



## ANNUAL FINANCIAL REPORT

# Lewis County, Tennessee

*For the Year Ended June 30, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**LEWIS 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*

*JEFF BAILEY, CPA, CGFM, CFE*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in 16 findings and recommendations, which we have reviewed with Lewis County management. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following is a summary of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ Material audit adjustments were required for proper financial statement presentation.
  - ◆ Deficiencies were noted in the maintenance of capital asset records.
  - ◆ The office had deficiencies in budget operations.
  - ◆ Purchase orders were not issued properly in some instances.
  - ◆ General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.
  - ◆ Lewis County was assessed interest and penalties totaling \$1,630 by the Internal Revenue Service.
  - ◆ General ledger cash accounts were not reconciled with county trustee reports.
-

## **OFFICE OF ROAD SUPERINTENDENT**

- ◆ Material audit adjustments were required for proper financial statement presentation.
  - ◆ Capital outlay notes were not issued in compliance with state statutes.
  - ◆ The office had deficiencies in purchasing procedures.
- 

## **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Material audit adjustments were required for proper financial statement presentation.
  - ◆ The office had deficiencies in budget operations.
  - ◆ Purchase orders were not always issued properly.
  - ◆ General ledger cash accounts were not properly reconciled with county trustee reports.
- 

## **OFFICE OF TRUSTEE**

- ◆ The trustee paid checks that exceeded available funds.
- ◆ The office did not review its software audit logs.





# INTRODUCTORY SECTION

Lewis County Officials  
June 30, 2023

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**Officials**

Jonah Keltner, County Mayor  
Kerry Cagle, Road Superintendent  
Dr. Tracy McAbee, Director of Schools  
Mike Webb, Trustee  
Travis Hinson, Assessor of Property  
Sandra Clayton, County Clerk  
Barbara Hinson, Circuit and General Sessions Courts Clerk  
Kaitlin Bates, Clerk and Master  
Cheryl Staggs, Register of Deeds  
Dwayne Kilpatrick, Sheriff

**Board of County Commissioners**

Jonah Keltner, County Mayor, Chairman	Austin Carroll
Brian Peery	Aren Ragsdale
Larry Pigg	Bradley Loveless
Timmie Hinson	Billy Dyer
Kyle Bobo	Caleb Feichtinger

**Board of Education**

Lindsey Himes, Chairman	Glenda Atkinson
Derek Cotham	Cody Mitchell
Cassie Couch	Phyllis Townsend
Jackie Holt	Sallie Pollock
Paula Dyer	

**Audit Committee**

Kyle Bobo, Chairman  
Annette Peery  
Connie Sharp  
Mike King

# FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lewis 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 Lewis County, Tennessee, as of June 30, 2023, the respective changes in financial position and the respective budgetary comparison for the General, American Rescue Plan Act Grant, 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 Lewis County School Department (a discretely presented component unit), which represent 1.39 percent, 1.5 percent, and 2.64 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 amounts included for the Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 schedules of county and school changes in the net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Lewis 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***

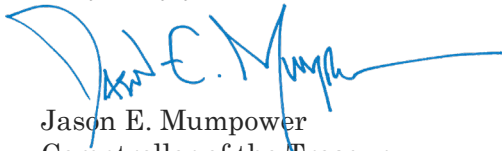
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 January 31, 2024, on our consideration of Lewis 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 the Lewis 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 Lewis County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 31, 2024

JEM/gc

# BASIC FINANCIAL STATEMENTS



Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Lewis County School Department</u>
<u>ASSETS</u>		
Cash	\$ 6,417	\$ 757,540
Equity in Pooled Cash and Investments	8,400,649	20,002,106
Accounts Receivable	116,181	7,226
Allowance for Uncollectibles	(25,942)	0
Due from Other Governments	1,045,281	1,920,283
Property Taxes Receivable	3,206,938	1,433,457
Allowance for Uncollectible Property Taxes	(55,963)	(25,383)
Prepaid Items	221,410	0
Net Pension Asset - County Agent Plan	76,030	0
Net Pension Asset - Teacher Retirement Plan	0	40,425
Net Pension Asset - Teacher Legacy Pension Plan	0	2,240,392
Cash Shortage	14,163	0
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	178,301
Capital Assets:		
Assets Not Depreciated:		
Land	674,505	968,578
Construction in Progress	8,666,554	1,226,179
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,397,983	2,911,274
Infrastructure	7,732,479	0
Other Capital Assets	1,609,272	866,042
Total Assets	<u>\$ 33,085,957</u>	<u>\$ 32,526,420</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 44,984	\$ 551,915
Pension Changes in Assumptions	455,861	1,701,681
Pension Changes in Investment Earnings	35,165	64,083
Pension Contribution after Measurement Date	310,590	699,693
Pension Changes in Proportionate Share of NPL	0	51,460
OPEB Changes in Experience	53,962	96,723
OPEB Changes in Assumptions	8,783	342,087
OPEB Changes in Proportion	0	90,952
OPEB Benefits Paid After Measurement Date	2,757	81,114
Total Deferred Outflows of Resources	<u>\$ 912,102</u>	<u>\$ 3,679,708</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Lewis County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 335,443	\$ 22,460
Accrued Payroll	0	968,694
Payroll Deductions Payable	157	1,066,479
Contracts Payable	85,704	0
Noncurrent Liabilities:		
Due Within One Year - Debt	220,816	0
Due in More Than One Year - Debt	7,011,618	0
Due in More Than One Year - Other	206,876	2,771,813
Total Liabilities	<u>\$ 7,860,614</u>	<u>\$ 4,829,446</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,074,529	\$ 1,383,118
Pension Changes in Experience	300,116	433,660
Pension Changes in Proportion	0	24,260
OPEB Changes in Experience	64,445	56,274
OPEB Changes in Assumptions	57,112	267,235
OPEB Changes in Proportion	0	73,531
Total Deferred Inflows of Resources	<u>\$ 3,496,202</u>	<u>\$ 2,238,078</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 13,568,795	\$ 5,972,073
Restricted for:		
General Government	213,149	0
Finance	43,753	0
Administration of Justice	20,381	0
Public Safety	114,318	0
Highway/Public Works	2,284,232	0
Education	0	1,848,910
Pensions	76,030	2,459,118
Unrestricted	<u>6,320,585</u>	<u>18,858,503</u>
Total Net Position	<u>\$ 22,641,243</u>	<u>\$ 29,138,604</u>

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

Exhibit B

Lewis 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 Governmental Activities	Component Unit Lewis County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 186,033	\$ 207,583	\$ 596,525	\$ 99,617	\$ 717,692	\$ 0
Finance	516,837	392,641	0	0	(124,196)	0
Administration of Justice	542,307	194,751	0	0	(347,556)	0
Public Safety	6,556,598	223,309	21,786	0	(6,311,503)	0
Public Health and Welfare	1,373,563	796,495	39,260	0	(537,808)	0
Social, Cultural, and Recreational Services	455,148	42,057	50,325	25,000	(337,766)	0
Agriculture and Natural Resources	131,752	0	70	0	(131,682)	0
Highways/Public Works	1,824,979	4,851	2,075,376	214,297	469,545	0
Total Governmental Activities	<u>\$ 11,587,217</u>	<u>\$ 1,861,687</u>	<u>\$ 2,783,342</u>	<u>\$ 338,914</u>	<u>\$ (6,603,274)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 11,587,217</u>	<u>\$ 1,861,687</u>	<u>\$ 2,783,342</u>	<u>\$ 338,914</u>	<u>\$ (6,603,274)</u>	<u>\$ 0</u>
Component Unit:						
Lewis County School Department	\$ 18,854,142	\$ 852,461	\$ 4,407,418	\$ 510,819	\$ 0	\$ (13,083,444)
Total Component Unit	<u>\$ 18,854,142</u>	<u>\$ 852,461</u>	<u>\$ 4,407,418</u>	<u>\$ 510,819</u>	<u>\$ 0</u>	<u>\$ (13,083,444)</u>

(Continued)

Exhibit B

Lewis County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
					Primary Governmental Activities	Lewis County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,906,522	\$ 1,338,163
Local Option Sales Tax					1,609,611	3,958,990
Hotel/Motel Tax					65,436	0
Wheel Tax					762,573	0
Litigation Tax - Jail, Workhouse, or Courthouse					40,401	0
Business Tax					120,594	0
Wholesale Beer Tax					30,008	0
Other Local Taxes					6,526	55,449
Grants and Contributions Not Restricted to Specific Programs					3,328,543	10,796,698
Unrestricted Investment Income					138,518	78,417
Miscellaneous					152,545	62,257
Total General Revenues					<u>\$ 9,161,277</u>	<u>\$ 16,289,974</u>
Change in Net Position					\$ 2,558,003	\$ 3,206,530
Net Position, July 1, 2022					<u>20,083,240</u>	<u>25,932,074</u>
Net Position, June 30, 2023					<u>\$ 22,641,243</u>	<u>\$ 29,138,604</u>

