u>(90,300)</u>
Balance, June 30, 2023	<u>\$ 2,204,000</u>	<u>\$ 1,410,206</u>
Balance Due Within One Year	<u>\$ 720,000</u>	<u>\$ 90,756</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 3,614,206
Less: Balance Due Within One Year - Debt	<u>(810,756)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 2,803,450</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences
Balance, July 1, 2022	\$ 71,666
Additions	97,561
Reductions	<u>(114,860)</u>
Balance, June 30, 2023	<u>\$ 54,367</u>
Balance Due Within One Year	<u>\$ 2,719</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 54,367
Less: Balance Due Within One Year - Other	<u>(2,719)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 51,648</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, 2023, was as follows:

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 69,757	\$ 1,991,734
Additions	70,689	388,589
Reductions	<u>(61,413)</u>	<u>(321,545)</u>
Balance, June 30, 2023	<u>\$ 79,033</u>	<u>\$ 2,058,778</u>
Balance Due Within One Year	<u>\$ 55,324</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 2,137,811
Less: Balance Due Within One Year - Other	<u>(55,324)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,082,487</u>

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

H. 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. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$47,210. 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. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

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

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

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

C. Contingent Liabilities

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

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. Changes in Administration

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

E. 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.

F. 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 67.63 percent, the non-certified employees of the discretely presented school department comprise 32.37 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	131
Inactive Employees Entitled to But Not Yet Receiving Benefits	326
Active Employees	<u>210</u>
Total	<u>667</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 to the plan. 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, 2023, the employer contribution for Cannon County was \$339,980 based on a rate of 4.91 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, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2021	\$ 18,770,614	\$ 21,692,270	\$ (2,921,656)
Changes for the Year:			
Service Cost	\$ 575,243	\$ 0	\$ 575,243
Interest	1,279,476	0	1,279,476
Differences Between Expected and Actual Experience	565,748	0	565,748
Contributions-Employer	0	121,477	(121,477)
Contributions-Employees	0	313,933	(313,933)
Net Investment Income	0	(822,869)	822,869
Benefit Payments, Including Refunds of Employee Contributions	(781,305)	(781,305)	0
Administrative Expense	0	(19,815)	19,815
Net Changes	\$ 1,639,162	\$ (1,188,579)	\$ 2,827,741
Balance, June 30, 2022	\$ 20,409,776	\$ 20,503,691	\$ (93,915)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	67.63%	\$ 13,803,132	\$ 13,866,646	\$ (63,515)
School Department	32.37%	6,606,644	6,637,045	(30,400)
Total		\$ 20,409,776	\$ 20,503,691	\$ (93,915)

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) \$ 2,702,564 \$ (93,915) \$ (2,399,539)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Cannon County recognized pension expense (negative pension expense) of 388,088.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 500,199	\$ 7,748
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,347	0
Changes in Assumptions	1,127,807	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	339,980	N/A
Total	<u>\$ 1,996,333</u>	<u>\$ 7,748</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in 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	\$ 1,358,731	\$ 5,240
School Department	<u>637,602</u>	<u>2,508</u>
Total	<u>\$ 1,996,333</u>	<u>\$ 7,748</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
2024	\$ 459,200
2025	411,807
2026	322,643
2027	454,951
2028	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 67.63 percent and the non-certified employees of the discretely presented school department comprise 32.37 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, 2023, to the Teacher Retirement Plan were \$83,153, which is 2.87 percent of covered payroll. In addition, employer contributions of \$31,226, which is 1.13 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$51,132) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .168795 percent. The proportion as of June 30, 2021, was .153652 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized (negative pension expense) of \$71,072.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,796	\$ 31,066
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,117	0
Changes in Assumptions	59,899	0
Changes in Proportion of Net Pension Liability (Asset)	7,768	19,744
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	83,153	N/A
Total	<u>\$ 169,733</u>	<u>\$ 50,810</u>

The school department's employer contributions of \$83,153 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ (18)
2025	146
2026	(2,502)
2027	25,570
2028	1,770
Thereafter	10,804

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

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

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

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

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

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 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) \$ 268,415 \$ (51,132) \$ (284,500)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the 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, 2023, to the Teacher Legacy Pension Plan were \$494,455, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$2,408,685) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .196402 percent. The proportion measured at June 30, 2021, was .190996 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of \$22,105.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 396,220	\$ 406,995
Changes in Assumptions	1,508,925	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	41,187	0
Changes in Proportion of Net Pension Liability (Asset)	51,381	69,625
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	494,455	N/A
Total	<u>\$ 2,492,168</u>	<u>\$ 476,620</u>

The school department's employer contributions of \$494,455 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 242,454
2025	449,836
2026	(442,498)
2027	1,271,302
2028	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 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) \$ 4,770,775 \$ (2,408,685) \$ (8,388,699)

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 \$166,213 and teachers contributed \$53,825 to this deferred compensation pension plan.

G. **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, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, actuarial valuation of 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, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed under each plan

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 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 non-disabled pre-retirement mortality projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	14
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	<u>157</u>
Total	<u><u>171</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 \$80,644 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Cannon County School Department 63.16%	State of TN 36.84%	Total OPEB Liability
Balance July 1, 2021	\$ 1,991,734	\$ 1,103,576	\$ 3,095,310
Changes for the Year:			
Service Cost	\$ 115,199	\$ 67,187	\$ 182,386
Interest	43,968	25,643	69,611
Difference between Expected and Actuarial Experience	229,422	133,806	363,228
Change in Proportion	(36,673)	36,673	0
Changes in Assumption and Other Inputs	(215,039)	(125,417)	(340,456)
Benefit Payments	(69,833)	(40,729)	(110,562)
Net Changes	<u>\$ 67,044</u>	<u>\$ 97,163</u>	<u>\$ 164,207</u>
Balance June 30, 2022	<u><u>\$ 2,058,778</u></u>	<u><u>\$ 1,200,739</u></u>	<u><u>\$ 3,259,517</u></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 \$132,060 in revenue for subsidies provided by non-employer 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 63.16 percent and the State of Tennessee's share was 36.84 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$347,415, including the state's share of the expense. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 438,277	\$ 148,103
Changes of Assumptions	370,765	270,323
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	32,294	62,954
Benefits Paid After the Measurement Date of June 30, 2022	80,644	0
Total	<u>\$ 921,980</u>	<u>\$ 481,380</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:

<u>Year Ending June 30</u>	<u>School Department</u>
2024	\$ 56,188
2025	56,188
2026	56,188
2027	56,188
2028	60,897
Thereafter	74,307

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the Collective Total OPEB Liability	\$ 2,209,186	\$ 2,058,778	\$ 1,915,450
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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 7.37 to 3.5%	Current Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,849,359	\$ 2,058,778	\$ 2,301,306
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H. 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.

I. 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.

J. Subsequent Events

On June 30, 2023, William Curtis left the Office of Director of Schools and was succeeded by Bonnie Patterson.

In August 2023, the Cannon County Sheriff filed suit against Cannon County in Chancery Court. The suit alleges that the county violated maintenance of effort requirements in the county's 2023-2024 budget and seeks additional funds for vehicles and personnel. According to the county attorney, a settlement was reached and has been approved by the Cannon County Commission at its November 2023 meeting.

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	2022
Total Pension Liability									
Service Cost	\$ 348,558	\$ 370,691	\$ 410,650	\$ 394,333	\$ 422,188	\$ 420,680	\$ 419,484	\$ 459,158	\$ 575,243
Interest	827,397	865,340	930,251	976,138	1,035,483	1,039,361	1,113,356	1,172,613	1,279,476
Differences Between Actual and Expected Experience	(205,229)	87,733	(213,266)	65,662	(743,223)	268,436	55,497	(12,912)	565,748
Changes in Assumptions	0	0	0	390,178	0	0	0	1,879,677	0
Benefit Payments, Including Refunds of Employee Contributions	(444,221)	(529,698)	(466,784)	(532,188)	(641,453)	(677,443)	(735,872)	(885,478)	(781,305)
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	\$ 1,639,162
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	18,770,614
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	\$ 20,409,776
Plan Fiduciary Net Position									
Contributions - Employer	\$ 413,808	\$ 418,337	\$ 438,698	\$ 443,053	\$ 419,280	\$ 415,081	\$ 102,295	\$ 111,072	\$ 121,477
Contributions - Employee	223,235	245,660	270,198	259,096	245,193	245,228	264,258	286,268	313,933
Net Investment Income	1,708,609	375,154	337,733	1,502,700	1,231,935	1,195,770	845,467	4,500,247	(822,869)
Benefit Payments, Including Refunds of Employee Contributions	(444,221)	(529,698)	(466,784)	(532,188)	(641,453)	(677,443)	(735,872)	(885,478)	(781,305)
Administrative Expense	(6,699)	(10,271)	(15,075)	(16,324)	(18,041)	(16,126)	(16,781)	(17,668)	(19,815)
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	\$ (1,188,579)
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	21,692,270
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	\$ 20,503,691
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)	\$ (93,915)
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%	100.46%
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	\$ 6,261,687
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)%	(1.50)%

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	2023
Actuarially Determined Contribution	\$ 413,808	\$ 418,337	\$ 438,698	\$ 343,965	\$ 419,280	\$ 171,858	\$ 102,295	\$ 111,072	\$ 121,477	\$ 339,980
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)	(121,477)	(339,980)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (99,088)</u>	<u>\$ 0</u>	<u>\$ (243,223)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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	\$ 6,261,687	\$ 6,924,200
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%	4.91%

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

Exhibit 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	2023
Contractually Required Contribution	\$ 8,173	\$ 20,475	\$ 36,777	\$ 53,451	\$ 35,584	\$ 41,854	\$ 44,794	\$ 57,939	\$ 83,153
Less: Contributions in Relation to the Contractually Required Contribution	(8,173)	(20,475)	(36,777)	(53,451)	(35,584)	(41,854)	(44,794)	(57,939)	(83,153)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 2,897,297
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

Exhibit 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	2023
Contractually Required Contribution	\$ 688,431	\$ 667,670	\$ 648,617	\$ 643,024	\$ 639,814	\$ 738,528	\$ 726,303	\$ 643,809	\$ 665,737	\$ 494,455
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)	(494,455)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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	\$ 5,689,937
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%	8.69%

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	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.096305%	0.116333%	0.140085%	0.152913%	0.173335%	0.163383%	0.153652%	0.168795%
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)	\$ (51,132)
Covered Payroll	\$ 204,315	\$ 511,869	\$ 919,431	\$ 1,336,278	\$ 1,834,221	\$ 2,061,783	\$ 2,217,537	\$ 2,882,513
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit 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	2022
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%	0.196402%
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)	\$ (2,408,685)
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
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)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Exhibit F-7

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	2022
Total OPEB Liability						
Service Cost	\$ 126,075	\$ 116,731	\$ 100,552	\$ 105,319	\$ 133,375	\$ 182,386
Interest	58,386	71,813	62,094	71,240	56,471	69,611
Differences Between Actual and Expected Experience	0	(451,591)	407,755	166,647	51,146	363,228
Changes in Assumptions or Other Inputs	(95,069)	56,195	(163,023)	269,614	494,625	(340,456)
Benefit Payments	(55,243)	(69,443)	(89,104)	(106,668)	(123,649)	(110,562)
Net Change in Total OPEB Liability	\$ 34,149	\$ (276,295)	\$ 318,274	\$ 506,152	\$ 611,968	\$ 164,207
Total OPEB Liability, Beginning	1,901,062	1,935,211	1,658,916	1,977,190	2,483,342	3,095,310
Total OPEB Liability, Ending	\$ 1,935,211	\$ 1,658,916	\$ 1,977,190	\$ 2,483,342	\$ 3,095,310	\$ 3,259,517
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 687,228	\$ 567,253	\$ 697,224	\$ 842,076	\$ 1,103,576	\$ 1,200,739
Employer Proportionate Share of the Total OPEB Liability	1,247,983	1,091,663	1,279,966	1,641,266	1,991,734	2,058,778
Covered Employee Payroll	\$ 9,755,232	\$ 10,674,368	\$ 10,752,418	\$ 10,256,770	\$ 11,372,646	\$ 10,653,230
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.84%	15.54%	18.39%	24.21%	27.22%	30.60%

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

Note 2: Changes in assumptions.

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

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

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

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%
Plan year 2023 - from 7.36% to 8.37%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

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. This fund was closed during the year.