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

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	American Rescue Plan Act Grant	Highway / Public Works	General Capital Projects	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 577	\$ 0	\$ 5,000	\$ 0	\$ 840	\$ 6,417
Equity in Pooled Cash and Investments	3,133,832	1,399,958	1,967,589	746,140	1,153,130	8,400,649
Accounts Receivable	22,971	0	16,033	0	77,177	116,181
Allowance for Uncollectibles	0	0	0	0	(25,942)	(25,942)
Due from Other Governments	466,384	0	578,897	0	0	1,045,281
Due from Other Funds	0	0	0	0	38,168	38,168
Property Taxes Receivable	3,130,491	0	76,447	0	0	3,206,938
Allowance for Uncollectible Property Taxes	(54,201)	0	(1,762)	0	0	(55,963)
Prepaid Items	221,410	0	0	0	0	221,410
Cash Shortage	14,163	0	0	0	0	14,163
Total Assets	<u>\$ 6,935,627</u>	<u>\$ 1,399,958</u>	<u>\$ 2,642,204</u>	<u>\$ 746,140</u>	<u>\$ 1,243,373</u>	<u>\$ 12,967,302</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 298,172	\$ 0	\$ 37,271	\$ 335,443
Payroll Deductions Payable	0	0	157	0	0	157
Contracts Payable	0	0	0	85,704	0	85,704
Due to Other Funds	38,168	0	0	0	0	38,168
Total Liabilities	<u>\$ 38,168</u>	<u>\$ 0</u>	<u>\$ 298,329</u>	<u>\$ 85,704</u>	<u>\$ 37,271</u>	<u>\$ 459,472</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 3,001,701	\$ 0	\$ 72,828	\$ 0	\$ 0	\$ 3,074,529
Deferred Delinquent Property Taxes	70,289	0	1,756	0	0	72,045
Other Deferred/Unavailable Revenue	136,244	0	182,300	0	25,940	344,484
Total Deferred Inflows of Resources	<u>\$ 3,208,234</u>	<u>\$ 0</u>	<u>\$ 256,884</u>	<u>\$ 0</u>	<u>\$ 25,940</u>	<u>\$ 3,491,058</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	American Rescue Plan Act Grant	Highway / Public Works	General Capital Projects	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 221,410	\$ 0	\$ 0	\$ 0	\$ 0	\$ 221,410
Restricted:						
Restricted for General Government	213,149	0	0	0	0	213,149
Restricted for Finance	43,753	0	0	0	0	43,753
Restricted for Administration of Justice	20,381	0	0	0	0	20,381
Restricted for Public Safety	90,667	0	0	660,436	23,651	774,754
Restricted for Highways/Public Works	0	0	2,086,991	0	1,285	2,088,276
Committed:						
Committed for General Government	0	1,399,958	0	0	0	1,399,958
Committed for Public Health and Welfare	0	0	0	0	402,231	402,231
Committed for Social, Cultural, and Recreational Services	52,556	0	0	0	110,316	162,872
Committed for Other Operations	0	0	0	0	610,520	610,520
Committed for Debt Service	0	0	0	0	32,159	32,159
Assigned:						
Assigned for General Government	4,362	0	0	0	0	4,362
Assigned for Public Safety	675,296	0	0	0	0	675,296
Unassigned	2,367,651	0	0	0	0	2,367,651
Total Fund Balances	<u>\$ 3,689,225</u>	<u>\$ 1,399,958</u>	<u>\$ 2,086,991</u>	<u>\$ 660,436</u>	<u>\$ 1,180,162</u>	<u>\$ 9,016,772</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,935,627</u>	<u>\$ 1,399,958</u>	<u>\$ 2,642,204</u>	<u>\$ 746,140</u>	<u>\$ 1,243,373</u>	<u>\$ 12,967,302</u>

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

Exhibit C-2

Lewis 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)		\$ 9,016,772
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 674,505	
Add: construction in progress	8,666,554	
Add: buildings and improvements net of accumulated depreciation	1,397,983	
Add: infrastructure net of accumulated depreciation	7,732,479	
Add: other capital assets net of accumulated depreciation	<u>1,609,272</u>	20,080,793
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (189,132)	
Less: bonds payable	(6,835,000)	
Less: other loans payable	(60,000)	
Less: OPEB liability	(116,291)	
Less: net pension liability - county officials agent plan	(47,662)	
Less: net pension liability - highway department agent plan	(42,923)	
Less: unamortized premium on debt	<u>(148,302)</u>	(7,439,310)
(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 pensions/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 846,600	
Add: deferred outflows of resources related to OPEB	65,502	
Less: deferred inflows of resources related to pensions	(300,116)	
Less: deferred inflows of resources related to OPEB	<u>(121,557)</u>	490,429
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - county agent plan		76,030
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>416,529</u>
Net position of governmental activities (Exhibit A)		<u>\$ 22,641,243</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor	Total	
	General	American Rescue Plan Act Grant	Highway / Public Works	General Capital Projects	Other Govern- mental Funds		Governmental Funds
<u>Revenues</u>							
Local Taxes	\$ 5,484,020	\$ 0	\$ 84,124	\$ 0	\$ 350,863	\$ 5,919,007	
Licenses and Permits	2,230	0	0	0	0	2,230	
Fines, Forfeitures, and Penalties	49,775	0	0	0	10,044	59,819	
Charges for Current Services	83,908	0	7	0	781,693	865,608	
Other Local Revenues	307,869	1,310	124,139	16,193	69,991	519,502	
Fees Received From County Officials	568,806	0	0	0	0	568,806	
State of Tennessee	1,024,599	0	2,322,093	0	13,902	3,360,594	
Federal Government	391,020	2,382,915	0	0	0	2,773,935	
Other Governments and Citizens Groups	30,923	0	17,759	0	74,825	123,507	
<b>Total Revenues</b>	<b>\$ 7,943,150</b>	<b>\$ 2,384,225</b>	<b>\$ 2,548,122</b>	<b>\$ 16,193</b>	<b>\$ 1,301,318</b>	<b>\$ 14,193,008</b>	
<u>Expenditures</u>							
Current:							
General Government	\$ 1,000,867	\$ 137,537	\$ 0	\$ 0	\$ 0	\$ 1,138,404	
Finance	489,125	0	0	0	0	489,125	
Administration of Justice	494,076	0	0	0	50	494,126	
Public Safety	3,608,800	15,270	0	0	1,000	3,625,070	
Public Health and Welfare	306,892	78,346	0	0	854,944	1,240,182	
Social, Cultural, and Recreational Services	149,194	15,756	0	0	150,314	315,264	
Agriculture and Natural Resources	131,752	0	0	0	0	131,752	
Other Operations	1,625,444	11,602	0	0	89,514	1,726,560	
Highways	0	0	3,189,040	0	0	3,189,040	
Debt Service:							
Principal on Debt	0	0	96,721	0	374,131	470,852	
Interest on Debt	0	0	0	0	145,138	145,138	
Other Debt Service	0	0	0	0	1,250	1,250	

(Continued)



Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	American Rescue Plan Act Grant	Highway / Public Works	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,917,648	\$ 25,296	\$ 2,942,944
Total Expenditures	\$ 7,806,150	\$ 258,511	\$ 3,285,761	\$ 2,917,648	\$ 1,641,637	\$ 15,909,707
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 137,000	\$ 2,125,714	\$ (737,639)	\$ (2,901,455)	\$ (340,319)	\$ (1,716,699)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 247,453	\$ 0	\$ 0	\$ 247,453
Insurance Recovery	73,485	0	9,050	0	0	82,535
Transfers In	268,969	0	50,308	0	147,597	466,874
Transfers Out	(145,197)	(321,677)	0	0	0	(466,874)
Total Other Financing Sources (Uses)	\$ 197,257	\$ (321,677)	\$ 306,811	\$ 0	\$ 147,597	\$ 329,988
<u>Net Change in Fund Balances</u>						
Fund Balance, July 1, 2022	\$ 334,257	\$ 1,804,037	\$ (430,828)	\$ (2,901,455)	\$ (192,722)	\$ (1,386,711)
Fund Balance, July 1, 2022	3,354,968	(404,079)	2,517,819	3,561,891	1,372,884	10,403,483
<u>Fund Balance, June 30, 2023</u>						
Fund Balance, June 30, 2023	\$ 3,689,225	\$ 1,399,958	\$ 2,086,991	\$ 660,436	\$ 1,180,162	\$ 9,016,772

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

Exhibit C-4

Lewis 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)		\$ (1,386,711)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 4,548,717	
Less: current-year depreciation expense	<u>(1,057,966)</u>	3,490,751
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (464,317)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>416,529</u>	(47,788)
<p>(3) The issuance of long-term debt (e.g., bonds and notes) 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.</p>		
Less: note proceeds	\$ (247,453)	
Add: change in premium on debt issuances	11,663	
Add: principal payments on bonds	180,000	
Add: principal payments on notes	<u>290,852</u>	235,062
<p>(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.</p>		
Change in net pension asset/liability - county agent plan	\$ (249,071)	
Change in net pension asset/liability - county officials agent plan	(197,385)	
Change in net pension asset/liability - highway department agent plan	(160,520)	
Change in deferred outflows related to pensions	(163,789)	
Change in deferred outflows related to OPEB	50,673	
Change in deferred inflows related to pensions	993,097	
Change in deferred inflows related to OPEB	(3,113)	
Change in other postemployment benefits liability	<u>(3,203)</u>	<u>266,689</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,558,003</u>

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

Exhibit C-5

Lewis 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	\$ 5,484,020	\$ 4,897,500	\$ 4,897,500	\$ 586,520
Licenses and Permits	2,230	3,500	3,500	(1,270)
Fines, Forfeitures, and Penalties	49,775	68,400	69,242	(19,467)
Charges for Current Services	83,908	76,200	76,200	7,708
Other Local Revenues	307,869	268,000	301,743	6,126
Fees Received From County Officials	568,806	523,000	523,000	45,806
State of Tennessee	1,024,599	962,525	1,054,365	(29,766)
Federal Government	391,020	0	19,610	371,410
Other Governments and Citizens Groups	30,923	14,250	14,250	16,673
<b>Total Revenues</b>	<b>\$ 7,943,150</b>	<b>\$ 6,813,375</b>	<b>\$ 6,959,410</b>	<b>\$ 983,740</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 51,692	\$ 54,877	\$ 58,694	\$ 7,002
Board of Equalization	450	1,750	1,750	1,300
County Mayor/Executive	219,500	224,836	237,702	18,202
County Attorney	7,623	6,000	7,623	0
Election Commission	163,511	179,482	181,784	18,273
Register of Deeds	122,363	122,667	123,362	999
Geographical Information Systems	37,751	38,125	39,282	1,531
County Buildings	291,256	290,509	314,381	23,125
Other Facilities	21,365	17,300	30,485	9,120
Other General Administration	85,356	41,108	102,058	16,702
<u>Finance</u>				
Property Assessor's Office	156,246	126,916	160,979	4,733
Reappraisal Program	29,465	32,635	32,635	3,170
County Trustee's Office	149,821	160,202	160,202	10,381
County Clerk's Office	153,593	171,421	172,385	18,792
<u>Administration of Justice</u>				
Circuit Court	102,722	103,115	103,625	903
General Sessions Judge	110,690	111,043	111,155	465
General Sessions Court Clerk	97,598	98,493	98,493	895
Chancery Court	127,674	129,188	130,058	2,384
Judicial Commissioners	55,392	56,035	56,321	929
<u>Public Safety</u>				
Sheriff's Department	1,181,951	1,091,339	1,245,112	63,161
Drug Enforcement	12,080	8,850	13,323	1,243
Administration of the Sexual Offender Registry	0	500	500	500
Jail	1,794,102	2,049,680	2,105,117	311,015
Correctional Incentive Program Improvements	9,752	0	0	(9,752)
Juvenile Services	0	1,000	1,000	1,000
Fire Prevention and Control	44,958	39,200	45,781	823
Civil Defense	233,124	194,523	243,951	10,827
County Coroner/Medical Examiner	14,216	22,409	22,409	8,193
Public Safety Grants Program	192,517	0	166,162	(26,355)
Other Public Safety	126,100	91,350	114,740	(11,360)
<u>Public Health and Welfare</u>				
Local Health Center	29,642	32,142	35,455	5,813

(Continued)

## Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Rabies and Animal Control	\$ 5,382	\$ 5,500	\$ 6,000	\$ 618
Ambulance/Emergency Medical Services	142,800	145,000	145,000	2,200
Other Local Health Services	0	3,000	3,000	3,000
Regional Mental Health Center	9,000	15,000	15,000	6,000
Other Local Welfare Services	24,059	0	0	(24,059)
Sanitation Education/Information	51,773	52,328	56,636	4,863
Transfer Stations	92	0	93	1
Other Public Health and Welfare	44,144	0	49,828	5,684
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	6,000	6,000	6,000	0
Libraries	136,658	133,740	139,958	3,300
Parks and Fair Boards	4,786	115,600	66,236	61,450
Other Social, Cultural, and Recreational	1,750	0	1,750	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	75,283	69,249	75,764	481
Soil Conservation	55,809	57,286	57,286	1,477
Other Agriculture and Natural Resources	660	0	660	0
<u>Other Operations</u>				
Housing and Urban Development	235,086	0	0	(235,086)
Other Economic and Community Development	73,076	23,400	73,661	585
Airport	147,549	64,262	169,284	21,735
Veterans' Services	18,218	16,260	19,127	909
Employee Benefits	754,531	562,164	674,456	(80,075)
COVID-19 Grant #10	120,064	0	120,064	0
Miscellaneous	276,920	209,891	298,951	22,031
Total Expenditures	<u>\$ 7,806,150</u>	<u>\$ 6,975,375</u>	<u>\$ 8,095,278</u>	<u>\$ 289,128</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 137,000	\$ (162,000)	\$ (1,135,868)	\$ 1,272,868
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 73,485	\$ 160,000	\$ 162,499	\$ (89,014)
Transfers In	268,969	0	394,083	(125,114)
Transfers Out	(145,197)	0	(145,197)	0
Total Other Financing Sources	<u>\$ 197,257</u>	<u>\$ 160,000</u>	<u>\$ 411,385</u>	<u>\$ (214,128)</u>
Net Change in Fund Balance	\$ 334,257	\$ (2,000)	\$ (724,483)	\$ 1,058,740
Fund Balance, July 1, 2022	3,354,968	2,697,952	2,697,952	657,016
Fund Balance, June 30, 2023	<u>\$ 3,689,225</u>	<u>\$ 2,695,952</u>	<u>\$ 1,973,469</u>	<u>\$ 1,715,756</u>

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

Exhibit C-6

Lewis County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
American Rescue Plan Act Grant 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	\$ 1,310	\$ 0	\$ 0	\$ 1,310
Federal Government	2,382,915	0	2,382,915	0
<b>Total Revenues</b>	<b>\$ 2,384,225</b>	<b>\$ 0</b>	<b>\$ 2,382,915</b>	<b>\$ 1,310</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 10,013	\$ 0	\$ 10,013	\$ 0
County Mayor/Executive	0	0	7,680	7,680
County Buildings	117,323	0	117,325	2
Other Facilities	10,201	0	10,201	0
<u>Finance</u>				
Property Assessor's Office	0	0	27,989	27,989
<u>Public Safety</u>				
Sheriff's Department	0	0	79,931	79,931
Jail	4,808	0	4,808	0
Fire Prevention and Control	10,462	0	10,462	0
Civil Defense	0	0	33,822	33,822
<u>Public Health and Welfare</u>				
Local Health Center	0	0	8,066	8,066
Rabies and Animal Control	15,000	0	15,000	0
Transfer Stations	63,346	0	63,347	1
<u>Social, Cultural, and Recreational Services</u>				
Libraries	15,756	0	15,756	0
<u>Other Operations</u>				
COVID-19 Grant #10	0	0	120,064	120,064
American Rescue Plan Act Grant #3	0	0	3	3
Miscellaneous	11,602	0	14,103	2,501
<b>Total Expenditures</b>	<b>\$ 258,511</b>	<b>\$ 0</b>	<b>\$ 538,570</b>	<b>\$ 280,059</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,125,714	\$ 0	\$ 1,844,345	\$ 281,369
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (321,677)	\$ 0	\$ (326,727)	\$ 5,050
<b>Total Other Financing Sources</b>	<b>\$ (321,677)</b>	<b>\$ 0</b>	<b>\$ (326,727)</b>	<b>\$ 5,050</b>
Net Change in Fund Balance	\$ 1,804,037	\$ 0	\$ 1,517,618	\$ 286,419
Fund Balance, July 1, 2022	(404,079)	0	0	(404,079)
<b>Fund Balance, June 30, 2023</b>	<b>\$ 1,399,958</b>	<b>\$ 0</b>	<b>\$ 1,517,618</b>	<b>\$ (117,660)</b>

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

Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 84,124	\$ 88,250	\$ 88,250	\$ (4,126)
Charges for Current Services	7	15	15	(8)
Other Local Revenues	124,139	0	93,727	30,412
State of Tennessee	2,322,093	2,352,268	2,352,268	(30,175)
Other Governments and Citizens Groups	17,759	5,000	30,308	(12,549)
Total Revenues	<u>\$ 2,548,122</u>	<u>\$ 2,445,533</u>	<u>\$ 2,564,568</u>	<u>\$ (16,446)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 177,484	\$ 175,766	\$ 177,486	\$ 2
Highway and Bridge Maintenance	1,080,916	1,032,690	1,080,916	0
Operation and Maintenance of Equipment	371,554	275,940	371,556	2
Other Charges	76,410	72,585	76,526	116
Employee Benefits	369,261	417,880	369,307	46
Capital Outlay	1,113,415	755,000	1,113,459	44
<u>Principal on Debt</u>				
Highways and Streets	96,721	0	96,721	0
Total Expenditures	<u>\$ 3,285,761</u>	<u>\$ 2,729,861</u>	<u>\$ 3,285,971</u>	<u>\$ 210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (737,639)</u>	<u>\$ (284,328)</u>	<u>\$ (721,403)</u>	<u>\$ (16,236)</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 247,453	\$ 0	\$ 247,453	\$ 0
Insurance Recovery	9,050	0	0	9,050
Transfers In	50,308	0	25,000	25,308
Total Other Financing Sources	<u>\$ 306,811</u>	<u>\$ 0</u>	<u>\$ 272,453</u>	<u>\$ 34,358</u>
Net Change in Fund Balance	<u>\$ (430,828)</u>	<u>\$ (284,328)</u>	<u>\$ (448,950)</u>	<u>\$ 18,122</u>
Fund Balance, July 1, 2022	<u>2,517,819</u>	<u>2,439,041</u>	<u>2,439,041</u>	<u>78,778</u>
Fund Balance, June 30, 2023	<u>\$ 2,086,991</u>	<u>\$ 2,154,713</u>	<u>\$ 1,990,091</u>	<u>\$ 96,900</u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 445,399
Equity in Pooled Cash and Investments	1,621
Due from Other Governments	<u>321,458</u>
Total Assets	<u>\$ 768,478</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 321,458</u>
Total Liabilities	<u>\$ 321,458</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 447,020</u>
Total Net Position	<u><u>\$ 447,020</u></u>

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

Exhibit D-2

Lewis 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	\$ 1,624,624
Fines/Fees and Other Collections	3,404,091
District Attorney General Collections	<u>2,244</u>
Total Additions	<u>\$ 5,030,959</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 1,624,624
Payments to State	1,582,979
Payments to Cities, Individuals, and Others	1,773,881
Payment of District Attorney General Expenses	<u>623</u>
Total Deductions	<u>\$ 4,982,107</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 48,852
Net Position, July 1, 2022	<u>398,168</u>
Net Position, June 30, 2023	<u><u>\$ 447,020</u></u>

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



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**LEWIS COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Lewis 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 Lewis County:

**A. Reporting Entity**

Lewis County is a public municipal corporation governed by an elected 9-member board. As required by GAAP, these financial statements present Lewis County (the primary government) and its component units. The financial statements of the Lewis County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Lewis 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 Lewis County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Lewis County Emergency Communications District  
P.O. Box 611  
Hohenwald, TN 38462

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Lewis 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 Lewis 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.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund 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 Lewis County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Lewis County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Lewis 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.

Fiduciary fund 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.

Lewis 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.

**American Rescue Plan Act Grant Fund** – This special revenue fund accounts for all financial resources and payments made related to the American Rescue Plan Act Grant.

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

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

Additionally, Lewis County reports the following fund types:

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

**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 Lewis County, and restricted revenues held for the benefit of the Office of District Attorney General.

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

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

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

**Education Capital Projects Fund** – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

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 Lewis 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 and General Purpose School funds. Lewis

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 fund 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. Lewis 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 solid waste and property tax receivables are shown with an allowance for uncollectibles. Solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

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

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

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

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

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

**4. Restricted Assets**

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for



the benefit of the discretely presented Lewis 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 Lewis County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lewis County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

**5. Capital Assets**

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

Capital assets, which include property, plant, equipment, 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 (\$5,000 for land) or more and an estimated useful life of more than two 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	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	8 - 30
Bridges	20 - 40

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension changes in investment earnings, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans 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, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension and OPEB changes in experience, pension and OPEB changes in proportionate share, and OPEB changes in assumptions; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused vacation, sick leave and compensatory time benefits. There is no liability for unpaid accumulated sick leave since Lewis County does not have a policy to pay any amounts when employees separate from service with the government. A liability for compensated absences is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**8. Long-term Debt and Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference

between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

## **9. Net Position and Fund Balance**

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

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

The government-wide Statement of Net Position reports \$2,751,863 of restricted net position, of which \$265,506 is restricted by enabling legislation.

As of June 30, 2023, Lewis County had \$60,000 in outstanding debt for capital purposes for the discretely presented Lewis County School

Department. This debt is a liability of Lewis County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Lewis County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has authorized the county's Budget 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.

**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 Lewis County's participation in the Public Employee Pension Plans of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Lewis County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plans. 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 Plans of TCRS. Investments are reported at fair value.

**Discretely Presented Lewis County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

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

### **Discretely Presented Lewis 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 Lewis 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 Lewis County School Department**

Exhibit H-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 Lewis County School Department**

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Industrial/Economic Development, Constitutional Officers – Fees, and the school department’s Internal School funds (special revenue funds), which are not budgeted and the General Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year-end.