Capital Projects Funds

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

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

Education Capital Projects Fund – The Education Capital Projects Fund accounts for the accumulation of the school adequate facilities tax on residential development and county wheel tax 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, 2023

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 600	\$ 600	\$ 0	\$ 0
Equity in Pooled Cash and Investments	293,963	156,247	0	450,210	620,850	928,740
Accounts Receivable	1,366	0	218	1,584	0	0
Due from Other Governments	80,407	0	0	80,407	0	942
Property Taxes Receivable	160,156	0	0	160,156	63,781	153,858
Allowance for Uncollectible Property Taxes	(2,600)	0	0	(2,600)	(1,040)	(3,277)
Notes Receivable - Long-term	0	0	0	0	35,783	0
Total Assets	\$ 533,292	\$ 156,247	\$ 818	\$ 690,357	\$ 719,374	\$ 1,080,263
<u>LIABILITIES</u>						
Accounts Payable	\$ 30,980	\$ 0	\$ 0	\$ 30,980	\$ 0	\$ 1,885
Due to Other Funds	0	0	818	818	0	0
Total Liabilities	\$ 30,980	\$ 0	\$ 818	\$ 31,798	\$ 0	\$ 1,885
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 154,329	\$ 0	\$ 0	\$ 154,329	\$ 61,450	\$ 145,417
Deferred Delinquent Property Taxes	2,997	0	0	2,997	1,199	4,795
Other Deferred/Unavailable Revenue	22,000	0	0	22,000	0	0
Total Deferred Inflows of Resources	\$ 179,326	\$ 0	\$ 0	\$ 179,326	\$ 62,649	\$ 150,212
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 156,247	\$ 0	\$ 156,247	\$ 0	\$ 0
Restricted for Public Health and Welfare	322,986	0	0	322,986	0	0
Restricted for Capital Outlay	0	0	0	0	0	928,166
Restricted for Debt Service	0	0	0	0	620,942	0
Committed:						
Committed for Capital Projects	0	0	0	0	0	0
Assigned:						
Assigned for Debt Service	0	0	0	0	35,783	0
Total Fund Balances	\$ 322,986	\$ 156,247	\$ 0	\$ 479,233	\$ 656,725	\$ 928,166
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 533,292	\$ 156,247	\$ 818	\$ 690,357	\$ 719,374	\$ 1,080,263

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
	Education Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 600
Equity in Pooled Cash and Investments	1,332,258	270,699	2,531,697	3,602,757
Accounts Receivable	0	0	0	1,584
Due from Other Governments	0	0	942	81,349
Property Taxes Receivable	0	0	153,858	377,795
Allowance for Uncollectible Property Taxes	0	0	(3,277)	(6,917)
Notes Receivable - Long-term	0	0	0	35,783
Total Assets	<u>\$ 1,332,258</u>	<u>\$ 270,699</u>	<u>\$ 2,683,220</u>	<u>\$ 4,092,951</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	1,885	32,865
Due to Other Funds	0	0	0	818
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,885</u>	<u>\$ 33,683</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	145,417	361,196
Deferred Delinquent Property Taxes	0	0	4,795	8,991
Other Deferred/Unavailable Revenue	0	0	0	22,000
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150,212</u>	<u>\$ 392,187</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	0	156,247
Restricted for Public Health and Welfare	0	0	0	322,986
Restricted for Capital Outlay	1,332,258	0	2,260,424	2,260,424
Restricted for Debt Service	0	0	0	620,942
Committed:				
Committed for Capital Projects	0	270,699	270,699	270,699
Assigned:				
Assigned for Debt Service	0	0	0	35,783
Total Fund Balances	<u>\$ 1,332,258</u>	<u>\$ 270,699</u>	<u>\$ 2,531,123</u>	<u>\$ 3,667,081</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,332,258</u>	<u>\$ 270,699</u>	<u>\$ 2,683,220</u>	<u>\$ 4,092,951</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, 2023

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 448,994	\$ 0	\$ 0	\$ 448,994	\$ 127,376
Fines, Forfeitures, and Penalties	0	22,090	0	22,090	0
Charges for Current Services	12,923	0	113	13,036	0
Other Local Revenues	0	0	0	0	0
State of Tennessee	33,846	0	0	33,846	0
Federal Government	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	97,560
Total Revenues	\$ 495,763	\$ 22,090	\$ 113	\$ 517,966	\$ 224,936
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	113	113	0
Public Safety	0	382	0	382	0
Public Health and Welfare	510,211	0	0	510,211	0
Support Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	0	90,300
Interest on Debt	0	0	0	0	7,260
Other Debt Service	0	0	0	0	1,845
Total Expenditures	\$ 510,211	\$ 382	\$ 113	\$ 510,706	\$ 99,405
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,448)	\$ 21,708	\$ 0	\$ 7,260	\$ 125,531
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	(100,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (100,000)
Net Change in Fund Balances	\$ (14,448)	\$ 21,708	\$ 0	\$ 7,260	\$ 25,531
Fund Balance, July 1, 2022	337,434	134,539	0	471,973	631,194
Fund Balance, June 30, 2023	\$ 322,986	\$ 156,247	\$ 0	\$ 479,233	\$ 656,725

(Continued)

Exhibit G-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>	
	Education Debt Service	Total	General Capital Projects	Education Capital Projects
<u>Revenues</u>				
Local Taxes	\$ 369,138	\$ 496,514	\$ 234,024	\$ 530,168
Fines, Forfeitures, and Penalties	0	0	0	0
Charges for Current Services	0	0	0	0
Other Local Revenues	647	647	0	0
State of Tennessee	0	0	45,000	0
Federal Government	0	0	277,674	0
Other Governments and Citizens Groups	0	97,560	0	0
Total Revenues	<u>\$ 369,785</u>	<u>\$ 594,721</u>	<u>\$ 556,698</u>	<u>\$ 530,168</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 362,333	\$ 0
Finance	0	0	0	0
Public Safety	0	0	200,673	0
Public Health and Welfare	0	0	0	0
Support Services	0	0	0	2,187
Capital Outlay	0	0	77,001	0
Debt Service:				
Principal on Debt	707,000	797,300	0	0
Interest on Debt	69,326	76,586	0	0
Other Debt Service	4,298	6,143	0	2,451
Total Expenditures	<u>\$ 780,624</u>	<u>\$ 880,029</u>	<u>\$ 640,007</u>	<u>\$ 4,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (410,839)</u>	<u>\$ (285,308)</u>	<u>\$ (83,309)</u>	<u>\$ 525,530</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 350	\$ 0
Transfers In	0	0	0	759,719
Transfers Out	(659,719)	(759,719)	0	0
Total Other Financing Sources (Uses)	<u>\$ (659,719)</u>	<u>\$ (759,719)</u>	<u>\$ 350</u>	<u>\$ 759,719</u>
Net Change in Fund Balances	\$ (1,070,558)	\$ (1,045,027)	\$ (82,959)	\$ 1,285,249
Fund Balance, July 1, 2022	1,070,558	1,701,752	1,011,125	47,009
Fund Balance, June 30, 2023	<u>\$ 0</u>	<u>\$ 656,725</u>	<u>\$ 928,166</u>	<u>\$ 1,332,258</u>

(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	\$ 764,192	\$ 1,709,700
Fines, Forfeitures, and Penalties	0	0	22,090
Charges for Current Services	0	0	13,036
Other Local Revenues	47,860	47,860	48,507
State of Tennessee	0	45,000	78,846
Federal Government	0	277,674	277,674
Other Governments and Citizens Groups	0	0	97,560
Total Revenues	\$ 47,860	\$ 1,134,726	\$ 2,247,413
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 362,333	\$ 362,333
Finance	0	0	113
Public Safety	29,460	230,133	230,515
Public Health and Welfare	0	0	510,211
Support Services	0	2,187	2,187
Capital Outlay	0	77,001	77,001
Debt Service:			
Principal on Debt	0	0	797,300
Interest on Debt	0	0	76,586
Other Debt Service	0	2,451	8,594
Total Expenditures	\$ 29,460	\$ 674,105	\$ 2,064,840
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,400	\$ 460,621	\$ 182,573
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 350	\$ 350
Transfers In	0	759,719	759,719
Transfers Out	0	0	(759,719)
Total Other Financing Sources (Uses)	\$ 0	\$ 760,069	\$ 350
Net Change in Fund Balances	\$ 18,400	\$ 1,220,690	\$ 182,923
Fund Balance, July 1, 2022	252,299	1,310,433	3,484,158
Fund Balance, June 30, 2023	\$ 270,699	\$ 2,531,123	\$ 3,667,081

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 448,994	\$ 444,200	\$ 444,200	\$ 4,794
Charges for Current Services	12,923	20,100	20,100	(7,177)
State of Tennessee	33,846	0	57,350	(23,504)
Total Revenues	<u>\$ 495,763</u>	<u>\$ 464,300</u>	<u>\$ 521,650</u>	<u>\$ (25,887)</u>
<u>Expenditures</u>				
Public Health and Welfare				
Sanitation Management	\$ 510,211	\$ 510,691	\$ 568,041	\$ 57,830
Total Expenditures	<u>\$ 510,211</u>	<u>\$ 510,691</u>	<u>\$ 568,041</u>	<u>\$ 57,830</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,448)</u>	<u>\$ (46,391)</u>	<u>\$ (46,391)</u>	<u>\$ 31,943</u>
Net Change in Fund Balance	\$ (14,448)	\$ (46,391)	\$ (46,391)	\$ 31,943
Fund Balance, July 1, 2022	<u>337,434</u>	<u>336,922</u>	<u>336,922</u>	<u>512</u>
Fund Balance, June 30, 2023	<u><u>\$ 322,986</u></u>	<u><u>\$ 290,531</u></u>	<u><u>\$ 290,531</u></u>	<u><u>\$ 32,455</u></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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,090	\$ 21,000	\$ 21,000	\$ 1,090
Total Revenues	\$ 22,090	\$ 21,000	\$ 21,000	\$ 1,090
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 382	\$ 101,075	\$ 101,075	\$ 100,693
Total Expenditures	\$ 382	\$ 101,075	\$ 101,075	\$ 100,693
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,708	\$ (80,075)	\$ (80,075)	\$ 101,783
Net Change in Fund Balance	\$ 21,708	\$ (80,075)	\$ (80,075)	\$ 101,783
Fund Balance, July 1, 2022	134,539	133,423	133,423	1,116
Fund Balance, June 30, 2023	\$ 156,247	\$ 53,348	\$ 53,348	\$ 102,899

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 127,376	\$ 133,225	\$ 133,225	\$ (5,849)
Other Governments and Citizens Groups	97,560	0	97,560	0
Total Revenues	<u>\$ 224,936</u>	<u>\$ 133,225</u>	<u>\$ 230,785</u>	<u>\$ (5,849)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 90,300	0	90,300	0
<u>Interest on Debt</u>				
Education	7,260	0	7,260	0
<u>Other Debt Service</u>				
General Government	1,845	2,000	2,000	155
Total Expenditures	<u>\$ 99,405</u>	<u>\$ 2,000</u>	<u>\$ 99,560</u>	<u>\$ 155</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 125,531</u>	<u>\$ 131,225</u>	<u>\$ 131,225</u>	<u>\$ (5,694)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (100,000)	\$ (100,000)	\$ (100,000)	0
Total Other Financing Sources	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>0</u>
Net Change in Fund Balance	\$ 25,531	\$ 31,225	\$ 31,225	\$ (5,694)
Fund Balance, July 1, 2022	<u>631,194</u>	<u>630,152</u>	<u>630,152</u>	<u>1,042</u>
Fund Balance, June 30, 2023	<u><u>\$ 656,725</u></u>	<u><u>\$ 661,377</u></u>	<u><u>\$ 661,377</u></u>	<u><u>\$ (4,652)</u></u>

Exhibit G-6

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 369,138	\$ 735,000	\$ 735,000	\$ (365,862)
Other Local Revenues	647	0	0	647
Total Revenues	<u>\$ 369,785</u>	<u>\$ 735,000</u>	<u>\$ 735,000</u>	<u>\$ (365,215)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 707,000	\$ 707,000	\$ 707,000	\$ 0
<u>Interest on Debt</u>				
Education	69,326	69,400	69,400	74
<u>Other Debt Service</u>				
Education	4,298	40,000	40,000	35,702
Total Expenditures	<u>\$ 780,624</u>	<u>\$ 816,400</u>	<u>\$ 816,400</u>	<u>\$ 35,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (410,839)</u>	<u>\$ (81,400)</u>	<u>\$ (81,400)</u>	<u>\$ (329,439)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 100,000	\$ 100,000	\$ (100,000)
Transfers Out	(659,719)	0	(659,719)	0
Total Other Financing Sources	<u>\$ (659,719)</u>	<u>\$ 100,000</u>	<u>\$ (559,719)</u>	<u>\$ (100,000)</u>
Net Change in Fund Balance	<u>\$ (1,070,558)</u>	<u>\$ 18,600</u>	<u>\$ (641,119)</u>	<u>\$ (429,439)</u>
Fund Balance, July 1, 2022	<u>1,070,558</u>	<u>1,043,104</u>	<u>1,043,104</u>	<u>27,454</u>
Fund Balance, June 30, 2023	<u>\$ 0</u>	<u>\$ 1,061,704</u>	<u>\$ 401,985</u>	<u>\$ (401,985)</u>

Exhibit G-7

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 234,024	\$ 241,935	\$ 241,935	\$ (7,911)
State of Tennessee	45,000	0	109,817	(64,817)
Federal Government	277,674	40,528	455,799	(178,125)
Total Revenues	<u>\$ 556,698</u>	<u>\$ 282,463</u>	<u>\$ 807,551</u>	<u>\$ (250,853)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 362,333	\$ 1,062,793	\$ 1,164,145	\$ 801,812
<u>Public Safety</u>				
Fire Prevention and Control	0	0	45,000	45,000
Public Safety Grants Program	200,673	0	415,271	214,598
<u>Capital Outlay</u>				
Regular Capital Outlay	77,001	101,775	101,775	24,774
Total Expenditures	<u>\$ 640,007</u>	<u>\$ 1,164,568</u>	<u>\$ 1,726,191</u>	<u>\$ 1,086,184</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (83,309)</u>	<u>\$ (882,105)</u>	<u>\$ (918,640)</u>	<u>\$ 835,331</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 350	\$ 0	\$ 0	\$ 350
Total Other Financing Sources	<u>\$ 350</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350</u>
Net Change in Fund Balance	\$ (82,959)	\$ (882,105)	\$ (918,640)	\$ 835,681
Fund Balance, July 1, 2022	1,011,125	982,265	982,265	28,860
Fund Balance, June 30, 2023	<u><u>\$ 928,166</u></u>	<u><u>\$ 100,160</u></u>	<u><u>\$ 63,625</u></u>	<u><u>\$ 864,541</u></u>

Exhibit G-8

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 530,168	\$ 93,000	\$ 533,000	\$ (2,832)
Total Revenues	\$ 530,168	\$ 93,000	\$ 533,000	\$ (2,832)
<u>Expenditures</u>				
Support Services				
Operation of Plant	\$ 2,187	\$ 93,000	\$ 93,000	\$ 90,813
Interest on Debt				
Education	0	0	81	81
Other Debt Service				
Education	2,451	0	8,000	5,549
Total Expenditures	\$ 4,638	\$ 93,000	\$ 101,081	\$ 96,443
Excess (Deficiency) of Revenues Over Expenditures	\$ 525,530	\$ 0	\$ 431,919	\$ 93,611
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 759,719	\$ 0	\$ 659,719	\$ 100,000
Total Other Financing Sources	\$ 759,719	\$ 0	\$ 659,719	\$ 100,000
Net Change in Fund Balance	\$ 1,285,249	\$ 0	\$ 1,091,638	\$ 193,611
Fund Balance, July 1, 2022	47,009	48,285	48,285	(1,276)
Fund Balance, June 30, 2023	\$ 1,332,258	\$ 48,285	\$ 1,139,923	\$ 192,335

Exhibit G-9

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 47,860	\$ 30,750	\$ 30,750	\$ 17,110
Total Revenues	\$ 47,860	\$ 30,750	\$ 30,750	\$ 17,110
<u>Expenditures</u>				
<u>Public Safety</u>				
Jail	\$ 29,460	\$ 50,000	\$ 50,000	\$ 20,540
Total Expenditures	\$ 29,460	\$ 50,000	\$ 50,000	\$ 20,540
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,400	\$ (19,250)	\$ (19,250)	\$ 37,650
Net Change in Fund Balance	\$ 18,400	\$ (19,250)	\$ (19,250)	\$ 37,650
Fund Balance, July 1, 2022	252,299	249,331	249,331	2,968
Fund Balance, June 30, 2023	\$ 270,699	\$ 230,081	\$ 230,081	\$ 40,618

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, litigants, heirs, and others.