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

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

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

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

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Funds:	
General Purpose School	\$ 146,027
School Federal Projects	163,780

#### B. Cash Shortage

The former benefits administrator received family medical insurance coverage and family hospital confinement coverage while contributing premiums based on single employee, resulting in a cash shortage in the

General Fund of \$14,163 at June 30, 2023. A receivable has been reflected in the financial statements of the General Fund in the financial statements of this report for the theft of premiums. The former benefits administrator was still awaiting trial as of the date of this report.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded total appropriations approved by the county commission in the Sports and Recreation Fund by \$18,810 and the school department’s Central Cafeteria Fund by \$94,719.

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the following funds:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
Housing and Urban Development	\$ 235,086
Employee Benefits	80,075
Public Safety Grants Program	26,355
Other Local Welfare Services	24,059
Other Public Safety	11,360
Correctional Incentive Program Improvements	9,752
Solid Waste/Sanitation:	
Miscellaneous	3,224
Employee Benefits	294
Drug Control:	
Miscellaneous	3
Sports and Recreation:	
Social, Cultural, and Recreation Projects	25,296
Miscellaneous	4,079
General Debt Service:	
Interest on Debt - General Government	64,980
Miscellaneous	329
Discretely Presented School Department:	
General Purpose School:	
Regular Instruction Program	25,033
Fiscal Services	22,793
Board of Education	17,032
Student Body Education Program	2,236
Attendance	294
Education Interest on Debt	25



Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund and by available fund balance in the other funds.

**D. Appropriations Exceeded Estimated Available Funding**

The budget and subsequent amendments approved by the county commission for the General Debt Service and Drug Control funds resulted in appropriations exceeding estimated available funding by \$259,416 and \$36, respectively.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

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

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

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

### **Investments**

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

Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2023, Lewis County had the following investments carried at amortized cost using a stable net asset value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Lewis County and the discretely presented Lewis County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 46 days	\$ 4,600

**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. Lewis 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. Lewis County has no investment policy that would further limit its investment choices. As of June 30, 2023, Lewis County’s investment in the State Treasurer’s Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer’s Investment Pool and the State Treasurer’s Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

**TCRS Stabilization Trust**

**Legal Provisions.** The Lewis 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 Lewis 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 Lewis 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	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 55,274
Developed Market International Equity	N/A	N/A	24,962
Emerging Market International Equity	N/A	N/A	7,132
U.S. Fixed Income	N/A	N/A	35,660
Real Estate	N/A	N/A	17,830
Short-term Securities	N/A	N/A	1,783
NAV - Private Equity and Strategic Lending	N/A	N/A	35,660
 Total			 \$ 178,301

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. Capital Assets**

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

**Primary Government - Governmental Activities:**

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 666,204	\$ 8,301	\$ 674,505
Construction in Progress	5,877,817	2,788,737	8,666,554
Total Capital Assets Not Depreciated	<u>\$ 6,544,021</u>	<u>\$ 2,797,038</u>	<u>\$ 9,341,059</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,454,693	\$ 0	\$ 4,454,693
Infrastructure	26,373,961	1,030,722	27,404,683
Other Capital Assets	3,345,740	720,957	4,066,697
Total Capital Assets Depreciated	<u>\$ 34,174,394</u>	<u>\$ 1,751,679</u>	<u>\$ 35,926,073</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 2,932,788	\$ 123,922	\$ 3,056,710
Infrastructure	19,061,445	610,759	19,672,204
Other Capital Assets	2,134,140	323,285	2,457,425
Total Accumulated Depreciation	<u>\$ 24,128,373</u>	<u>\$ 1,057,966</u>	<u>\$ 25,186,339</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,046,021</u>	<u>\$ 693,713</u>	<u>\$ 10,739,734</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,590,042</u>	<u>\$ 3,490,751</u>	<u>\$ 20,080,793</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

**Governmental Activities:**

General Government	\$ 47,493
Finance	7,520
Public Safety	135,812
Public Health and Welfare	134,683
Social, Cultural, and Recreation	4,891
Highway/Public Works	<u>727,567</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,057,966</u></u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 20,080,793
Add:	
Unspent proceeds of capital-related debt	720,436
Less:	
Outstanding principal of capital debt and other capital borrowings	(7,084,132)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(148,302)</u>
Net Investment in Capital Assets	<u><u>\$ 13,568,795</u></u>

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

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 968,578	\$ 0	\$ 968,578
Construction in Progress	884,489	341,690	1,226,179
Total Capital Assets Not Depreciated	<u>\$ 1,853,067</u>	<u>\$ 341,690</u>	<u>\$ 2,194,757</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,753,254	\$ 342,834	\$ 12,096,088
Other Capital Assets	3,365,678	213,141	3,578,819
Total Capital Assets Depreciated	<u>\$ 15,118,932</u>	<u>\$ 555,975</u>	<u>\$ 15,674,907</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 8,974,083	\$ 210,731	\$ 9,184,814
Other Capital Assets	2,568,958	143,819	2,712,777
Total Accumulated Depreciation	<u>\$ 11,543,041</u>	<u>\$ 354,550</u>	<u>\$ 11,897,591</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,575,891</u>	<u>\$ 201,425</u>	<u>\$ 3,777,316</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,428,958</u>	<u>\$ 543,115</u>	<u>\$ 5,972,073</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

**Governmental Activities:**

Instruction	\$ 10,656
Support Services	325,769
Operation of Non-instructional Services	<u>18,125</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 354,550</u></u>

**C. Construction Commitments**

At June 30, 2023, the county's General Capital Projects Fund had uncompleted construction contracts of approximately \$516,878 for the construction of a new jail facility. Funding has been received for these future expenditures.

**D. 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:		
Nonmajor governmental	General	\$ 38,168
Discretely Presented School Department:		
School Federal Projects	General Purpose School	5,692

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

**Interfund Transfers:**

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

Transfers Out	Transfers In			Purpose
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds	
General Fund	\$ 0	\$ 0	145,197	Operations
American Rescue Plan Act Grant Fund	268,969	50,308	2,400	"
<b>Total</b>	<b>\$ 268,969</b>	<b>\$ 50,308</b>	<b>\$ 147,597</b>	



**Discretely Presented Lewis County School Department**

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
School Federal Projects Fund	\$ 6,777	\$ 0	Indirect costs
General Purpose School Fund	0	250,000	Operations
Total	<u>\$ 6,777</u>	<u>\$ 250,000</u>	

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

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

General Obligation Bonds - Lewis County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 30 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The 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 - Lewis County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 10 years for notes and up to three years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the

debt. The notes included in long-term debt as of June 30, 2023, will be retired from the Highway/Public Works and the General Debt Service funds. Other loans included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	1.92 %	5-1-51	\$ 7,200,000	\$ 6,835,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	0 - 6.99	3-29-28	342,953	189,132
Other Loans - Fixed Rate	3.25	5-01-25	60,000	60,000

The annual requirements to amortize all general obligation bonds and capital outlay notes outstanding as of June 30, 2023, is presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 185,000	\$ 135,562	\$ 320,562
2025	190,000	131,862	321,862
2026	195,000	128,062	323,062
2027	195,000	124,162	319,162
2028	200,000	120,262	320,262
2029-2033	1,070,000	539,313	1,609,313
2034-2038	1,175,000	431,814	1,606,814
2039-2043	1,280,000	323,169	1,603,169
2044-2048	1,420,000	187,845	1,607,845
2049-2051	925,000	39,165	964,165
Total	\$ 6,835,000	\$ 2,161,216	\$ 8,996,216

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 35,816	\$ 10,536	\$ 46,352
2025	37,648	8,704	46,352
2026	39,609	6,743	46,352
2027	41,707	4,645	46,352
2028	34,352	2,401	36,753
Total	\$ 189,132	\$ 33,029	\$ 222,161

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 0	\$ 1,950	\$ 1,950
2025	60,000	1,950	61,950
Total	\$ 60,000	\$ 3,900	\$ 63,900

There is \$32,159 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$543, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans and unamortized premiums, totaled \$575, based on the 2020 federal census.

#### Changes in Long-term Debt

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

Governmental Activities:	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
	Balance, July 1, 2022	\$ 7,015,000	\$ 232,531
Additions	0	247,453	0
Reductions	(180,000)	(290,852)	0
Balance, June 30, 2023	\$ 6,835,000	\$ 189,132	\$ 60,000
Balance Due Within One Year	\$ 185,000	\$ 35,816	\$ 0

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 7,084,132
Less: Balance Due Within One Year - Debt	(220,816)
Add: Unamortized Premium on Debt	<u>148,302</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 7,011,618</u></u>

**F. Long-term Obligations**

**Primary Government**

Changes in Long-term Obligations

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

<b>Governmental Activities:</b>	Net Pension Liability - Officials Agent Plan*	Net Pension Liability - Highway Agent Plan*
	<u>                    </u>	<u>                    </u>
Balance, July 1, 2022	\$ (149,723)	\$ (117,597)
Additions	437,129	399,730
Reductions	<u>(239,744)</u>	<u>(239,210)</u>
Balance, June 30, 2023	<u>\$ 47,662</u>	<u>\$ 42,923</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*At July 1, 2022, the Lewis County Officials and Highway Agent Pension Plans had net pension asset balances.

	Other Postemployment Benefits
	<u>                    </u>
Balance, July 1, 2022	\$ 113,088
Additions	81,095
Reductions	<u>(77,892)</u>
Balance, June 30, 2023	<u>\$ 116,291</u>
Balance Due Within One Year	<u>\$ 0</u>

Pension liabilities and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 206,876
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 206,876</u></u>

**Discretely Presented Lewis County School Department**

Changes in Long-term Obligations

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

<b>Governmental Activities:</b>	Other Postemployment Benefits	Net Pension Liability - School Dept. Agent Plan*
	<u>                    </u>	<u>                    </u>
Balance, July 1, 2022	\$ 2,483,503	\$ (685,511)
Additions	194,046	1,359,504
Reductions	<u>(338,542)</u>	<u>(241,187)</u>
Balance, June 30, 2023	<u><u>\$ 2,339,007</u></u>	<u><u>\$ 432,806</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

\*At July 1, 2022, the School Department Agent Pension Plan had a net pension asset balance.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 2,771,813
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 2,771,813</u></u>

Other postemployment benefits and pension liabilities will be paid from the employing funds, primarily the General Purpose School Fund.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lewis County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The 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 \$40,840. 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**

**Primary Government**

Lewis County is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Lewis County participates in the Local Government Workers’ Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, Tennessee Code Annotated, by the Tennessee County Services Association to provide a program of workers’ compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers’ compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Lewis 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.