Exhibit H-1

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

	<u>Custodial Funds</u>		
	Cities -	Constitu -	
	Sales	Officers -	
	Tax	Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 900,692	\$ 900,692
Investments	0	58,736	58,736
Due from Other Governments	111,038	0	111,038
Total Assets	<u>\$ 111,038</u>	<u>\$ 959,428</u>	<u>\$ 1,070,466</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 111,038	\$ 0	\$ 111,038
Total Liabilities	<u>\$ 111,038</u>	<u>\$ 0</u>	<u>\$ 111,038</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 959,428	\$ 959,428
Total Net Position	<u>\$ 0</u>	<u>\$ 959,428</u>	<u>\$ 959,428</u>

Exhibit H-2

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 619,023	\$ 0	\$ 619,023
Fines/Fees and Other Collections	0	4,566,908	4,566,908
Total Additions	\$ 619,023	\$ 4,566,908	\$ 5,185,931
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 619,023	\$ 0	\$ 619,023
Payments to State	0	1,795,084	1,795,084
Payments to Cities, Individuals and Others	0	4,276,316	4,276,316
Total Deductions	\$ 619,023	\$ 6,071,400	\$ 6,690,423
Change in Net Position	\$ 0	\$ (1,504,492)	\$ (1,504,492)
Net Position July 1, 2022	0	2,463,920	2,463,920
Net Position June 30, 2023	\$ 0	\$ 959,428	\$ 959,428

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 I-1

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

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	\$ 5,263,332	\$ 7,500	\$ 2,940,779	\$ 2,000	\$ (2,313,053)
Support Services	11,976,570	24,872	2,947,414	0	(9,004,284)
Operation of Non-instructional Services	3,075,910	89,040	1,436,079	0	(1,550,791)
Interest on Long-term Debt	7,260	0	0	0	(7,260)
Total Governmental Activities	<u>\$ 20,323,072</u>	<u>\$ 121,412</u>	<u>\$ 7,324,272</u>	<u>\$ 2,000</u>	<u>\$ (12,875,388)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,033,017
Local Option Sales Taxes					1,218,953
Mixed Drink Tax					2,470
Grants and Contributions Not Restricted to Specific Programs					13,126,145
Unrestricted Investment Earnings					14,470
Sale of Equipment					335
Miscellaneous					50,158
Total General Revenues					<u>\$ 16,445,548</u>
Insurance Recovery					<u>\$ 22,747</u>
Change in Net Position					\$ 3,592,907
Net Position, July 1, 2022					<u>18,743,810</u>
Net Position, June 30, 2023					<u>\$ 22,336,717</u>

Exhibit I-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 465,528	\$ 465,628
Equity in Pooled Cash and Investments	5,002,203	239,698	486,972	5,728,873
Due from Other Governments	933,106	958,621	17,474	1,909,201
Property Taxes Receivable	2,097,616	0	0	2,097,616
Allowance for Uncollectible Property Taxes	(35,017)	0	0	(35,017)
Restricted Assets	240,327	0	0	240,327
Total Assets	<u>\$ 8,238,335</u>	<u>\$ 1,198,319</u>	<u>\$ 969,974</u>	<u>\$ 10,406,628</u>
<u>LIABILITIES</u>				
Accrued Payroll	\$ 6,460	\$ 41,622	\$ 0	\$ 48,082
Due to State of Tennessee	15,347	292	122	15,761
Total Liabilities	<u>\$ 21,807</u>	<u>\$ 41,914</u>	<u>\$ 122</u>	<u>\$ 63,843</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,015,660	\$ 0	\$ 0	\$ 2,015,660
Deferred Delinquent Property Taxes	41,476	0	0	41,476
Other Deferred/Unavailable Revenue	264,400	0	0	264,400
Total Deferred Inflows of Resources	<u>\$ 2,321,536</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,321,536</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 11,609	\$ 934,852	\$ 946,461
Restricted for Hybrid Retirement Stabilization Funds	240,327	0	0	240,327
Committed:				
Committed for Education	0	1,144,796	35,000	1,179,796
Assigned:				
Assigned for Education	1,219,265	0	0	1,219,265
Unassigned	4,435,400	0	0	4,435,400
Total Fund Balances	<u>\$ 5,894,992</u>	<u>\$ 1,156,405</u>	<u>\$ 969,852</u>	<u>\$ 8,021,249</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,238,335</u>	<u>\$ 1,198,319</u>	<u>\$ 969,974</u>	<u>\$ 10,406,628</u>

Exhibit I-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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	8,021,249
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,734,509	
Add: buildings and improvements net of accumulated depreciation		5,910,689	
Add: other capital assets net of accumulated depreciation		<u>1,801,822</u>	10,447,020
(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	\$	(79,033)	
Less: net OPEB liability		<u>(2,058,778)</u>	(2,137,811)
(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	\$	3,299,504	
Less: deferred inflows of resources related to pensions		(529,938)	
Add: deferred outflows of resources related to OPEB		921,980	
Less: deferred inflows of resources related to OPEB		<u>(481,380)</u>	3,210,166
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	30,400	
Add: net pension asset - teacher retirement plan		51,132	
Add: net pension asset - teacher legacy pension plan		<u>2,408,685</u>	2,490,217
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>305,876</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>22,336,717</u></u>

Exhibit I-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, 2023

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 3,252,484	\$ 0	\$ 0	\$ 3,252,484
Licenses and Permits	489	0	0	489
Charges for Current Services	32,372	0	89,040	121,412
Other Local Revenues	163,150	0	1,342,028	1,505,178
State of Tennessee	13,472,953	0	8,172	13,481,125
Federal Government	69,485	4,197,908	1,008,488	5,275,881
Total Revenues	\$ 16,990,933	\$ 4,197,908	\$ 2,447,728	\$ 23,636,569
<u>Expenditures</u>				
Current:				
Instruction	\$ 8,770,064	\$ 1,209,013	\$ 0	\$ 9,979,077
Support Services	5,523,944	2,813,159	0	8,337,103
Operation of Non-Instructional Services	487,506	60,259	2,528,555	3,076,320
Capital Outlay	3,476,193	19,006	0	3,495,199
Debt Service:				
Principal on Debt	90,300	0	0	90,300
Interest on Debt	7,260	0	0	7,260
Total Expenditures	\$ 18,355,267	\$ 4,101,437	\$ 2,528,555	\$ 24,985,259
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,364,334)	\$ 96,471	\$ (80,827)	\$ (1,348,690)
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 1,529,441	\$ 0	\$ 0	\$ 1,529,441
Insurance Recovery	22,747	0	0	22,747
Transfers In	91,950	0	68,259	160,209
Transfers Out	(68,259)	(91,950)	0	(160,209)
Total Other Financing Sources (Uses)	\$ 1,575,879	\$ (91,950)	\$ 68,259	\$ 1,552,188
Net Change in Fund Balances	\$ 211,545	\$ 4,521	\$ (12,568)	\$ 203,498
Fund Balance, July 1, 2022	5,683,447	1,151,884	982,420	7,817,751
Fund Balance, June 30, 2023	\$ 5,894,992	\$ 1,156,405	\$ 969,852	\$ 8,021,249

Exhibit I-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, 2023

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	203,498
(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	\$	4,103,494	
Less: current-year depreciation expense		<u>(504,428)</u>	3,599,066
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Add: capital assets donated and capitalized	\$	2,000	
Less: book value of capital assets disposed		<u>(726,238)</u>	(724,238)
(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, 2023	\$	305,876	
Less: deferred delinquent property taxes and other deferred June 30, 2022		<u>(135,758)</u>	170,118
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(9,276)	
Change in net pension asset - agent plan		(874,437)	
Change in net pension asset - teacher retirement plan		(115,306)	
Change in net pension asset - teacher legacy pension plan		(5,829,447)	
Change in deferred outflows related to pensions		(352,005)	
Change in deferred inflows related to pensions		7,659,645	
Change in net OPEB liability		(67,044)	
Change in deferred outflows related to OPEB		86,899	
Change in deferred inflows related to OPEB		<u>(154,566)</u>	<u>344,463</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 3,592,907</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 100	\$ 465,428	\$ 465,528
Equity in Pooled Cash and Investments	486,972	0	486,972
Due from Other Governments	17,474	0	17,474
Total Assets	<u>\$ 504,546</u>	<u>\$ 465,428</u>	<u>\$ 969,974</u>
<u>LIABILITIES</u>			
Due to State of Tennessee	\$ 122	\$ 0	\$ 122
Total Liabilities	<u>\$ 122</u>	<u>\$ 0</u>	<u>\$ 122</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 469,424	\$ 465,428	\$ 934,852
Committed:			
Committed for Education	35,000	0	35,000
Total Fund Balances	<u>\$ 504,424</u>	<u>\$ 465,428</u>	<u>\$ 969,852</u>
Total Liabilities and Fund Balances	<u>\$ 504,546</u>	<u>\$ 465,428</u>	<u>\$ 969,974</u>

Exhibit I-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, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 89,040	\$ 0	\$ 89,040
Other Local Revenues	5,514	1,336,514	1,342,028
State of Tennessee	8,172	0	8,172
Federal Government	1,008,488	0	1,008,488
Total Revenues	<u>\$ 1,111,214</u>	<u>\$ 1,336,514</u>	<u>\$ 2,447,728</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,159,509	\$ 1,369,046	\$ 2,528,555
Total Expenditures	<u>\$ 1,159,509</u>	<u>\$ 1,369,046</u>	<u>\$ 2,528,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (48,295)</u>	<u>\$ (32,532)</u>	<u>\$ (80,827)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 68,259	\$ 0	\$ 68,259
Total Other Financing Sources (Uses)	<u>\$ 68,259</u>	<u>\$ 0</u>	<u>\$ 68,259</u>
Net Change in Fund Balances	\$ 19,964	\$ (32,532)	\$ (12,568)
Fund Balance, July 1, 2022	<u>484,460</u>	<u>497,960</u>	<u>982,420</u>
Fund Balance, June 30, 2023	<u><u>\$ 504,424</u></u>	<u><u>\$ 465,428</u></u>	<u><u>\$ 969,852</u></u>

Exhibit I-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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,252,484	\$ 0	\$ 0	\$ 3,252,484	\$ 2,883,389	\$ 2,883,389	\$ 369,095
Licenses and Permits	489	0	0	489	400	400	89
Charges for Current Services	32,372	0	0	32,372	25,700	25,700	6,672
Other Local Revenues	163,150	0	0	163,150	26,000	130,480	32,670
State of Tennessee	13,472,953	0	0	13,472,953	13,285,975	14,861,185	(1,388,232)
Federal Government	69,485	0	0	69,485	319,640	319,640	(250,155)
Total Revenues	\$ 16,990,933	\$ 0	\$ 0	\$ 16,990,933	\$ 16,541,104	\$ 18,220,794	\$ (1,229,861)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,650,573	\$ (31,736)	\$ 331,260	\$ 6,950,097	\$ 7,904,398	\$ 7,867,883	\$ 917,786
Alternative Instruction Program	73,029	0	0	73,029	73,870	73,870	841
Special Education Program	1,225,765	0	0	1,225,765	1,443,400	1,443,400	217,635
Career and Technical Education Program	820,697	(150)	264	820,811	682,089	1,937,990	1,117,179
<u>Support Services</u>							
Attendance	80,808	(600)	335	80,543	100,927	100,927	20,384
Health Services	172,949	(7,411)	12,996	178,534	250,504	253,503	74,969
Other Student Support	22,199	(4,946)	1,443	18,696	233,116	229,655	210,959
Regular Instruction Program	413,244	0	165	413,409	439,399	439,399	25,990
Special Education Program	129,431	0	0	129,431	132,081	132,081	2,650
Career and Technical Education Program	6,142	0	165	6,307	6,841	6,841	534
Technology	457,790	(30,058)	25,119	452,851	451,950	476,391	23,540
Other Programs	47,210	0	0	47,210	0	47,210	0
Board of Education	298,361	(8,853)	6,450	295,958	314,317	314,317	18,359
Director of Schools	252,488	(541)	1,338	253,285	272,681	272,681	19,396
Office of the Principal	1,208,883	(550)	1,322	1,209,655	1,307,343	1,307,343	97,688
Fiscal Services	109,744	0	0	109,744	109,744	109,744	0
Operation of Plant	958,625	(3,095)	8,319	963,849	1,067,650	1,016,600	52,751
Maintenance of Plant	327,315	(26,902)	74,468	374,881	340,049	391,099	16,218

(Continued)

Exhibit I-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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,038,755	\$ (132,616)	\$ 168,216	\$ 1,074,355	\$ 1,098,309	\$ 1,240,309	\$ 165,954
<u>Operation of Non-Instructional Services</u>							
Food Service	4,514	0	0	4,514	0	4,515	1
Community Services	96,029	0	0	96,029	111,919	111,919	15,890
Early Childhood Education	386,963	(17,017)	42,507	412,453	413,905	413,906	1,453
<u>Capital Outlay</u>							
Regular Capital Outlay	3,476,193	(192,502)	544,898	3,828,589	3,655,500	3,897,599	69,010
<u>Principal on Debt</u>							
Education	90,300	0	0	90,300	90,300	90,300	0
<u>Interest on Debt</u>							
Education	7,260	0	0	7,260	7,260	7,260	0
Total Expenditures	\$ 18,355,267	\$ (456,977)	\$ 1,219,265	\$ 19,117,555	\$ 20,507,552	\$ 22,186,742	\$ 3,069,187
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,364,334)	\$ 456,977	\$ (1,219,265)	\$ (2,126,622)	\$ (3,966,448)	\$ (3,965,948)	\$ 1,839,326
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 1,529,441	\$ 0	\$ 0	\$ 1,529,441	\$ 900,000	\$ 900,000	\$ 629,441
Insurance Recovery	22,747	0	0	22,747	0	0	22,747
Transfers In	91,950	0	0	91,950	187,615	187,615	(95,665)
Transfers Out	(68,259)	0	0	(68,259)	(68,259)	(68,259)	0
Total Other Financing Sources	\$ 1,575,879	\$ 0	\$ 0	\$ 1,575,879	\$ 1,019,356	\$ 1,019,356	\$ 556,523
Net Change in Fund Balance	\$ 211,545	\$ 456,977	\$ (1,219,265)	\$ (550,743)	\$ (2,947,092)	\$ (2,946,592)	\$ 2,395,849
Fund Balance, July 1, 2022	5,683,447	(456,977)	0	5,226,470	5,361,260	5,361,260	(134,790)
Fund Balance, June 30, 2023	\$ 5,894,992	\$ 0	\$ (1,219,265)	\$ 4,675,727	\$ 2,414,168	\$ 2,414,668	\$ 2,261,059

Exhibit I-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, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 4,197,908	\$ 0	\$ 4,197,908	\$ 6,269,108	\$ 6,534,448	\$ (2,336,540)
Total Revenues	\$ 4,197,908	\$ 0	\$ 4,197,908	\$ 6,269,108	\$ 6,534,448	\$ (2,336,540)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 863,396	\$ 0	\$ 863,396	\$ 1,939,069	\$ 1,945,352	\$ 1,081,956
Special Education Program	276,940	0	276,940	427,668	459,141	182,201
Career and Technical Education Program	68,677	0	68,677	71,386	68,677	0
<u>Support Services</u>						
Health Services	149,937	0	149,937	137,873	239,464	89,527
Other Student Support	405,372	0	405,372	384,036	531,671	126,299
Regular Instruction Program	709,575	10,000	719,575	1,006,408	1,055,552	335,977
Special Education Program	258,844	0	258,844	478,701	472,779	213,935
Career and Technical Education Program	9,252	0	9,252	7,309	9,252	0
Technology	0	0	0	0	66,500	66,500
Operation of Plant	1,112,936	0	1,112,936	1,160,676	1,157,159	44,223
Transportation	167,243	0	167,243	152,900	172,767	5,524
<u>Operation of Non-Instructional Services</u>						
Food Service	286	0	286	10,954	10,954	10,668
Community Services	59,973	0	59,973	43,629	93,628	33,655
<u>Capital Outlay</u>						
Regular Capital Outlay	19,006	0	19,006	178,022	19,006	0
Total Expenditures	\$ 4,101,437	\$ 10,000	\$ 4,111,437	\$ 5,998,631	\$ 6,301,902	\$ 2,190,465
Excess (Deficiency) of Revenues Over Expenditures	\$ 96,471	\$ (10,000)	\$ 86,471	\$ 270,477	\$ 232,546	\$ (146,075)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (91,950)	\$ 0	\$ (91,950)	\$ (270,478)	\$ (232,545)	\$ 140,595
Total Other Financing Sources	\$ (91,950)	\$ 0	\$ (91,950)	\$ (270,478)	\$ (232,545)	\$ 140,595
Net Change in Fund Balance	\$ 4,521	\$ (10,000)	\$ (5,479)	\$ (1)	\$ 1	\$ (5,480)
Fund Balance, July 1, 2022	1,151,884	0	1,151,884	0	0	1,151,884
Fund Balance, June 30, 2023	\$ 1,156,405	\$ (10,000)	\$ 1,146,405	\$ (1)	\$ 1	\$ 1,146,404

Exhibit I-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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 89,040	\$ 94,000	\$ 94,000	\$ (4,960)
Other Local Revenues	5,514	1,100	1,100	4,414
State of Tennessee	8,172	9,000	9,000	(828)
Federal Government	1,008,488	1,190,332	1,190,332	(181,844)
Total Revenues	\$ 1,111,214	\$ 1,294,432	\$ 1,294,432	\$ (183,218)
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,159,509	\$ 1,147,082	\$ 1,159,525	\$ 16
Total Expenditures	\$ 1,159,509	\$ 1,147,082	\$ 1,159,525	\$ 16
Excess (Deficiency) of Revenues Over Expenditures	\$ (48,295)	\$ 147,350	\$ 134,907	\$ (183,202)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 68,259	0	0	\$ 68,259
Total Other Financing Sources	\$ 68,259	0	0	\$ 68,259
Net Change in Fund Balance	\$ 19,964	\$ 147,350	\$ 134,907	\$ (114,943)
Fund Balance, July 1, 2022	484,460	193,452	193,452	291,008
Fund Balance, June 30, 2023	\$ 504,424	\$ 340,802	\$ 328,359	\$ 176,065

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>BONDS PAYABLE</u>							
<u>Payable through Education Debt Service Fund (1)</u>							
G.O. School Refunding Bonds, Series 2022	\$ 2,911,000	1.98 %	3-18-22	6-1-26	\$ 2,911,000	\$ 707,000	\$ 2,204,000
Total Bonds Payable					<u>\$ 2,911,000</u>	<u>\$ 707,000</u>	<u>\$ 2,204,000</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Energy Efficient Schools Initiative (2)	1,500,506	0.5	11-24-20	6-1-38	\$ 1,500,506	\$ 90,300	\$ 1,410,206
Total Other Loans Payable					<u>\$ 1,500,506</u>	<u>\$ 90,300</u>	<u>\$ 1,410,206</u>

(1) During the year, this fund was closed and future bond payments will be retired through the General Debt Service Fund.

(2) In prior years, this loan was repaid through the Education Debt Service Fund. This loan is now being retired through the General Debt Service Fund.

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 720,000	\$ 43,639	\$ 763,639
2025	735,000	29,383	764,383
2026	749,000	14,831	763,831
Total	\$ 2,204,000	\$ 87,853	\$ 2,291,853

Year Ending June 30	Other Loans		
	Principal	Interest	Total
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	\$ 1,410,206	\$ 53,222	\$ 1,463,428

Exhibit J-3

Cannon County, Tennessee
Schedule of Investments
June 30, 2023

<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	\$ 42,101
Edward Jones Mutual Funds	<u>16,635</u>
Total Investments	<u><u>\$ 58,736</u></u>

Exhibit J-4

Cannon County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2023

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-23
<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>\$ 35,783</u>
Total Notes Receivable						<u><u>\$ 35,783</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 J-5

Cannon County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Cannon County School Department

For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Ambulance Service	Reimbursement	\$ 9,000
Education Debt Service	Education Capital Projects	To close fund	659,719
Employee Insurance	General	To close fund	10,000
General Debt Service	Education Capital Projects	Reimbursement	<u>100,000</u>
Total Transfers Primary Government			<u>\$ 778,719</u>
<u>DISCRETELY PRESENTED CANNON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Cash flow	\$ 68,259
School Federal Projects	General Purpose School	Indirect costs	<u>91,950</u>
Total Transfers Discretely Presented Cannon County School Department			<u>\$ 160,209</u>

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, 2023

Official	Authorization	Bond	Surety
County Executive - Brent Bush (7/1/22-8/31/22)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	\$ 19,400		
County Executive - Greg Mitchell (9/1/22-6/30/23)	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 75,768		
County commission approved increase (2)	3,661		
Total compensation	\$ 79,429		
Total County Executive Compensation	\$ 98,829		
Road Supervisor	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 90,636		
County commission approved increase (2)	3,486		
Total compensation	\$ 94,122		
Director of Schools	State Board of Education and	(1)	Tennessee Risk Management Trust
Base salary	\$ 88,800		
Chief executive officer training supplement	1,000		
Total compensation	\$ 89,800		
Trustee	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
Assessor of Property	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
County Clerk	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
Clerk and Master	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
Register of Deeds	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 82,396		
County commission approved increase (2)	3,169		
Total compensation	\$ 85,565		
Sheriff	Section 8-24-102, <i>TCA</i> and	(1)	Tennessee Risk Management Trust
Base salary	\$ 90,636		
County commission approved increase (2)	3,486		
Law enforcement training supplement	800		
Total compensation	\$ 94,922		
Finance Director	County Commission	(1)	Tennessee Risk Management Trust
Base salary	\$ 83,337		
County commission approved increase (2)	3,205		
Total compensation	\$ 86,542		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

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

(2) Additional pay approved by the county commission on June 29, 2023.

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,163,976	\$ 141,149	\$ 395,227	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	90,498	3,068	8,590	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	32,544	1,374	3,687	0	0	0
Interest and Penalty	19,011	644	1,805	0	0	0
Payments in-Lieu-of Taxes - Other	8,010	272	760	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	304,315	302,216	0	0	0	0
Hotel/Motel Tax	11,313	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	40,955	0	0	0	0	0
Litigation Tax - Special Purpose	43,115	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	17,548	0	0	0	0	0
Business Tax	126,983	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	8,007	271	760	0	0	0
Wholesale Beer Tax	63,026	0	0	0	0	0
Total Local Taxes	\$ 4,929,301	\$ 448,994	\$ 410,829	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 556	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	238	0	0	0	0	0
Total Licenses and Permits	\$ 794	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 16,969	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	8,178	0	0
DUI Treatment Fines	95	0	0	0	0	0
Data Entry Fee - Circuit Court	344	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	32,360	0	0	1,938	0	0
Officers Costs	1,163	0	0	0	0	0
Game and Fish Fines	14	0	0	0	0	0
Drug Control Fines	302	0	0	11,974	0	0
DUI Treatment Fines	1,900	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,736	0	0	0	0	0
Courtroom Security Fee	526	0	0	0	0	0
<u>Juvenile Court</u>						
Victims Assistance Assessments	645	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	304	0	0	0	0	0
Data Entry Fee - Chancery Court	1,443	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	1,449	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 63,250	\$ 0	\$ 0	\$ 22,090	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 5,934	\$ 0	\$ 0	\$ 0	0
Convenience Waste Centers Collection Charge	0	4,000	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 2,989	\$ 0	\$ 0	\$ 0	0
Patient Charges	0	0	746,580	0	0	0
Other General Service Charges	475	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	204,987	0	0	0	0	0
Recreation Fees	300	0	0	0	0	0
Copy Fees	756	0	0	0	0	0
Library Fees	26,080	0	0	0	0	0
Archives and Records Management Fee	30,127	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	39,265	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	113
Data Processing Fee - Register	5,268	0	0	0	0	0
Probation Fees	58,062	0	0	0	0	0
Data Processing Fee - Sheriff	1,632	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,600	0	0	0	0	0
Data Processing Fee - County Clerk	2,037	0	0	0	0	0
Vehicle Registration Reinstatement Fees	825	0	0	0	0	0
Total Charges for Current Services	\$ 373,614	\$ 12,923	\$ 746,580	\$ 0	\$ 0	\$ 113
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 264,879	\$ 0	\$ 0	\$ 0	\$ 31,391	\$ 0
Lease/Rentals/PPP	29,950	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Commissary Sales	\$ 7,013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Gasoline	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Miscellaneous Refunds	21,205	0	1,103	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	45,064	0	0	0	0	0
Damages Recovered from Individuals	1,112	0	0	0	0	0
Contributions and Gifts	125,359	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	0
Total Other Local Revenues	\$ 494,582	\$ 0	\$ 1,103	\$ 0	\$ 31,391	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 202,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	26,036	0	0	0	0	0
General Sessions Court Clerk	94,020	0	0	0	0	0
Clerk and Master	56,458	0	0	0	0	0
Register	78,695	0	0	0	0	0
Sheriff	8,465	0	0	0	0	0
Trustee	238,377	0	0	0	0	0
Total Fees Received From County Officials	\$ 704,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	33,846	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	8,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	3,320	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	41,383	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	1,102	0	0	0	0	0
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	18,091	0	0	0	0	0
Alcoholic Beverage Tax	47,112	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	88,943	0	0	0	0	0
State Revenue Sharing - Telecommunications	39,243	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	18,807	0	0	0	0	0
Contracted Prisoner Boarding	96,053	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	3,672	0	0	0	0	0
Other State Revenues	3,107	0	0	0	0	0
Total State of Tennessee	\$ 412,997	\$ 33,846	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	41,939	0	0	0	0	0
American Rescue Plan Act Grant #1	0	0	0	0	2,851,029	0
Other Federal through State	688	0	0	0	0	0
Total Federal Government	<u>\$ 42,627</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,851,029</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	62,025	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 62,025</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 7,084,104</u>	<u>\$ 495,763</u>	<u>\$ 1,158,512</u>	<u>\$ 22,090</u>	<u>\$ 2,882,420</u>	<u>\$ 113</u>