### **Discretely Presented Lewis County School Department**

The school department participates 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 school department pays an annual premium to the TN-RMT for its 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.

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

## **B. Accounting Changes**

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

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

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

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

**C. Contingent Liabilities**

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

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**D. Changes in Administration**

Benny Pace retired from the Office of Director of Schools on June 30, 2022, and was succeeded by Dr. Tracy McAbee on July 1, 2023.

On December 31, 2022, Joyce Holt left the Office of Road Superintendent and was succeeded by Kerry Cagle.

**E. Joint Ventures**

**Primary Government**

The Joint Economic and Community Development Board of Lewis County is a joint venture between Lewis County and the City of Hohenwald. The board comprises the mayor of the City of Hohenwald, the mayor of Lewis County, the president of the Lewis County Chamber of Commerce, a private citizen who owns greenbelt property, and a local industry representative. The purpose of the board is to develop, recommend, and direct a strategic plan of policies and action that improves the economic well-being of the community and those activities and services that support economic growth and improve the quality of life of the community's members. The city and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lewis County did not appropriate any funds to the Joint Economic and Community Development Board of Lewis County for the year ended June 30, 2023.



The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lewis County did not appropriate any funds to the DTF for the year ended June 30, 2023.

Effective September 1, 2022, Lewis, Hickman, and Perry counties withdrew from the Twenty-first Judicial District to establish the Thirty-second Judicial District. At this time, the district has not established a Drug Task Force.

Lewis County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Joint Economic and Community Development Board of Lewis County and the Twenty-first Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development  
Board of Lewis County  
196 North Court Street  
Hohenwald, TN 38462

Office of District Attorney General  
Twenty-first Judicial District Drug Task Force  
P.O. Box 937  
Franklin, TN 37065

Office of District Attorney General  
Thirty-second Judicial District  
481 East Main St.  
Hohenwald, TN 38462

**Discretely Presented Lewis County School Department**

The discretely presented school department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between participating county school systems, city school systems, and certain special school districts. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each

member's school food service systems. The cooperative has contracted with a coordinating district (Dickson County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts, and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative  
220 McLemore Street  
Dickson, TN 37055

**F. Jointly Governed Organization**

Lewis County, in conjunction with Hickman, Perry, and Wayne counties, and the cities of Hohenwald, Centerville, Waynesboro, and Linden, has created the South Central Tennessee Railroad Authority (SCTRA). The SCTRA's board comprises 16 members, consisting of the county mayors/executives, city mayors, and appointed members from the respective county commissions and city councils. Lewis County does not have any ongoing financial interest or responsibility for the entity, and the county did not appropriate any funds to the SCTRA during the audit period. Funding sources for the SCTRA are lease payments, switching fees, interest, and grants.

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Lewis County are provided a defined benefit pension plan through one of three Public Employee Pension Plans. These plans are the Lewis County Plan, the Lewis County Officials Plan, and the Lewis County Highway Department Plan. These plans are agent multiple-employer pension plans 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 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 non-service-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.

The Lewis County Plan does not provide its member and beneficiary annuitants automatic cost of living adjustments (COLAs) after retirement.

Member and beneficiary annuitants of the Lewis County Officials and the Lewis County Highway Department Plans 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:

	Lewis County	Lewis County Officials	Lewis County Highway Department
Inactive Employees or Beneficiaries Currently Receiving Benefits	15	12	22
Inactive Employees Entitled to But Not Yet Receiving Benefits	120	4	7
Active Employees	74	10	17
<b>Total</b>	<b>209</b>	<b>26</b>	<b>46</b>

*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 plans. Lewis 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 contributions for Lewis County, Lewis County Officials, and the Lewis County Highway Department were as follows: \$106,849 based on a rate of 4.5 percent of covered payroll; \$78,566 based on a rate of 9.05 percent of covered payroll; and \$125,175 based on a rate of 20 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lewis 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)**

Lewis 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% (Not Provided by Lewis County Plan)

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 Lewis 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)

Lewis County:

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2021	\$ 2,706,725	\$ 3,031,826	\$ (325,101)
Changes for the Year:			
Service Cost	\$ 183,019	\$ 0	\$ 183,019
Interest	193,114	0	193,114
Differences Between Expected and Actual Experience	(44,339)	0	(44,339)
Contributions-Employer	0	94,185	(94,185)
Contributions-Employees	0	113,749	(113,749)
Net Investment Income	0	(118,737)	118,737
Benefit Payments, Including Refunds of Employee Contributions	(57,595)	(57,595)	0
Administrative Expense	0	(6,474)	6,474
Net Changes	\$ 274,199	\$ 25,128	\$ 249,071
Balance, June 30, 2022	\$ 2,980,924	\$ 3,056,954	\$ (76,030)

Lewis County Officials:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 3,374,537	\$ 3,524,260	\$ (149,723)
Changes for the Year:			
Service Cost	\$ 74,088	\$ 0	\$ 74,088
Interest	227,826	0	227,826
Differences Between Expected and Actual Experience	(123,093)	0	(123,093)
Contributions-Employer	0	74,750	(74,750)
Contributions-Employees	0	41,901	(41,901)
Net Investment Income	0	(134,228)	134,228
Benefit Payments, Including Refunds of Employee Contributions	(146,859)	(146,859)	0
Administrative Expense	0	(987)	987
Net Changes	\$ 31,962	\$ (165,423)	\$ 197,385
Balance, June 30, 2022	\$ 3,406,499	\$ 3,358,837	\$ 47,662



Lewis County Highway Department:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 3,080,706	\$ 3,198,303	\$ (117,597)
Changes for the Year:			
Service Cost	\$ 67,990	\$ 0	\$ 67,990
Interest	207,265	0	207,265
Differences Between Expected and Actual Experience	(55,001)	0	(55,001)
Contributions-Employer	0	153,507	(153,507)
Contributions-Employees	0	30,702	(30,702)
Net Investment Income	0	(122,860)	122,860
Benefit Payments, Including Refunds of Employee Contributions	(156,207)	(156,207)	0
Administrative Expense	0	(1,615)	1,615
Net Changes	\$ 64,047	\$ (96,473)	\$ 160,520
Balance, June 30, 2022	\$ 3,144,753	\$ 3,101,830	\$ 42,923

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Lewis 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:

Net Pension Liability (Asset)	Current Discount Rate		
	1% Decrease 5.75%	6.75%	1% Increase 7.75%
Lewis County	\$ 466,542	\$ (76,030)	\$ (509,090)
Lewis County Officials	445,798	47,662	(289,703)
Lewis County Highway Department	385,000	42,923	(249,223)

**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, Lewis County recognized pension expense (negative pension expense) of \$72,495, Lewis County Officials recognized pension expense (negative pension expense) of \$7,922, and the Lewis County Highway Department recognized pension expense (negative pension expense) of \$7,790.

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

Lewis County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>          </u>	<u>          </u>
Difference Between Expected and Actual Experience	\$ 26,966	\$ 141,730
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	17,854	0
Changes in Assumptions	295,928	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>106,849</u>	<u>N/A</u>
Total	<u>\$ 447,597</u>	<u>\$ 141,730</u>

Lewis County Officials:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>          </u>	<u>          </u>
Difference Between Expected and Actual Experience	\$ 18,018	\$ 92,320
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	6,977	0
Changes in Assumptions	113,184	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>78,566</u>	<u>N/A</u>
Total	<u>\$ 216,745</u>	<u>\$ 92,320</u>

Lewis County Highway Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 66,066
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	10,334	0
Changes in Assumptions	46,749	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>125,175</u>	<u>N/A</u>
Total	<u>\$ 182,258</u>	<u>\$ 66,066</u>

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

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	Lewis County	Lewis County Officials	Lewis County Highway Department
2024	\$ 16,686	\$ 15,903	\$ (17,070)
2025	18,747	16,911	(33,524)
2026	19,209	(61,166)	(26,319)
2027	105,809	74,211	67,930
2028	44,902	0	0
Thereafter	(6,335)	0	0

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

## **Discretely Presented Lewis County School Department**

### **Non-certified Employees**

#### **General Information About the Pension Plan**

*Plan Description.* Non-Certified employees of the discretely presented Lewis 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 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	66
Inactive Employees Entitled to But Not Yet Receiving Benefits	99
Active Employees	92
Total	257

*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. The Lewis County School Department 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 was \$186,250 based on a rate of 9.22 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the school department’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)**

The Lewis County School Department’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	6.09	4
Private Equity and Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the Lewis County School Department 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	\$ 8,438,544	\$ 9,124,055	\$ (685,511)
Changes for the Year:			
Service Cost	\$ 229,988	\$ 0	\$ 229,988
Interest	571,512	0	571,512
Differences Between Expected and Actual Experience	202,648	0	202,648
Contributions-Employer	0	134,500	(134,500)
Contributions-Employees	0	106,687	(106,687)
Net Investment Income	0	(345,765)	345,765
Benefit Payments, Including Refunds of Employee Contributions	(403,385)	(403,385)	0
Administrative Expense	0	(9,591)	9,591
Net Changes	\$ 600,763	\$ (517,554)	\$ 1,118,317
Balance, June 30, 2022	\$ 9,039,307	\$ 8,606,501	\$ 432,806

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the Lewis County School Department 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%	Current	1%
	Decrease	Discount	Increase
Net Pension Liability (Asset)	5.75%	Rate 6.75%	7.75%
School Department	\$ 1,550,269	\$ 432,806	\$ (502,043)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the Lewis County School Department recognized pension expense (negative pension expense) of \$269,324.

*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	Deferred
	Outflows of	Inflows of
	Resources	Resources
Difference Between Expected and Actual Experience	\$ 181,169	\$ 30,541
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	13,031	0
Changes in Assumptions	250,827	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	186,250	N/A
Total	<u>\$ 631,277</u>	<u>\$ 30,541</u>

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

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	\$ 139,715
2025	113,196
2026	(29,593)
2027	191,168
2028	0
Thereafter	0

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

### **Certified Employees**

#### **Teacher Retirement Plan**

##### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Lewis 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 \$57,408, which is 2.87 percent of covered payroll. In addition, employer contributions of \$22,603, 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, 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 (\$40,425) 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 .133449 percent. The proportion as of June 30, 2021, was .124169 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$55,452.