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 56,460	\$ 0	\$ 225,841	\$ 0
Trustee's Collections - Prior Year	0	1,227	0	4,908	0
Circuit Clerk/Clerk and Master Collections - Prior Years	0	701	0	1,375	0
Interest and Penalty	0	258	0	1,032	0
Payments in-Lieu-of Taxes - Other	0	109	0	434	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Wheel Tax	0	0	369,138	0	377,518
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	68,514	0	0	0
Business Tax	1,500	0	0	0	0
Mineral Severance Tax	54,185	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	152,650
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	107	0	434	0
Wholesale Beer Tax	0	0	0	0	0
Total Local Taxes	\$ 55,685	\$ 127,376	\$ 369,138	\$ 234,024	\$ 530,168
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Juvenile Court</u>					
Victims Assistance Assessments	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	0
Convenience Waste Centers Collection Charge	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	0
Patient Charges	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	0
Recreation Fees	0	0	0	0	0
Copy Fees	0	0	0	0	0
Library Fees	0	0	0	0	0
Archives and Records Management Fee	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0
Vehicle Registration Reinstatement Fees	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals/PPP	0	0	0	0	0
Sale of Materials and Supplies	960	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Commissary Sales	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Gasoline	204	0	0	0	0
Sale of Recycled Materials	10,236	0	0	0	0
Miscellaneous Refunds	5,060	0	647	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	51,624	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	15,097	0	0	0	0
Total Other Local Revenues	\$ 83,181	\$ 0	\$ 647	\$ 0	0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Trustee	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	126,576	0	0	0	0
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	2,079,312	0	0	0	0
Petroleum Special Tax	9,611	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	45,000	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 2,215,499	\$ 0	\$ 0	\$ 45,000	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Education Capital Projects
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 77,001	\$ 0
Homeland Security Grants	0	0	0	0	0
American Rescue Plan Act Grant #1	0	0	0	0	0
Other Federal through State	0	0	0	200,673	0
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 277,674</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 97,560	\$ 0	\$ 0	\$ 0
<u>Other</u>					
Opioid Settlement Funds - Past Remediation	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 97,560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 2,354,365</u>	<u>\$ 224,936</u>	<u>\$ 369,785</u>	<u>\$ 556,698</u>	<u>\$ 530,168</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>	
	<u>Other Capital Projects</u>	<u>Total</u>
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 4,982,653
Trustee's Collections - Prior Year	0	108,291
Circuit Clerk/Clerk and Master Collections - Prior Years	0	39,681
Interest and Penalty	0	22,750
Payments in-Lieu-of Taxes - Other	0	9,585
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	606,531
Hotel/Motel Tax	0	11,313
Wheel Tax	0	746,656
Litigation Tax - General	0	40,955
Litigation Tax - Special Purpose	0	43,115
Litigation Tax - Jail, Workhouse, or Courthouse	0	86,062
Business Tax	0	128,483
Mineral Severance Tax	0	54,185
Adequate Facilities/Development Tax	0	152,650
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	9,579
Wholesale Beer Tax	0	63,026
Total Local Taxes	<u>\$ 0</u>	<u>\$ 7,105,515</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 556
<u>Permits</u>		
Beer Permits	0	238
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 794</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>		
	Other Capital Projects		Total
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 16,969
Drug Control Fines		0	8,178
DUI Treatment Fines		0	95
Data Entry Fee - Circuit Court		0	344
<u>General Sessions Court</u>			
Fines		0	34,298
Officers Costs		0	1,163
Game and Fish Fines		0	14
Drug Control Fines		0	12,276
DUI Treatment Fines		0	1,900
Data Entry Fee - General Sessions Court		0	5,736
Courtroom Security Fee		0	526
<u>Juvenile Court</u>			
Victims Assistance Assessments		0	645
<u>Chancery Court</u>			
Officers Costs		0	304
Data Entry Fee - Chancery Court		0	1,443
<u>Other Courts - In-county</u>			
Fines		0	1,449
Total Fines, Forfeitures, and Penalties	\$	0	\$ 85,340
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Commercial and Industrial Waste Collection Charge	\$	0	\$ 5,934
Convenience Waste Centers Collection Charge		0	4,000

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>General Service Charges (Cont.)</u>		
Surcharge - Waste Tire Disposal	\$ 0	\$ 2,989
Patient Charges	0	746,580
Other General Service Charges	0	475
<u>Fees</u>		
Subdivision Lot Fees	0	204,987
Recreation Fees	0	300
Copy Fees	0	756
Library Fees	0	26,080
Archives and Records Management Fee	0	30,127
Greenbelt Late Application Fee	0	200
Telephone Commissions	0	39,265
Constitutional Officers' Fees and Commissions	0	113
Data Processing Fee - Register	0	5,268
Probation Fees	0	58,062
Data Processing Fee - Sheriff	0	1,632
Sexual Offender Registration Fee - Sheriff	0	3,600
Data Processing Fee - County Clerk	0	2,037
Vehicle Registration Reinstatement Fees	0	825
Total Charges for Current Services	\$ 0	\$ 1,133,230
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 296,270
Lease/Rentals/PPP	0	29,950
Sale of Materials and Supplies	0	960

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>	
	<u>Other Capital Projects</u>	<u>Total</u>
<hr/>		
<u>Other Local Revenues (Cont.)</u>		
<u>Recurring Items (Cont.)</u>		
Commissary Sales	\$ 47,860	\$ 54,873
Sale of Gasoline	0	204
Sale of Recycled Materials	0	10,236
Miscellaneous Refunds	0	28,015
<u>Nonrecurring Items</u>		
Sale of Equipment	0	96,688
Damages Recovered from Individuals	0	1,112
Contributions and Gifts	0	125,359
<u>Other Local Revenues</u>		
Other Local Revenues	0	15,097
Total Other Local Revenues	<u>\$ 47,860</u>	<u>\$ 658,764</u>
 <u>Fees Received From County Officials</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 202,863
Circuit Court Clerk	0	26,036
General Sessions Court Clerk	0	94,020
Clerk and Master	0	56,458
Register	0	78,695
Sheriff	0	8,465
Trustee	0	238,377
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 704,914</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>	
	<u>Other Capital Projects</u>	<u>Total</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Solid Waste Grants	0	33,846
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	8,800
<u>Health and Welfare Grants</u>		
Health Department Programs	0	3,320
<u>Public Works Grants</u>		
Bridge Program	0	126,576
Litter Program	0	41,383
<u>Other State Revenues</u>		
Income Tax	0	1,102
Beer Tax	0	19,200
Vehicle Certificate of Title Fees	0	18,091
Alcoholic Beverage Tax	0	47,112
Opioid Settlement Funds - TN Abatement Council	0	88,943
State Revenue Sharing - Telecommunications	0	39,243
State Shared Sports Gaming Privilege Tax	0	18,807
Contracted Prisoner Boarding	0	96,053
Gasoline and Motor Fuel Tax	0	2,079,312
Petroleum Special Tax	0	9,611
Registrar's Salary Supplement	0	15,164
Other State Grants	0	48,672
Other State Revenues	0	3,107
Total State of Tennessee	\$ 0	\$ 2,707,342

(Continued)

Exhibit J-7

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

	<u>Capital Projects Fund</u>	
	<u>Other Capital Projects</u>	<u>Total</u>
<hr/>		
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 0	\$ 77,001
Homeland Security Grants	0	41,939
American Rescue Plan Act Grant #1	0	2,851,029
Other Federal through State	0	201,361
Total Federal Government	<u>\$ 0</u>	<u>\$ 3,171,330</u>
 <u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 97,560
<u>Other</u>		
Opioid Settlement Funds - Past Remediation	0	62,025
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 159,585</u>
 Total	<u>\$ 47,860</u>	<u>\$ 15,726,814</u>

Exhibit J-8

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,962,026	\$ 0	\$ 0	\$ 0	\$ 1,962,026	
Trustee's Collections - Prior Year	41,738	0	0	0	41,738	
Circuit Clerk/Clerk and Master Collections - Prior Years	15,508	0	0	0	15,508	
Interest and Penalty	8,875	0	0	0	8,875	
Payments in-Lieu-of Taxes - Other	3,774	0	0	0	3,774	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,214,320	0	0	0	1,214,320	
Mixed Drink Tax	2,470	0	0	0	2,470	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	3,773	0	0	0	3,773	
Total Local Taxes	\$ 3,252,484	\$ 0	\$ 0	\$ 0	\$ 3,252,484	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 489	\$ 0	\$ 0	\$ 0	\$ 489	
Total Licenses and Permits	\$ 489	\$ 0	\$ 0	\$ 0	\$ 489	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 7,500	\$ 0	\$ 0	\$ 0	\$ 7,500	
Lunch Payments - Children	0	0	23,936	0	23,936	
Lunch Payments - Adults	0	0	20,955	0	20,955	
Income from Breakfast	0	0	3,769	0	3,769	
A la Carte Sales	0	0	40,380	0	40,380	

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 21,534	\$ 0	\$ 0	\$ 0	\$ 21,534	
Other Charges for Services	3,338	0	0	0	3,338	
Total Charges for Current Services	\$ 32,372	\$ 0	\$ 89,040	\$ 0	\$ 121,412	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 14,470	\$ 0	\$ 5,514	\$ 0	\$ 19,984	
Miscellaneous Refunds	50,158	0	0	0	50,158	
<u>Nonrecurring Items</u>						
Sale of Equipment	640	0	0	0	640	
Contributions and Gifts	89,750	0	0	0	89,750	
<u>Other Local Revenues</u>						
Other Local Revenues	8,132	0	0	1,336,514	1,344,646	
Total Other Local Revenues	\$ 163,150	\$ 0	\$ 5,514	\$ 1,336,514	\$ 1,505,178	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 47,210	\$ 0	\$ 0	\$ 0	\$ 47,210	
<u>State Education Funds</u>						
Basic Education Program	12,054,000	0	0	0	12,054,000	
Early Childhood Education	413,905	0	0	0	413,905	
School Food Service	0	0	8,172	0	8,172	
Other State Education Funds	264,718	0	0	0	264,718	
Career Ladder Program	24,193	0	0	0	24,193	
Other Vocational	141,039	0	0	0	141,039	

(Continued)

Exhibit J-8

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	\$ 432,730	\$ 0	\$ 0	\$ 0	\$ 432,730
Other State Grants	95,158	0	0	0	95,158
Total State of Tennessee	\$ 13,472,953	\$ 0	\$ 8,172	\$ 0	\$ 13,481,125
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 653,402	\$ 0	\$ 653,402
USDA - Commodities	0	0	74,332	0	74,332
Breakfast	0	0	206,055	0	206,055
USDA - Other	0	0	74,699	0	74,699
Vocational Education - Basic Grants to States	0	92,363	0	0	92,363
Title I Grants to Local Education Agencies	0	547,129	0	0	547,129
Special Education - Grants to States	0	607,939	0	0	607,939
Special Education Preschool Grants	0	27,277	0	0	27,277
Eisenhower Professional Development State Grants	0	43,232	0	0	43,232
COVID-19 Grant B	0	1,108,512	0	0	1,108,512
COVID-19 Grant D	0	141,200	0	0	141,200
American Rescue Plan Act Grant #1	0	1,274,393	0	0	1,274,393
American Rescue Plan Act Grant #2	0	16,218	0	0	16,218
American Rescue Plan Act Grant #3	0	3,151	0	0	3,151
American Rescue Plan Act Grant #4	0	1,599	0	0	1,599
Other Federal through State	69,485	334,895	0	0	404,380
Total Federal Government	\$ 69,485	\$ 4,197,908	\$ 1,008,488	\$ 0	\$ 5,275,881
Total	\$ 16,990,933	\$ 4,197,908	\$ 1,111,214	\$ 1,336,514	\$ 23,636,569

Exhibit J-9

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

General FundGeneral GovernmentCounty Commission

County Official/Administrative Officer	\$	7,850	
Board and Committee Members Fees		1,060	
Social Security		524	
Employer Medicare		123	
Legal Notices, Recording, and Court Costs		2,302	
Total County Commission			\$ 11,859

County Mayor/Executive

County Official/Administrative Officer	\$	98,829	
Secretary(ies)		29,772	
In-service Training		425	
Social Security		7,956	
Pensions		5,000	
Employer Medicare		1,861	
Communication		1,753	
Dues and Memberships		1,300	
Legal Notices, Recording, and Court Costs		462	
Travel		200	
Office Supplies		2,857	
Building Improvements		9,263	
Total County Mayor/Executive			159,678

Personnel Office

Travel	\$	2,515	
Other Contracted Services		13,200	
Total Personnel Office			15,715