*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	\$ 2,210	\$ 24,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,742	0
Changes in Assumptions	47,356	0
Changes in Proportion of Net Pension Liability (Asset)	2,418	18,618
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>57,408</u>	<u>N/A</u>
Total	<u>\$ 122,134</u>	<u>\$ 43,179</u>

The school department's employer contributions of \$57,408, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ (751)
2025	(621)
2026	(2,715)
2027	19,479
2028	662
Thereafter	5,493

*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 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 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 net pension liability (asset) of Lewis 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:

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) \$ 212,208 \$ (40,425) \$ (224,925)

*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 Lewis 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 Lewis County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$456,035, 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 (\$2,240,392) 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 .182680 percent. The proportion measured at June 30, 2021, was .185323 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$27,368.

*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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 368,536	\$ 378,558
Changes in Assumptions	1,403,498	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	38,310	0
Changes in Proportion of Net Pension Liability (Asset)	49,042	5,642
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>456,035</u>	<u>N/A</u>
Total	<u>\$ 2,315,421</u>	<u>\$ 384,200</u>

The school department's employer contributions of \$456,035, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 236,153
2025	435,905
2026	(379,349)
2027	1,182,477
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 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 Real Estate	6.57		20	
	1.20		20	
	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Lewis 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:

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) \$ 4,437,445 \$ (2,240,392) \$ (7,802,588)

*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**

The Lewis County Highway Department offers its employees a deferred compensation plan established pursuant to IRC Section 401(k). All costs of administering and funding this program are the responsibility of plan participants. The Section 401(k) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 401(k) establishes participation, contribution, and withdrawal provisions for the plan.

The Lewis County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding this program is the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

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 \$111,000 and teachers contributed \$54,176 to this deferred compensation pension plan.

**H. Other Postemployment Benefits (OPEB)**

Lewis County and the discretely presented Lewis County School Department provide 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 meet the criteria of paragraph 4 of GASB Statement No. 75.

**OPEB Provided through State Administered Public Entity Risk Pools**

Retirees of Lewis County and the Lewis County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government’s LGPs are combined for presentation purposes. Likewise, the school department provides healthcare benefits to its retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Lewis 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 county and the school department’s total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total OPEB liability in the June 30, 2022, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	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 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System

(TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the 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, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 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 increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

### **Local Government OPEB Plan (Primary Government)**

*Plan description.* Employees of Lewis County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plans (LGPs) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs.

*Benefits provided.* Lewis County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGPs. 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 LGPs 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 the retiree premiums. Lewis County 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:

	Lewis County	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	0	1	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees Eligible for Benefits	62	16	78
Total	<u>62</u>	<u>17</u>	<u>79</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs 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. For the fiscal year ended June 30, 2023, the county paid \$2,757 (County - \$515, Highway Dept - \$2,242) to the LGPs for OPEB benefits as they came due.

### Changes in the Total OPEB Liability – As of the Measurement Date

	Lewis County	Hwy Dept	Total OPEB Liability
Balance July 1, 2021	\$ 58,192	\$ 54,896	\$ 113,088
Changes for the Year:			
Service Cost	\$ 9,063	\$ 4,535	\$ 13,598
Interest	1,449	1,279	2,728
Changes of Benefit Terms	0	(34,403)	(34,403)
Difference between Expected and Actual Experience	(3,744)	68,513	64,769
Changes in Assumptions	(21,114)	(21,590)	(42,704)
Benefit Payments	(367)	(418)	(785)
Net Changes	<u>\$ (14,713)</u>	<u>\$ 17,916</u>	<u>\$ 3,203</u>
Balance June 30, 2022	<u>\$ 43,479</u>	<u>\$ 72,812</u>	<u>\$ 116,291</u>

*OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the county recognized (negative) OPEB expense of (\$1,787), and the Lewis County Highway Department recognized (negative) OPEB expense of (\$39,813). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DO - Hwy \$53,962) (DI - County \$44,639, Hwy \$19,806)	\$ 53,962	\$ 64,445
Changes in Assumptions (DO - County \$6,345, Hwy \$2,438) (DI - County \$29,719, Hwy \$27,393)	8,783	57,112
Benefits Paid after the Measurement Date of June 30, 2022 (County \$515, Hwy \$2,242)	2,757	N/A
Total	<u>\$ 65,502</u>	<u>\$ 121,557</u>

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

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

Year Ending June 30	Lewis County	Hwy Dept	Total Amount
2024	\$ (12,299)	\$ (9,172)	\$ (21,471)
2025	(12,299)	6,351	(5,948)
2026	(12,299)	7,951	(4,348)
2027	(11,347)	4,071	(7,276)
2028	(8,730)	0	(8,730)
Thereafter	(11,039)	0	(11,039)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was

calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	Current		
	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Lewis County	\$ 46,657	\$ 43,479	\$ 40,499
Hwy Dept	77,324	72,812	68,563
<b>Total OPEB Liability</b>	<b>\$ 123,981</b>	<b>\$ 116,291</b>	<b>\$ 109,062</b>

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease 7.37 to 3.5%	Trend Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
Lewis County	\$ 38,564	\$ 43,479	\$ 49,237
Hwy Dept	67,713	72,812	78,358
<b>Total OPEB Liability</b>	<b>\$ 106,277</b>	<b>\$ 116,291</b>	<b>\$ 127,595</b>

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

*Plan description.* Employees of the Lewis 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 Lewis 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 the retiree premiums. With at least 20 years of service with the Lewis County School Department, retirees are eligible to receive a monthly direct subsidy of \$200 toward the cost of their insurance premiums until the retiree reaches the age of Medicare eligibility. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided by the state for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled To But Not Yet Receiving Benefits	2
Active Employees Eligible for Benefits	<u>158</u>
 Total	 <u>171</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 \$81,114 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		Total OPEB Liability
	Lewis County School Department 68.41%	State of TN 31.59%	
Balance July 1, 2021	\$ 2,483,503	\$ 1,076,952	\$ 3,560,455
Changes for the Year:			
Service Cost	\$ 139,178	\$ 64,269	\$ 203,447
Interest	54,868	25,336	80,204
Difference between Expected and Actual Experience	(3,035)	(1,401)	(4,436)
Changes in Assumptions	(217,980)	(100,658)	(318,638)
Change in Proportion	(47,715)	47,715	0
Benefit Payments	(69,812)	(32,238)	(102,050)
Net Changes	\$ (144,496)	\$ 3,023	\$ (141,473)
Balance June 30, 2022	\$ 2,339,007	\$ 1,079,975	\$ 3,418,982

The Lewis 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 Lewis 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 \$94,909 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lewis County School Department's proportionate share of the collective OPEB liability was 68.41 percent and the State of Tennessee's share was 31.59 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 \$312,645, 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	\$ 96,723	\$ 56,274
Changes of Assumptions and Other Inputs	342,087	267,235
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	90,952	73,531
Benefits Paid After the Measurement Date of June 30, 2022	81,114	N/A
Total	<u>\$ 610,876</u>	<u>\$ 397,040</u>

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

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

Year Ending June 30	School Department
2024	\$ 23,684
2025	23,684
2026	23,684
2027	23,684
2028	26,705
Thereafter	11,281

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Proportionate Share of the Collective Total OPEB Liability	\$ 2,507,684	\$ 2,339,007	\$ 2,177,338

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rates	1% Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 2,094,095	\$ 2,339,007	\$ 2,622,699

## I. Purchasing Laws

### Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

### Office of Road Superintendent

Purchasing procedures for the highway department are governed by Chapter 395, Private Acts of 1937, as amended, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$25,000 to be made after public advertisement, solicitation of competitive bids, and approval by the county Highway Advisory Commission.

### Office of Director of Schools

Purchasing procedures for the discretely presented Lewis County School Department are governed by purchasing laws applicable to schools, as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman

of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$25,000.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Exhibit E-1

Lewis 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 - Lewis County  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 108,675	\$ 115,210	\$ 125,145	\$ 107,405	\$ 124,000	\$ 127,882	\$ 154,524	\$ 160,657	\$ 183,019
Interest	75,473	82,252	97,900	106,294	115,219	134,209	147,587	161,660	193,114
Differences Between Actual and Expected Experience	(56,648)	39,229	(67,292)	(71,399)	60,289	(43,431)	(33,189)	(38,751)	(44,339)
Changes in Assumptions	0	0	0	48,279	0	0	0	397,403	0
Benefit Payments, Including Refunds of Employee Contributions	(29,556)	(57,733)	(18,250)	(33,917)	(36,486)	(46,438)	(75,110)	(86,773)	(57,595)
Net Change in Total Pension Liability	\$ 97,944	\$ 178,958	\$ 137,503	\$ 156,662	\$ 263,022	\$ 172,222	\$ 193,812	\$ 594,196	\$ 274,199
Total Pension Liability, Beginning	912,406	1,010,350	1,189,308	1,326,811	1,483,473	1,746,495	1,918,717	2,112,529	2,706,725
Total Pension Liability, Ending (a)	\$ 1,010,350	\$ 1,189,308	\$ 1,326,811	\$ 1,483,473	\$ 1,746,495	\$ 1,918,717	\$ 2,112,529	\$ 2,706,725	\$ 2,980,924
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 72,054	\$ 61,251	\$ 61,547	\$ 63,037	\$ 67,363	\$ 47,742	\$ 78,948	\$ 86,999	\$ 94,185
Contributions - Employee	75,846	73,975	74,333	76,132	82,755	91,111	103,128	105,071	113,749
Net Investment Income	151,684	35,450	33,985	161,188	140,079	143,359	107,279	611,526	(118,737)
Benefit Payments, Including Refunds of Employee Contributions	(29,556)	(57,733)	(18,250)	(33,917)	(36,486)	(46,438)	(75,110)	(86,773)	(57,595)
Administrative Expense	(1,993)	(2,791)	(3,892)	(4,549)	(5,297)	(5,443)	(5,609)	(5,793)	(6,474)
Net Change in Plan Fiduciary Net Position	\$ 268,035	\$ 110,152	\$ 147,723	\$ 261,891	\$ 248,414	\$ 230,331	\$ 208,636	\$ 711,030	\$ 25,128
Plan Fiduciary Net Position, Beginning	845,614	1,113,649	1,223,801	1,371,524	1,633,415	1,881,829	2,112,160	2,320,796	3,031,826
Plan Fiduciary Net Position, Ending (b)	\$ 1,113,649	\$ 1,223,801	\$ 1,371,524	\$ 1,633,415	\$ 1,881,829	\$ 2,112,160	\$ 2,320,796	\$ 3,031,826	\$ 3,056,954
Net Pension Liability (Asset), Ending (a - b)	\$ (103,299)	\$ (34,493)	\$ (44,713)	\$ (149,942)	\$ (135,334)	\$ (193,443)	\$ (208,267)	\$ (325,101)	\$ (76,030)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.22%	102.90%	103.37%	110.11%	107.75%	110.08%	109.86%	112.01%	102.55%
Covered Payroll	\$ 1,516,923	\$ 1,479,508	\$ 1,486,651	\$ 1,522,624	\$ 1,655,095	\$ 1,822,224	\$ 2,062,550	\$ 2,101,408	\$ 2,274,995
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.81%	2.33%	(3.01)%	(9.85)%	(8.18)%	(10.62)%	(10.10)%	(15.47)%	(3.34)%