County Attorney

Legal Services	\$	50,866	
Total County Attorney			50,866

Election Commission

County Official/Administrative Officer	\$	77,008	
Clerical Personnel		28,322	
Election Commission		3,490	
Election Workers		26,530	
Social Security		7,124	
Pensions		5,176	
Employee and Dependent Insurance		5,693	
Employer Medicare		1,666	
Communication		2,271	
Legal Notices, Recording, and Court Costs		3,411	
Maintenance Agreements		24,090	
Postal Charges		63	
Office Supplies		2,018	
Building Improvements		5,446	
Office Equipment		43	
Total Election Commission			192,351

(Continued)

Exhibit J-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	\$	85,565	
Secretary(ies)		18,227	
Social Security		6,435	
Pensions		5,096	
Employer Medicare		1,505	
Communication		1,436	
Data Processing Services		5,326	
Dues and Memberships		645	
Postal Charges		200	
Office Supplies		1,255	
Total Register of Deeds			\$ 125,690

Codes Compliance

Supervisor/Director	\$	50,319	
Part-time Personnel		12,252	
Social Security		3,879	
Pensions		2,471	
Employer Medicare		907	
Advertising		2,678	
Communication		2,015	
Contracts with Government Agencies		10,750	
Legal Services		840	
Postal Charges		34	
Office Supplies		2,216	
Refunds		908	
Office Equipment		8,894	
Total Codes Compliance			98,163

County Buildings

Maintenance Personnel	\$	36,040	
Part-time Personnel		6,946	
Other Salaries and Wages		3,397	
Social Security		4,321	
Pensions		3,223	
Employee and Dependent Insurance		5,639	
Employer Medicare		1,011	
Communication		2,753	
Contracts with Private Agencies		100	
Janitorial Services		25,196	
Maintenance Agreements		678	
Maintenance and Repair Services - Buildings		50,831	
Maintenance and Repair Services - Office Equipment		984	
Maintenance and Repair Services - Vehicles		2,095	
Pest Control		1,710	
Other Contracted Services		9,252	
Custodial Supplies		3,918	
Gasoline		20,732	

(Continued)

Exhibit J-9

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Utilities	\$	40,773	
Other Supplies and Materials		6,840	
Motor Vehicles		42,797	
Total County Buildings			\$ 269,236

Preservation of Records

Other Supplies and Materials	\$	13,353	
Total Preservation of Records			13,353

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	86,542	
Assistant(s)		62,308	
Accountants/Bookkeepers		138,223	
In-service Training		1,605	
Social Security		16,933	
Pensions		14,088	
Employee and Dependent Insurance		14,908	
Employer Medicare		3,960	
Audit Services		6,093	
Communication		547	
Contracts with Other Public Agencies		21,770	
Legal Notices, Recording, and Court Costs		4,215	
Maintenance Agreements		1,856	
Postal Charges		1,591	
Travel		731	
Office Supplies		5,081	
Other Supplies and Materials		3,242	
Total Accounting and Budgeting			383,693

Property Assessor's Office

County Official/Administrative Officer	\$	85,565	
Secretary(ies)		28,722	
Part-time Personnel		16,096	
Board and Committee Members Fees		1,550	
Social Security		7,645	
Pensions		6,402	
Employee and Dependent Insurance		11,278	
Employer Medicare		1,788	
Audit Services		2,550	
Communication		1,124	
Data Processing Services		4,848	
Dues and Memberships		1,445	
Legal Notices, Recording, and Court Costs		250	
Postal Charges		4,417	
Travel		377	
Office Supplies		1,097	
Total Property Assessor's Office			175,154

(Continued)

Exhibit J-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	\$	85,565	
Deputy(ies)		35,409	
Part-time Personnel		9,331	
Social Security		7,878	
Pensions		6,398	
Employee and Dependent Insurance		11,278	
Employer Medicare		1,842	
Communication		2,996	
Data Processing Services		3,753	
Dues and Memberships		1,600	
Maintenance Agreements		13,321	
Postal Charges		3,131	
Office Supplies		1,318	
Total County Trustee's Office			\$ 183,820

County Clerk's Office

County Official/Administrative Officer	\$	85,565	
Deputy(ies)		32,576	
Clerical Personnel		32,642	
Attendants		33,640	
Part-time Personnel		14,004	
Other Salaries and Wages		5,897	
Social Security		12,507	
Pensions		9,055	
Employee and Dependent Insurance		11,278	
Employer Medicare		2,925	
Communication		1,386	
Dues and Memberships		1,200	
Maintenance Agreements		3,000	
Postal Charges		7,627	
Office Supplies		4,675	
Building Improvements		315	
Data Processing Equipment		4,800	
Total County Clerk's Office			263,092

Data Processing

Maintenance Agreements	\$	1,373	
Other Contracted Services		20,438	
Total Data Processing			21,811

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	85,565	
Deputy(ies)		32,158	
Secretary(ies)		35,016	
Clerical Personnel		32,084	
Part-time Personnel		10,358	

(Continued)

Exhibit J-9

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

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

Jury and Witness Expense	\$	1,745	
Social Security		11,912	
Pensions		9,160	
Employee and Dependent Insurance		3,840	
Employer Medicare		2,786	
Communication		2,735	
Contracts with Other Public Agencies		21,258	
Dues and Memberships		820	
Legal Notices, Recording, and Court Costs		142	
Maintenance Agreements		992	
Postal Charges		782	
Other Contracted Services		240	
Office Supplies		3,040	
Total Circuit Court			\$ 254,633

General Sessions Court

Judge(s)	\$	108,030	
Social Security		6,659	
Pensions		4,184	
Employee and Dependent Insurance		465	
Employer Medicare		1,557	
Dues and Memberships		300	
Travel		1,109	
Other Contracted Services		1,500	
Office Supplies		1,379	
Total General Sessions Court			125,183

Chancery Court

County Official/Administrative Officer	\$	85,565	
Deputy(ies)		33,908	
Social Security		7,315	
Pensions		5,866	
Employee and Dependent Insurance		5,639	
Employer Medicare		1,711	
Communication		1,092	
Contracts with Other Public Agencies		6,500	
Dues and Memberships		1,175	
Postal Charges		622	
Travel		813	
Office Supplies		2,273	
Office Equipment		4,219	
Total Chancery Court			156,698

Juvenile Court

Other Salaries and Wages	\$	22,924	
Social Security		1,421	
Pensions		1,126	

(Continued)

Exhibit J-9

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

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

Employer Medicare	\$	332	
Communication		652	
Contracts with Other Public Agencies		2,250	
Dues and Memberships		60	
Office Supplies		634	
Total Juvenile Court			\$ 29,399

Judicial Commissioners

Other Salaries and Wages	\$	51,923	
Social Security		3,219	
Pensions		439	
Employer Medicare		753	
Communication		1,149	
Dues and Memberships		400	
Total Judicial Commissioners			57,883

Probation Services

Probation Officer(s)	\$	48,133	
Social Security		2,897	
Pensions		2,363	
Employee and Dependent Insurance		2,305	
Employer Medicare		678	
Communication		755	
Data Processing Services		3,600	
Postal Charges		189	
Drugs and Medical Supplies		8,555	
Office Supplies		28	
Total Probation Services			69,503

Victim Assistance Programs

Other Charges	\$	645	
Total Victim Assistance Programs			645

Public SafetySheriff's Department

County Official/Administrative Officer	\$	94,122	
Deputy(ies)		482,355	
Investigator(s)		90,900	
Captain(s)		55,080	
Sergeant(s)		33,969	
Accountants/Bookkeepers		38,266	
Salary Supplements		8,800	
Dispatchers/Radio Operators		37,744	
Clerical Personnel		8,100	
School Resource Officer		87,929	
Overtime Pay		25,264	
Other Salaries and Wages		101,071	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

In-service Training	\$	5,784	
Social Security		64,428	
Pensions		80,034	
Employee and Dependent Insurance		140,813	
Employer Medicare		15,068	
Advertising		126	
Communication		9,485	
Dues and Memberships		2,131	
Maintenance and Repair Services - Equipment		8,151	
Maintenance and Repair Services - Vehicles		32,797	
Postal Charges		191	
Gasoline		90,223	
Office Supplies		3,808	
Uniforms		25,096	
Other Supplies and Materials		2,745	
Vehicle and Equipment Insurance		45,424	
Law Enforcement Equipment		59,706	
Motor Vehicles		40,674	
Total Sheriff's Department			\$ 1,690,284

Administration of the Sexual Offender Registry

Office Supplies	\$	1,802	
Total Administration of the Sexual Offender Registry			1,802

Jail

Assistant(s)	\$	40,640	
Supervisor/Director		38,558	
Sergeant(s)		40,295	
Truck Drivers		67,154	
Guards		518,307	
Maintenance Personnel		29,568	
Overtime Pay		23,706	
Social Security		46,093	
Employer Medicare		10,780	
Maintenance and Repair Services - Buildings		45,723	
Medical and Dental Services		260,878	
Travel		508	
Custodial Supplies		9,469	
Food Supplies		77,296	
Utilities		49,856	
Other Supplies and Materials		13,369	
Food Service Equipment		12,103	
Office Equipment		539	
Total Jail			1,284,842

Fire Prevention and Control

In-service Training	\$	829	
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(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control (Cont.)

Communication	\$	1,253	
Consultants		1,495	
Contracts with Other Public Agencies		9,379	
Maintenance and Repair Services - Equipment		12,565	
Maintenance and Repair Services - Vehicles		24,181	
Gasoline		6,123	
Office Supplies		583	
Uniforms		32,997	
Utilities		20,281	
Other Supplies and Materials		14,753	
Vehicle and Equipment Insurance		4,400	
Other Charges		887	
Communication Equipment		11,658	
Total Fire Prevention and Control			\$ 141,384

Other Emergency Management

Supervisor/Director	\$	10,385	
In-service Training		960	
Social Security		644	
Pensions		510	
Employer Medicare		151	
Communication		2,515	
Maintenance and Repair Services - Equipment		121	
Maintenance and Repair Services - Vehicles		929	
Other Contracted Services		2,250	
Gasoline		2,941	
Office Supplies		31	
Other Supplies and Materials		1,149	
Other Equipment		50,466	
Total Other Emergency Management			73,052

County Coroner/Medical Examiner

In-service Training	\$	1,750	
Contracts with Private Agencies		21,701	
Travel		5,677	
Other Contracted Services		5,000	
Other Charges		4,000	
Total County Coroner/Medical Examiner			38,128

Other Public Safety

Communication Equipment	\$	33,025	
Total Other Public Safety			33,025

Public Health and WelfareLocal Health Center

Communication	\$	2,896	
Contracts with Government Agencies		15,864	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Dues and Memberships	\$	375	
Janitorial Services		4,823	
Maintenance and Repair Services - Buildings		436	
Utilities		8,289	
Other Charges		299	
Total Local Health Center			\$ 32,982

Regional Mental Health Center

Other Salaries and Wages	\$	2,883	
Social Security		179	
Employer Medicare		42	
Other Supplies and Materials		217	
Total Regional Mental Health Center			3,321

General Welfare Assistance

Contributions	\$	25,509	
Total General Welfare Assistance			25,509

Sanitation Management

Laborers	\$	29,160	
Social Security		1,729	
Pensions		1,432	
Employer Medicare		404	
Maintenance and Repair Services - Vehicles		3,415	
Gasoline		2,854	
Instructional Supplies and Materials		6,192	
Total Sanitation Management			45,186

Social, Cultural, and Recreational ServicesLibraries

Assistant(s)	\$	139,633	
Supervisor/Director		45,036	
In-service Training		907	
Social Security		10,986	
Pensions		7,370	
Employee and Dependent Insurance		22,776	
Employer Medicare		2,569	
Advertising		887	
Contributions		14,018	
Maintenance Agreements		6,000	
Postal Charges		88	
Remittance of Revenue Collected		411	
Data Processing Supplies		684	
Instructional Supplies and Materials		1,151	
Library Books/Media		850	
Office Supplies		4,238	
Utilities		3,150	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Other Supplies and Materials	\$ 4,672	
Other Charges	3,400	
Total Libraries		\$ 268,826

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$ 1,101	
Utilities	16,990	
Total Parks and Fair Boards		18,091

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$ 41,535	
Other Fringe Benefits	16,563	
Communication	2,272	
Dues and Memberships	315	
Maintenance Agreements	2,463	
Maintenance and Repair Services - Buildings	959	
Office Supplies	2,383	
Utilities	2,879	
Building Improvements	269	
Total Agricultural Extension Service		69,638

Other OperationsVeterans' Services

Other Salaries and Wages	\$ 15,038	
Social Security	932	
Employer Medicare	218	
Communication	1,501	
Travel	333	
Office Supplies	1,224	
Total Veterans' Services		19,246

Other Charges

Building and Contents Insurance	\$ 82,242	
Premiums on Corporate Surety Bonds	800	
Trustee's Commission	101,547	
Workers' Compensation Insurance	83,591	
Total Other Charges		268,180

Contributions to Other Agencies

Contributions	\$ 274,765	
Total Contributions to Other Agencies		274,765

Employee Benefits

Employee and Dependent Insurance	\$ 5,640	
Total Employee Benefits		5,640

(Continued)

Exhibit J-9

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

General Fund (Cont.)Other Operations (Cont.)Miscellaneous

Legal Services	\$	17,656	
Judgments		36,000	
Other Charges		12,403	
Total Miscellaneous			\$ 66,059

Total General Fund \$ 7,018,385

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Laborers	\$	89,196	
Overtime Pay		3,684	
Social Security		5,502	
Pensions		2,000	
Employee and Dependent Insurance		11,332	
Employer Medicare		1,287	
Advertising		24	
Communication		608	
Contracts with Other Public Agencies		319,274	
Legal Notices, Recording, and Court Costs		242	
Maintenance Agreements		1,500	
Maintenance and Repair Services - Equipment		8,179	
Maintenance and Repair Services - Vehicles		4,127	
Gasoline		2,495	
Utilities		4,466	
Other Supplies and Materials		3,481	
Trustee's Commission		6,086	
Other Charges		37,556	
Site Development		9,172	
Total Sanitation Management			\$ 510,211

Total Solid Waste/Sanitation Fund 510,211

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Assistant(s)	\$	53,077	
Supervisor/Director		67,500	
Medical Personnel		919,804	
Board and Committee Members Fees		875	
In-service Training		9,656	
Social Security		62,601	
Pensions		40,508	
Employee and Dependent Insurance		78,513	
Employer Medicare		14,575	
Communication		9,822	
Contracts with Private Agencies		45,567	

(Continued)

Exhibit J-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.)