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

Exhibit E-2

Lewis 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 - Lewis County Officials  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 49,142	\$ 43,838	\$ 58,056	\$ 58,620	\$ 57,357	\$ 61,182	\$ 58,009	\$ 57,907	\$ 74,088
Interest	167,342	171,815	188,141	191,250	197,295	206,209	206,775	218,041	227,826
Differences Between Actual and Expected Experience	(33,095)	126,564	(66,561)	(12,703)	14,558	(108,254)	41,657	2,708	(123,093)
Changes in Assumptions	0	0	0	77,109	0	0	0	226,368	0
Benefit Payments, Including Refunds of Employee Contributions	(99,073)	(137,796)	(139,724)	(137,757)	(145,654)	(154,522)	(141,793)	(160,090)	(146,859)
Net Change in Total Pension Liability	\$ 84,316	\$ 204,421	\$ 39,912	\$ 176,519	\$ 123,556	\$ 4,615	\$ 164,648	\$ 344,934	\$ 31,962
Total Pension Liability, Beginning	2,231,616	2,315,932	2,520,353	2,560,265	2,736,784	2,860,340	2,864,955	3,029,603	3,374,537
Total Pension Liability, Ending (a)	\$ 2,315,932	\$ 2,520,353	\$ 2,560,265	\$ 2,736,784	\$ 2,860,340	\$ 2,864,955	\$ 3,029,603	\$ 3,374,537	\$ 3,406,499
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 56,871	\$ 59,026	\$ 59,489	\$ 60,572	\$ 63,838	\$ 68,966	\$ 70,548	\$ 73,304	\$ 74,750
Contributions - Employee	32,647	33,962	34,228	34,851	36,731	38,702	39,893	41,135	41,901
Net Investment Income	313,259	67,092	58,336	250,735	200,779	191,565	135,128	727,484	(134,228)
Benefit Payments, Including Refunds of Employee Contributions	(99,073)	(137,796)	(139,724)	(137,757)	(145,654)	(154,522)	(141,793)	(160,090)	(146,859)
Administrative Expense	(486)	(508)	(757)	(890)	(950)	(890)	(886)	(894)	(987)
Net Change in Plan Fiduciary Net Position	\$ 303,218	\$ 21,776	\$ 11,572	\$ 207,511	\$ 154,744	\$ 143,821	\$ 102,890	\$ 680,939	\$ (165,423)
Plan Fiduciary Net Position, Beginning	1,897,789	2,201,007	2,222,783	2,234,355	2,441,866	2,596,610	2,740,431	2,843,321	3,524,260
Plan Fiduciary Net Position, Ending (b)	\$ 2,201,007	\$ 2,222,783	\$ 2,234,355	\$ 2,441,866	\$ 2,596,610	\$ 2,740,431	\$ 2,843,321	\$ 3,524,260	\$ 3,358,837
Net Pension Liability (Asset), Ending (a - b)	\$ 114,925	\$ 297,570	\$ 325,910	\$ 294,918	\$ 263,730	\$ 124,524	\$ 186,282	\$ (149,723)	\$ 47,662
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.04%	88.19%	87.27%	89.22%	90.78%	95.65%	93.85%	104.44%	98.60%
Covered Payroll	\$ 652,939	\$ 679,244	\$ 684,565	\$ 697,029	\$ 734,616	\$ 774,031	\$ 797,856	\$ 822,713	\$ 838,007
Net Pension Liability (Asset) as a Percentage of Covered Payroll	17.60%	43.81%	47.61%	42.31%	35.90%	16.09%	23.35%	(18.20)%	5.69%

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



Exhibit E-3

Lewis 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 - Lewis County Highway Department  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 45,725	\$ 35,589	\$ 34,361	\$ 43,261	\$ 44,030	\$ 50,576	\$ 46,785	\$ 58,013	\$ 67,990
Interest	166,650	164,278	181,465	188,635	192,369	199,055	183,986	210,559	207,265
Differences Between Actual and Expected Experience	(93,729)	174,008	14,844	6,935	4,395	(300,772)	290,518	(88,197)	(55,001)
Changes in Assumptions	0	0	0	57,267	0	0	0	140,247	0
Benefit Payments, Including Refunds of Employee Contributions	(128,013)	(152,273)	(134,721)	(153,206)	(164,072)	(146,153)	(159,677)	(172,325)	(156,207)
Net Change in Total Pension Liability	\$ (9,367)	\$ 221,602	\$ 95,949	\$ 142,892	\$ 76,722	\$ (197,294)	\$ 361,612	\$ 148,297	\$ 64,047
Total Pension Liability, Beginning	2,240,293	2,230,926	2,452,528	2,548,477	2,691,369	2,768,091	2,570,797	2,932,409	3,080,706
Total Pension Liability, Ending (a)	\$ 2,230,926	\$ 2,452,528	\$ 2,548,477	\$ 2,691,369	\$ 2,768,091	\$ 2,570,797	\$ 2,932,409	\$ 3,080,706	\$ 3,144,753
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 40,997	\$ 44,277	\$ 50,813	\$ 68,277	\$ 72,371	\$ 94,302	\$ 108,750	\$ 148,409	\$ 153,507
Contributions - Employee	26,113	22,870	26,246	23,873	24,248	23,576	28,375	29,682	30,702
Net Investment Income	296,891	62,030	53,146	226,207	179,027	170,260	120,534	655,433	(122,860)
Benefit Payments, Including Refunds of Employee Contributions	(128,013)	(152,273)	(134,721)	(153,206)	(164,072)	(146,153)	(159,677)	(172,325)	(156,207)
Administrative Expense	(742)	(761)	(1,203)	(1,287)	(1,458)	(1,262)	(1,443)	(1,520)	(1,615)
Net Change in Plan Fiduciary Net Position	\$ 235,246	\$ (23,857)	\$ (5,719)	\$ 163,864	\$ 110,116	\$ 140,723	\$ 96,539	\$ 659,679	\$ (96,473)
Plan Fiduciary Net Position, Beginning	1,821,712	2,056,958	2,033,101	2,027,382	2,191,246	2,301,362	2,442,085	2,538,624	3,198,303
Plan Fiduciary Net Position, Ending (b)	\$ 2,056,958	\$ 2,033,101	\$ 2,027,382	\$ 2,191,246	\$ 2,301,362	\$ 2,442,085	\$ 2,538,624	\$ 3,198,303	\$ 3,101,830
Net Pension Liability (Asset), Ending (a - b)	\$ 173,968	\$ 419,427	\$ 521,095	\$ 500,123	\$ 466,729	\$ 128,712	\$ 393,785	\$ (117,597)	\$ 42,923
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.20%	82.90%	79.55%	81.42%	83.14%	94.99%	86.57%	103.82%	98.64%
Covered Payroll	\$ 522,259	\$ 457,407	\$ 524,924	\$ 477,460	\$ 476,753	\$ 471,512	\$ 543,749	\$ 593,636	\$ 614,027
Net Pension Liability (Asset) as a Percentage of Covered Payroll	33.31%	91.70%	99.27%	104.75%	97.90%	27.30%	72.42%	(19.81)%	6.99%

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

Exhibit E-4

Lewis County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Discretely Presented Lewis County School Department - Non-Certified Employees  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 150,031	\$ 160,695	\$ 154,765	\$ 176,425	\$ 177,883	\$ 179,852	\$ 197,687	\$ 208,447	\$ 229,988
Interest	379,629	389,972	418,980	436,058	463,707	483,550	520,549	553,852	571,512
Differences Between Actual and Expected Experience	(186,002)	87,090	(82,734)	106,852	(17,510)	209,164	116,732	(61,081)	202,648
Changes in Assumptions	0	0	0	180,676	0	0	0	501,655	0
Benefit Payments, Including Refunds of Employee Contributions	(200,296)	(232,539)	(257,548)	(312,388)	(326,849)	(377,852)	(382,296)	(390,447)	(403,385)
Net Change in Total Pension Liability	\$ 143,362	\$ 405,218	\$ 233,463	\$ 587,623	\$ 297,231	\$ 494,714	\$ 452,672	\$ 812,426	\$ 600,763
Total Pension Liability, Beginning	5,011,835	5,155,197	5,560,415	5,793,878	6,381,501	6,678,732	7,173,446	7,626,118	8,438,544
Total Pension Liability, Ending (a)	\$ 5,155,197	\$ 5,560,415	\$ 5,793,878	\$ 6,381,501	\$ 6,678,732	\$ 7,173,446	\$ 7,626,118	\$ 8,438,544	\$ 9,039,307
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 184,607	\$ 184,651	\$ 191,949	\$ 203,484	\$ 93,493	\$ 106,643	\$ 118,241	\$ 132,664	\$ 134,500
Contributions - Employee	85,768	84,317	86,697	91,908	93,493	96,598	105,198	104,956	106,687
Net Investment Income	776,785	169,899	151,567	663,672	533,656	506,101	353,556	1,887,611	(345,765)
Benefit Payments, Including Refunds of Employee Contributions	(200,296)	(232,539)	(257,548)	(312,388)	(326,849)	(377,852)	(382,296)	(390,447)	(403,385)
Administrative Expense	(3,236)	(4,162)	(6,688)	(7,687)	(8,712)	(8,411)	(8,309)	(8,697)	(9,591)
Net Change in Plan Fiduciary Net Position	\$ 843,628	\$ 202,166	\$ 165,977	\$ 638,989	\$ 385,081	\$ 323,079	\$ 186,390	\$ 1,726,087	\$ (517,554)
Plan Fiduciary Net Position, Beginning	4,652,658	5,496,286	5,698,452	5,864,429	6,503,418	6,888,499	7,211,578	7,397,968	9,124,055
Plan Fiduciary Net Position, Ending (b)	\$ 5,496,286	\$ 5,698,452	\$ 5,864,429	\$ 6,503,418	\$ 6,888,499	\$ 7,211,578	\$ 7,397,968	\$ 9,124,055	\$ 8,606,501
Net Pension Liability (Asset), Ending (a - b)	\$ (341,089)	\$ (138,037)	\$ (70,551)	\$ (121,917)	\$ (209,767)	\$ (38,132)	\$ 228,150	\$ (685,511)	\$ 432,806
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.62%	102.48%	101.22%	101.91%	103.14%	100.53%	97.01%	108.12%	95.21%
Covered Payroll	\$ 1,692,114	\$ 1,668,034	\$ 1,733,952	\$ 1,838,165	\$ 1,869,848	\$ 1,931,920	\$ 2,103,934	\$ 2,099,100	\$ 2,136,532
Net Pension Liability (Asset) as a Percentage of Covered Payroll	20.16%	8.28%	(4.07)%	(6.63)%	(11.22)%	(1.97)%	10.84%	(32.66)%	20.26%