Dues and Memberships	\$	2,986	
Legal Notices, Recording, and Court Costs		37	
Maintenance Agreements		5,462	
Maintenance and Repair Services - Equipment		3,600	
Maintenance and Repair Services - Vehicles		8,758	
Postal Charges		103	
Remittance of Revenue Collected		29,081	
Other Contracted Services		2,000	
Custodial Supplies		1,686	
Drugs and Medical Supplies		37,734	
Electricity		5,578	
Gasoline		31,221	
Natural Gas		1,241	
Office Supplies		1,870	
Uniforms		10,726	
Water and Sewer		906	
Other Supplies and Materials		4,162	
Trustee's Commission		15,445	
Vehicle and Equipment Insurance		20,285	
Motor Vehicles		90,966	
Office Equipment		1,900	
Other Equipment		107,674	
Total Ambulance/Emergency Medical Services			\$ 1,685,919

Total Ambulance Service Fund \$ 1,685,919

Drug Control FundPublic SafetySheriff's Department

Maintenance and Repair Services - Equipment	\$	160	
Trustee's Commission		222	
Total Sheriff's Department			\$ 382

Total Drug Control Fund 382

Other General Government Special Revenue FundHighwaysAmerican Rescue Plan Act Grant #1

Contributions	\$	250,000	
Engineering Services		11,490	
Motor Vehicles		198,191	
Total American Rescue Plan Act Grant #1			\$ 459,681

Total Other General Government Special Revenue Fund 459,681

(Continued)

Exhibit J-9

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

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$	113	
Total County Clerk's Office			\$ 113

Total Constitutional Officers - Fees Fund \$ 113

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	94,122	
Secretary(ies)		44,928	
Board and Committee Members Fees		1,200	
Social Security		7,912	
Pensions		6,656	
Employer Medicare		1,850	
Communication		4,739	
Contributions		5,000	
Dues and Memberships		2,707	
Legal Notices, Recording, and Court Costs		2,587	
Licenses		76	
Postal Charges		234	
Printing, Stationery, and Forms		1,902	
Electricity		3,410	
Natural Gas		788	
Water and Sewer		317	
Other Supplies and Materials		2,970	
Total Administration			\$ 181,398

Highway and Bridge Maintenance

Equipment Operators	\$	98,974	
Truck Drivers		101,337	
Laborers		170,332	
Overtime Pay		6,619	
Social Security		22,340	
Pensions		18,497	
Employer Medicare		5,225	
Other Contracted Services		18,408	
Asphalt		73,972	
Asphalt - Cold Mix		30,756	
Asphalt - Liquid		327,923	
Concrete		3,571	
Crushed Stone		285,755	
Pipe - Metal		24,922	
Road Signs		10,037	
Structural Steel		597	
Other Supplies and Materials		1,358	
Total Highway and Bridge Maintenance			1,200,623

(Continued)

Exhibit J-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

Mechanic(s)	\$	29,813	
Overtime Pay		423	
Social Security		1,680	
Pensions		1,485	
Employer Medicare		393	
Maintenance and Repair Services - Equipment		17,057	
Other Contracted Services		549	
Diesel Fuel		73,142	
Equipment and Machinery Parts		48,743	
Garage Supplies		27,250	
Gasoline		20,082	
Lubricants		7,102	
Tires and Tubes		12,893	
Other Supplies and Materials		690	
Total Operation and Maintenance of Equipment			\$ 241,302

Other Charges

Liability Insurance	\$	5,000	
Trustee's Commission		21,323	
Vehicle and Equipment Insurance		48,317	
Workers' Compensation Insurance		32,165	
Other Charges		1,424	
Total Other Charges			108,229

Employee Benefits

Medical Insurance	\$	77,778	
Unemployment Compensation		3,743	
Other Charges		124	
Total Employee Benefits			81,645

Capital Outlay

Engineering Services	\$	89,156	
Bridge Construction		472,532	
Highway Equipment		83,920	
Total Capital Outlay			645,608

Total Highway/Public Works Fund \$ 2,458,805

General Debt Service FundPrincipal on DebtEducation

Principal on Other Loans	\$	90,300	
Total Education			\$ 90,300

Interest on DebtEducation

Interest on Other Loans	\$	7,260	
Total Education			7,260

(Continued)

Exhibit J-9

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission

\$ 1,845

Total General Government

\$ 1,845

Total General Debt Service Fund

\$ 99,405

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds

\$ 707,000

Total Education

\$ 707,000

Interest on Debt

Education

Interest on Bonds

\$ 69,326

Total Education

69,326

Other Debt Service

Education

Trustee's Commission

\$ 4,298

Total Education

4,298

Total Education Debt Service Fund

780,624

General Capital Projects Fund

General Government

County Buildings

Engineering Services

\$ 12,496

Maintenance and Repair Services - Buildings

157,335

Trustee's Commission

4,662

Other Charges

71,655

Motor Vehicles

79,748

Other Equipment

36,437

Total County Buildings

\$ 362,333

Public Safety

Public Safety Grants Program

Other Charges

\$ 200,673

Total Public Safety Grants Program

200,673

Capital Outlay

Regular Capital Outlay

Other Charges

\$ 77,001

Total Regular Capital Outlay

77,001

Total General Capital Projects Fund

640,007

(Continued)

Exhibit J-9

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

<u>Education Capital Projects Fund</u>			
<u>Support Services</u>			
<u>Operation of Plant</u>			
Refunds	\$	61	
Trustee's Commission		<u>2,126</u>	
Total Operation of Plant			\$ 2,187
<u>Other Debt Service</u>			
<u>Education</u>			
Trustee's Commission	\$	<u>2,451</u>	
Total Education			<u>2,451</u>
Total Education Capital Projects Fund			\$ 4,638
<u>Other Capital Projects Fund</u>			
<u>Public Safety</u>			
<u>Jail</u>			
Other Contracted Services	\$	<u>29,460</u>	
Total Jail			<u>\$ 29,460</u>
Total Other Capital Projects Fund			<u>29,460</u>
Total Governmental Funds - Primary Government			<u>\$ 13,687,630</u>

Exhibit J-10

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

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 4,488,232	
Career Ladder Program	13,000	
Educational Assistants	200,669	
Bonus Payments	50,000	
Certified Substitute Teachers	27,470	
Non-certified Substitute Teachers	51,835	
Social Security	285,298	
Pensions	331,324	
Medical Insurance	717,137	
Unemployment Compensation	8,564	
Employer Medicare	66,651	
Retirement - Hybrid Stabilization	61,934	
Tuition	572	
Other Contracted Services	93,175	
Instructional Supplies and Materials	100,562	
Textbooks - Bound	14,500	
Software	52,149	
Other Supplies and Materials	2,661	
Regular Instruction Equipment	84,840	
Total Regular Instruction Program		\$ 6,650,573

Alternative Instruction Program

Teachers	\$ 55,675	
Bonus Payments	750	
Social Security	3,458	
Pensions	4,903	
Medical Insurance	7,434	
Employer Medicare	809	
Total Alternative Instruction Program		73,029

Special Education Program

Teachers	\$ 685,781	
Career Ladder Program	1,000	
Educational Assistants	89,379	
Speech Pathologist	170,737	
Bonus Payments	7,750	
Social Security	57,003	
Pensions	70,168	
Medical Insurance	126,607	
Employer Medicare	13,331	
Retirement - Hybrid Stabilization	4,009	
Total Special Education Program		1,225,765

Career and Technical Education Program

Teachers	\$ 511,659	
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	\$	7,750	
Social Security		31,103	
Pensions		34,403	
Medical Insurance		70,717	
Employer Medicare		7,274	
Retirement - Hybrid Stabilization		9,272	
Travel		268	
Instructional Supplies and Materials		23,327	
Other Supplies and Materials		5,597	
In Service/Staff Development		2,601	
Vocational Instruction Equipment		115,726	
Total Career and Technical Education Program			\$ 820,697

Support Services

Attendance

Supervisor/Director	\$	39,708	
Other Salaries and Wages		8,778	
Social Security		2,786	
Pensions		3,778	
Medical Insurance		3,664	
Employer Medicare		651	
Communication		38	
Travel		1,756	
Other Supplies and Materials		19,649	
Total Attendance			80,808

Health Services

Supervisor/Director	\$	39,708	
Medical Personnel		68,909	
Other Salaries and Wages		9,000	
Social Security		7,161	
Pensions		7,256	
Medical Insurance		3,664	
Employer Medicare		1,675	
Retirement - Hybrid Stabilization		2,553	
Communication		2,258	
Travel		5,846	
Other Supplies and Materials		23,669	
Other Charges		1,250	
Total Health Services			172,949

Other Student Support

Career Ladder Program	\$	1,000	
Bonus Payments		3,000	
Social Security		155	
Pensions		1,366	

(Continued)

Exhibit J-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	\$	37	
Evaluation and Testing		9,447	
Travel		895	
Other Contracted Services		2,414	
Other Supplies and Materials		2,385	
Other Equipment		1,500	
Total Other Student Support			\$ 22,199

Regular Instruction Program

Supervisor/Director	\$	82,640	
Career Ladder Program		3,000	
Librarians		222,453	
Bonus Payments		3,000	
Social Security		18,708	
Pensions		27,034	
Medical Insurance		28,811	
Employer Medicare		4,375	
Travel		3,003	
Library Books/Media		19,811	
In Service/Staff Development		409	
Total Regular Instruction Program			413,244

Special Education Program

Supervisor/Director	\$	39,708	
Career Ladder Program		2,000	
Psychological Personnel		57,805	
Social Security		5,685	
Pensions		8,648	
Medical Insurance		13,494	
Employer Medicare		1,330	
Communication		566	
Travel		195	
Total Special Education Program			129,431

Career and Technical Education Program

Supervisor/Director	\$	4,973	
Social Security		273	
Pensions		432	
Employer Medicare		64	
Travel		400	
Total Career and Technical Education Program			6,142

Technology

Supervisor/Director	\$	66,950	
Other Salaries and Wages		114,675	
Social Security		11,166	

(Continued)

Exhibit J-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.)Technology (Cont.)

Pensions	\$	7,941	
Medical Insurance		14,869	
Employer Medicare		2,611	
Communication		1,247	
Internet Connectivity		49,363	
Travel		1,138	
Other Contracted Services		4,544	
Cabling		10,798	
Software		18,863	
Other Charges		2,117	
Other Equipment		151,508	
Total Technology			\$ 457,790

Other Programs

On-behalf Payments to OPEB	\$	47,210	
Total Other Programs			47,210

Board of Education

Board and Committee Members Fees	\$	480	
Social Security		30	
Employer Medicare		7	
Audit Services		8,500	
Dues and Memberships		7,425	
Legal Services		4,498	
Building and Contents Insurance		99,316	
Liability Insurance		39,082	
Trustee's Commission		74,534	
Workers' Compensation Insurance		51,101	
Criminal Investigation of Applicants - TBI		6,705	
Other Charges		6,683	
Total Board of Education			298,361

Director of Schools

County Official/Administrative Officer	\$	88,800	
Career Ladder Program		1,000	
Secretary(ies)		37,008	
Clerical Personnel		42,256	
Social Security		9,853	
Pensions		11,695	
Medical Insurance		35,557	
Employer Medicare		2,304	
Communication		5,111	
Postal Charges		2,821	
Travel		1,862	
Other Contracted Services		9,815	
Office Supplies		4,406	
Total Director of Schools			252,488

(Continued)

Exhibit J-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.)Office of the Principal

Principals	\$	375,580	
Career Ladder Program		1,000	
Assistant Principals		329,833	
Secretary(ies)		217,557	
Social Security		54,450	
Pensions		72,046	
Medical Insurance		134,197	
Employer Medicare		12,734	
Communication		1,227	
Travel		6,758	
Office Supplies		2,145	
Other Charges		462	
Administration Equipment		894	
Total Office of the Principal			\$ 1,208,883

Fiscal Services

Contributions	\$	109,744	
Total Fiscal Services			109,744

Operation of Plant

Supervisor/Director	\$	29,375	
Custodial Personnel		211,491	
Social Security		13,644	
Pensions		10,228	
Medical Insurance		31,773	
Employer Medicare		3,397	
Other Contracted Services		73,448	
Electricity		406,296	
Natural Gas		45,161	
Water and Sewer		68,063	
Other Supplies and Materials		63,343	
Boiler Insurance		2,406	
Total Operation of Plant			958,625

Maintenance of Plant

Supervisor/Director	\$	29,375	
Maintenance Personnel		94,465	
Social Security		7,472	
Pensions		5,300	
Medical Insurance		20,750	
Employer Medicare		1,747	
Communication		396	
Travel		908	
Other Contracted Services		81,764	
Other Supplies and Materials		36,717	
Other Charges		4,375	

(Continued)

Exhibit J-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.)

Administration Equipment	\$	39,966	
Maintenance Equipment		4,080	
Total Maintenance of Plant			\$ 327,315

Transportation

Supervisor/Director	\$	19,986	
Bus Drivers		287,920	
Other Salaries and Wages		57,047	
Social Security		22,568	
Pensions		13,747	
Employer Medicare		5,278	
Communication		456	
Contracts with Vehicle Owners		225,045	
Travel		4,452	
Gasoline		114,596	
Tires and Tubes		10,128	
Vehicle Parts		106,470	
Vehicle and Equipment Insurance		23,227	
Other Charges		32,849	
Transportation Equipment		114,986	
Total Transportation			1,038,755

Operation of Non-Instructional ServicesFood Service

Cafeteria Personnel	\$	4,000	
Social Security		248	
Pensions		196	
Unemployment Compensation		12	
Employer Medicare		58	
Total Food Service			4,514

Community Services

Supervisor/Director	\$	17,566	
Teachers		46,070	
Educational Assistants		150	
Other Salaries and Wages		20,696	
Social Security		5,344	
Pensions		3,613	
Employer Medicare		1,250	
Retirement - Hybrid Stabilization		415	
Instructional Supplies and Materials		583	
Other Charges		342	
Total Community Services			96,029

Early Childhood Education

Supervisor/Director	\$	39,708	
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(Continued)

Exhibit J-10

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	\$	191,944	
Clerical Personnel		5,000	
Educational Assistants		32,763	
Bonus Payments		4,000	
Non-certified Substitute Teachers		2,940	
Social Security		16,057	
Pensions		19,846	
Medical Insurance		39,716	
Employer Medicare		3,755	
Retirement - Hybrid Stabilization		1,084	
Travel		474	
Other Contracted Services		13,272	
Instructional Supplies and Materials		16,404	
Total Early Childhood Education			\$ 386,963

Capital OutlayRegular Capital Outlay

Architects	\$	13,180	
Building Construction		2,688,860	
Building Improvements		774,153	
Total Regular Capital Outlay			3,476,193

Principal on DebtEducation

Debt Service Contribution to Primary Government	\$	90,300	
Total Education			90,300

Interest on DebtEducation

Debt Service Contribution to Primary Government	\$	7,260	
Total Education			7,260

Total General Purpose School Fund \$ 18,355,267

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	549,246	
Educational Assistants		73,321	
Bonus Payments		5,250	
Other Salaries and Wages		20,200	
Non-certified Substitute Teachers		560	
Social Security		38,124	
Pensions		38,773	
Medical Insurance		71,007	
Unemployment Compensation		708	

(Continued)

Exhibit J-10

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.)Regular Instruction Program (Cont.)

Employer Medicare	\$	8,916	
Instructional Supplies and Materials		20,495	
Other Supplies and Materials		29,970	
Regular Instruction Equipment		6,826	
Total Regular Instruction Program			\$ 863,396

Special Education Program

Teachers	\$	2,717	
Homebound Teachers		1,730	
Educational Assistants		135,212	
Speech Pathologist		29,107	
Social Security		10,208	
Pensions		8,529	
Medical Insurance		23,240	
Unemployment Compensation		423	
Employer Medicare		2,387	
Instructional Supplies and Materials		37,156	
Other Supplies and Materials		4,198	
Other Charges		606	
Special Education Equipment		21,427	
Total Special Education Program			276,940

Career and Technical Education Program

Instructional Supplies and Materials	\$	13,938	
Other Supplies and Materials		1,983	
Other Charges		294	
Vocational Instruction Equipment		52,462	
Total Career and Technical Education Program			68,677

Support ServicesHealth Services

Medical Personnel	\$	79,749	
Social Security		4,944	
Pensions		4,661	
Unemployment Compensation		50	
Employer Medicare		1,156	
Travel		29	
Drugs and Medical Supplies		5,352	
Other Supplies and Materials		1,960	
Other Charges		3,239	
Health Equipment		48,797	
Total Health Services			149,937

Other Student Support

Guidance Personnel	\$	273,852	
Bonus Payments		750	

(Continued)

Exhibit J-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 (Cont.)

Social Security	\$	16,587	
Pensions		22,602	
Medical Insurance		38,036	
Unemployment Compensation		93	
Employer Medicare		3,878	
Travel		6,594	
Other Contracted Services		34,860	
In Service/Staff Development		7,840	
Other Charges		280	
Total Other Student Support			\$ 405,372

Regular Instruction Program

Supervisor/Director	\$	79,176	
Instructional Computer Personnel		63,585	
Other Salaries and Wages		209,749	
Social Security		20,199	
Pensions		30,662	
Medical Insurance		58,182	
Unemployment Compensation		246	
Employer Medicare		4,724	
Consultants		250	
Travel		9,928	
Other Contracted Services		184,050	
Other Supplies and Materials		22,155	
In Service/Staff Development		26,669	
Total Regular Instruction Program			709,575

Special Education Program

Supervisor/Director	\$	39,708	
Psychological Personnel		18,748	
Other Salaries and Wages		19,305	
Social Security		4,518	
Pensions		4,371	
Medical Insurance		14,965	
Unemployment Compensation		103	
Employer Medicare		1,057	
Contracts with Other Public Agencies		858	
Contracts with Private Agencies		50,809	
Evaluation and Testing		1,792	
Maintenance and Repair Services - Equipment		2,403	
Travel		2,404	
Other Contracted Services		45,595	
In Service/Staff Development		34,837	
Other Charges		829	
Other Equipment		16,542	
Total Special Education Program			258,844

(Continued)

Exhibit J-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.)Career and Technical Education Program

Supervisor/Director	\$	1,809	
Social Security		112	
Pensions		157	
Unemployment Compensation		5	
Employer Medicare		26	
In Service/Staff Development		7,143	
Total Career and Technical Education Program			\$ 9,252

Operation of Plant

Plant Operation Equipment	\$	1,112,936	
Total Operation of Plant			1,112,936

Transportation

Other Salaries and Wages	\$	24,843	
Social Security		1,540	
Pensions		469	
Unemployment Compensation		72	
Employer Medicare		360	
Contracts with Parents		1,151	
Maintenance and Repair Services - Vehicles		20,425	
Other Charges		383	
Transportation Equipment		118,000	
Total Transportation			167,243

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	286	
Total Food Service			286

Community Services

Teachers	\$	12,035	
Other Salaries and Wages		40,385	
Social Security		3,229	
Pensions		2,988	
Unemployment Compensation		93	
Employer Medicare		755	
In Service/Staff Development		483	
Other Charges		5	
Total Community Services			59,973

Capital OutlayRegular Capital Outlay

Building Improvements	\$	19,006	
Total Regular Capital Outlay			19,006

Total School Federal Projects Fund \$ 4,101,437

(Continued)

Exhibit J-10

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	62,000	
Accountants/Bookkeepers		14,904	
Cafeteria Personnel		304,616	
Social Security		25,000	
Pensions		10,000	
Medical Insurance		100,000	
Unemployment Compensation		1,000	
Employer Medicare		6,500	
Communication		50	
Maintenance and Repair Services - Equipment		17,184	
Travel		200	
Other Contracted Services		5,000	
Food Supplies		450,000	
Office Supplies		1,000	
USDA - Commodities		74,332	
Other Supplies and Materials		80,723	
In Service/Staff Development		500	
Other Charges		1,500	
Food Service Equipment		5,000	
Total Food Service			\$ 1,159,509

Total Central Cafeteria Fund \$ 1,159,509

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	1,369,046	
Total Community Services			\$ 1,369,046

Total Internal School Fund 1,369,046

Total Governmental Funds - Cannon County School Department \$ 24,985,259

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, 2023, 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 October 26, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not 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 are 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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

October 26, 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 identified as subject to audit 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, 2023. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cannon County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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, 2023, and the related notes to the financial statements, which collectively comprise Cannon County's basic financial statements. We issued our report thereon dated October 26, 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

October 26, 2023

JEM/tg

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	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	\$ 206,055
National School Lunch Program	10.555	N/A	0	721,967 (5)(6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	0	3,135
Passed Through State Department of Agriculture:				
Child Nutrition Cluster (4):				
Rebate of Storage and Distribution Fees	10.555	N/A	0	2,999 (5)
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A		74,332 (5)
Total U.S. Department of Agriculture				<u>\$ 1,008,488</u>
U.S. Department of Housing and Urban Development:				
Passed Through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	(3)	77,001	\$ 77,001 (8)
Total U.S. Department of Housing and Urban Development				<u>\$ 77,001</u>
U.S. Department of the Treasury:				
Direct Program:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	0	\$ 2,851,029
Total U.S. Department of the Treasury				<u>\$ 2,851,029</u>
U.S. National Foundation on the Arts and the Humanities:				
Passed Through Tennessee Secretary of State:				
Grants to States	45.310	(3)	0	\$ 688
Total U.S. National Foundation on the Arts and the Humanities				<u>\$ 688</u>
U.S. Department of Education:				
Passed Through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 546,883
Special Education Cluster (4):				
Special Education - Grants to States	84.027	N/A	0	608,159 (5)
COVID 19 - Special Education - Grants to States	84.027	N/A	0	16,218 (5)
Special Education - Preschool Grants	84.173	N/A	0	27,277 (5)
COVID 19 - Special Education - Preschool Grants	84.173	N/A	0	3,151 (5)
Career and Technical Education - Basic Grants to States	84.048	N/A	0	92,632
Twenty-first Century Community Learning Centers	84.287	N/A	0	59,974
Supporting Effective Instruction State Grants	84.367	N/A	0	33,536
COVID 19 - Comprehensive Literacy Development	84.371	N/A	0	93,200
Student Support and Academic Enrichment Program	84.424	N/A	0	12,947
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (Literacy Teacher Training Stipend)	84.425 B	N/A	0	13,000 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (Planning Grant) (ESSER II)	84.425 D	N/A	0	65,419 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (ESSER II)	84.425 D	N/A	0	796,776 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (TN ALL Corps) (ESSER II)	84.425 D	N/A	0	143,295 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (Best for ALL) (ESSER II)	84.425 D	N/A	0	175,000 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (Math Implementation Support Grant) (ESSER II)	84.425 D	N/A	0	71,250 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (Early Literacy Network) (ESSER II)	84.425 D	N/A	0	40,000 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (ESSER ARP)	84.425 U	N/A	0	1,131,223 (5)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School				
Emergency Relief Fund (ESSER ARP Homeless)	84.425 W	N/A	0	1,599 (5)
Total U.S. Department of Education				<u>\$ 3,931,539</u>
U.S. Department of Health and Human Services:				
Passed Through State Department of Health:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Z-23-259395-00	0	\$ 200,673 (5)
Passed Through State Department of Education:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	0	156,763 (5)
COVID 19 - Public Health Emergency Response: Cooperative Agreement for				
Emergency Response: Public Health Crisis Response	93.354	N/A	0	105,085
Total U.S. Department of Health and Human Services				<u>\$ 462,521</u>

(Continued)

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

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 Homeland Security: Passed Through State Department of Military: Homeland Security Grant Program	97.067	(3)	\$ 0	\$ 41,939
Total U.S. Department of Homeland Security				\$ 41,939
Total Expenditures of Federal Grants				\$ 8,373,205

		Contract Number	
<u>State Grants</u>			
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Volunteer Firefighter Equipment and Training Program - State Department of Commerce and Insurance	N/A	(3)	45,000
2023 CTE Middle School Career Exploration - State Department of Education	N/A	(3)	10,000
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Early Childhood Education - State Department of Education	N/A	(3)	413,905
Innovative School Models - State Department of Education	N/A	(3)	131,039
Lottery For Education Afterschool Programs (LEAPs) - State Department of Education	N/A	(3)	69,485
Safe Schools Act - State Department of Education	N/A	(3)	43,911
Summer Learning Camp - State Department of Education	N/A	(3)	17,264
Youth Risk Behavior Surveillance System - State Department of Education	N/A	(3)	1,250
Used Automotive Fluid Recycling Grant - State Department of Environment and Conservation	N/A	(3)	33,846
Local Health Services - State Department of Health	N/A	(3)	3,320
Litter Program - State Department of Transportation	N/A	(3)	41,383
SPARC Grant - Tennessee Higher Education Commission	N/A	(3)	95,158
Training Opportunities for the Public Grant - Tennessee Secretary of State	N/A	(3)	3,672
Total State Grants			\$ 1,008,233

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 minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$1,005,353; Special Education Cluster total \$654,805.
- (5) Total for FAL No. 10.555 is \$799,298; Total for FAL No. 84.027 is \$624,377; Total for FAL No. 84.173 is \$30,428; Total for FAL No. 84.425 is \$2,437,562; Total for FAL No. 93.323 is \$357,436.
- (6) National School Lunch \$653,402; After School Snack Program \$14,030; Supply Chain Assistance Grant \$54,535.

(7) CONSOLIDATED ADMINISTRATION			Amount Provided to Consolidated Administration
The following amounts were consolidated for administration purposes:	FAL Number		
Title I Grants to Local Education Agencies	84.010	\$	54,457
Supporting Effective Instruction State Grants	84.367		1,647
Student Support and Academic Enrichment Program	84.424		150
Total amounts consolidated for administration purposes		\$	56,254

(8) SUBRECIPIENT AMOUNTS			Amount Provided to Subrecipients
The following amounts were paid to subrecipients from the Community Development Block Grants/State's Pr	FAL Number		
Subrecipient			
City of Woodbury	14.228	\$	77,001
Total amounts provided to subrecipients		\$	77,001

Cannon County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Cannon County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

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, 2023

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: 21.027 **COVID 19 - Coronavirus State And Local Fiscal Recovery Funds**
 - * Assistance Listing Number: 84.425 **COVID 19 - Education Stabilization Fund**
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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, 2023.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2023.

Cannon County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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).