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

Exhibit E-5

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 72,054	\$ 61,251	\$ 61,547	\$ 63,037	\$ 67,363	\$ 47,742	\$ 58,783	\$ 59,890	\$ 64,837	\$ 93,077
Less: Contributions in Relation to the Actuarially Determined Contribution	(72,054)	(61,251)	(61,547)	(63,037)	(67,363)	(47,742)	(78,948)	(86,999)	(94,185)	(106,849)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (20,165)	\$ (27,109)	\$ (29,348)	\$ (13,772)
Covered Payroll	\$ 1,516,923	\$ 1,479,508	\$ 1,486,651	\$ 1,522,624	\$ 1,655,095	\$ 1,822,224	\$ 2,062,550	\$ 2,101,408	\$ 2,274,995	\$ 2,374,422
Contributions as a Percentage of Covered Payroll	4.75%	4.14%	4.14%	4.14%	4.07%	2.62%	3.83%	4.14%	4.14%	4.50%

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 56,871	\$ 59,026	\$ 59,489	\$ 60,572	\$ 63,838	\$ 68,966	\$ 68,935	\$ 71,083	\$ 74,750	\$ 78,566
Less: Contributions in Relation to the Actuarially Determined Contribution	(56,871)	(59,026)	(59,489)	(60,572)	(63,838)	(68,966)	(70,548)	(73,304)	(74,750)	(78,566)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,613)	\$ (2,221)	\$ 0	\$ 0
Covered Payroll	\$ 652,939	\$ 679,244	\$ 684,565	\$ 697,029	\$ 734,616	\$ 774,031	\$ 797,856	\$ 822,713	\$ 838,007	\$ 868,133
Contributions as a Percentage of Covered Payroll	8.71%	8.69%	8.69%	8.69%	8.69%	8.91%	8.84%	8.91%	8.92%	9.05%

Exhibit E-7

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 40,997	\$ 44,277	\$ 50,813	\$ 68,277	\$ 72,371	\$ 80,770	\$ 91,622	\$ 100,028	\$ 111,876	\$ 114,034
Less: Contributions in Relation to the Actuarially Determined Contribution	(40,997)	(44,277)	(50,813)	(68,277)	(72,371)	(94,302)	(108,750)	(148,409)	(153,507)	(125,175)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,532)	\$ (17,128)	\$ (48,381)	\$ (41,631)	\$ (11,141)
Covered Payroll	\$ 522,259	\$ 457,407	\$ 524,924	\$ 477,460	\$ 476,753	\$ 471,512	\$ 543,749	\$ 593,636	\$ 614,027	\$ 625,875
Contributions as a Percentage of Covered Payroll	7.85%	9.68%	9.68%	14.30%	15.18%	20.00%	20.00%	25.00%	25.00%	20.00%

Exhibit E-8

Lewis County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Discretely Presented Lewis County School Department - Non-Certified Employees  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 184,607	\$ 184,651	\$ 191,949	\$ 203,484	\$ 92,370	\$ 106,643	\$ 118,241	\$ 132,664	\$ 134,500	\$ 186,250
Less: Contributions in Relation to the Actuarially Determined Contribution	(184,607)	(184,651)	(191,949)	(203,484)	(93,493)	(106,643)	(118,241)	(132,664)	(134,500)	(186,250)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,123)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,692,114	\$ 1,668,034	\$ 1,733,952	\$ 1,838,165	\$ 1,869,848	\$ 1,931,920	\$ 2,103,934	\$ 2,099,100	\$ 2,136,532	\$ 2,020,065
Contributions as a Percentage of Covered Payroll	10.91%	11.07%	11.07%	11.07%	5.00%	5.52%	5.62%	6.32%	6.30%	9.22%

Exhibit E-9

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 4,048	\$ 14,189	\$ 22,661	\$ 35,926	\$ 25,857	\$ 30,563	\$ 36,199	\$ 45,806	\$ 57,408
Less: Contributions in Relation to the Contractually Required Contribution	(4,048)	(14,189)	(22,661)	(35,926)	(25,857)	(30,563)	(36,199)	(45,806)	(57,408)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 101,195	\$ 354,715	\$ 566,523	\$ 898,147	\$ 1,332,865	\$ 1,505,580	\$ 1,792,035	\$ 2,278,916	\$ 2,000,265
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

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

2019: Pension - 1.94%, SRT - 2.02%  
2020: Pension - 2.03%, SRT - 1.97%  
2021: Pension - 2.02%, SRT - 1.98%  
2022: Pension - 2.01%, SRT - 1.99%  
2023: Pension - 2.87%, SRT - 1.13%

Exhibit E-10

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 653,387	\$ 648,974	\$ 621,409	\$ 620,299	\$ 599,339	\$ 638,691	\$ 671,322	\$ 624,683	\$ 619,223	\$ 456,035
Less: Contributions in Relation to the Contractually Required Contribution	(653,387)	(648,974)	(621,409)	(620,299)	(599,339)	(638,691)	(671,322)	(624,683)	(619,223)	(456,035)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,357,958	\$ 7,178,942	\$ 6,873,995	\$ 6,861,719	\$ 6,600,640	\$ 6,106,027	\$ 6,315,343	\$ 6,082,597	\$ 6,011,879	\$ 5,247,814
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%



Exhibit E-11

Lewis County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Lewis 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)	0.048705%	0.080616%	0.086316%	0.102777%	0.125954%	0.119308%	0.124169%	0.133449%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,959)	\$ (8,392)	\$ (22,772)	\$ (46,612)	\$ (71,099)	\$ (67,844)	\$ (134,502)	\$ (40,425)
Covered Payroll	\$ 101,195	\$ 354,715	\$ 566,523	\$ 898,147	\$ 1,332,865	\$ 1,505,580	\$ 1,792,035	\$ 2,278,916
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit E-12

Lewis County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Lewis 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)	0.187464%	0.191770%	0.190426%	0.194111%	0.188500%	0.182099%	0.189749%	0.185323%	0.182680%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (30,462)	\$ 78,556	\$ 1,190,056	\$ (63,511)	\$ (663,315)	\$ (1,872,304)	\$ (1,446,980)	\$ (7,993,408)	\$ (2,240,392)
Covered Payroll	\$ 7,357,958	\$ 7,178,942	\$ 6,873,995	\$ 6,861,719	\$ 6,600,640	\$ 6,106,027	\$ 6,315,343	\$ 6,082,597	\$ 6,011,879
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.05)%	(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 E-13

Lewis County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans  
Primary Government  
For the Fiscal Year Ended June 30

**Lewis County Plan**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 9,162	\$ 8,958	\$ 12,909	\$ 10,082	\$ 10,666	\$ 9,063
Interest	2,608	3,405	2,729	2,555	1,654	1,449
Differences Between Actual and Expected Experience	0	(38,616)	(16,994)	(16,292)	(5,612)	(3,744)
Changes in Assumptions	(4,455)	3,416	2,413	5,675	(12,425)	(21,114)
Benefit Payments	0	(1,584)	(1,146)	(507)	(568)	(367)
Net Change in Total OPEB Liability	\$ 7,315	\$ (24,421)	\$ (89)	\$ 1,513	\$ (6,285)	\$ (14,713)
Total OPEB Liability, Beginning	80,159	87,474	63,053	62,964	64,477	58,192
<b>Total OPEB Liability, Ending</b>	<b>\$ 87,474</b>	<b>\$ 63,053</b>	<b>\$ 62,964</b>	<b>\$ 64,477</b>	<b>\$ 58,192</b>	<b>\$ 43,479</b>
Covered Employee Payroll	\$ 2,789,615	\$ 2,557,496	\$ 2,596,207	\$ 2,842,583	\$ 2,925,735	\$ 3,114,236
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.14%	2.47%	2.43%	2.27%	1.99%	1.40%

**Highway Department Plan**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 3,865	\$ 3,615	\$ 5,774	\$ 3,986	\$ 5,910	\$ 4,535
Interest	3,960	4,751	5,339	2,325	1,685	1,279
Differences Between Actual and Expected Experience	0	4,991	(90,020)	(2,144)	(4,966)	68,513
Changes in Assumptions	(5,500)	3,333	2,343	4,310	(17,868)	(21,590)
Changes of Benefit Terms	0	0	0	0	0	(34,403)
Benefit Payments	(4,078)	(4,408)	(5,297)	(411)	(402)	(418)
Net Change in Total OPEB Liability	\$ (1,753)	\$ 12,282	\$ (81,861)	\$ 8,066	\$ (15,641)	\$ 17,916
Total OPEB Liability, Beginning	133,803	132,050	144,332	62,471	70,537	54,896
<b>Total OPEB Liability, Ending</b>	<b>\$ 132,050</b>	<b>\$ 144,332</b>	<b>\$ 62,471</b>	<b>\$ 70,537</b>	<b>\$ 54,896</b>	<b>\$ 72,812</b>
Covered Employee Payroll	\$ 597,940	\$ 548,187	\$ 472,431	\$ 543,890	\$ 593,636	\$ 614,028
Net OPEB Liability as a Percentage of Covered Employee Payroll	22.08%	26.33%	13.22%	12.97%	9.25%	11.86%

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:

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

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%
For the 2023 plan year - from 7.36% to 8.37%

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

Exhibit E-14

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

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 96,067	\$ 89,846	\$ 88,323	\$ 80,079	\$ 161,643	\$ 203,447
Interest	50,078	60,949	61,475	60,482	68,533	80,204
Changes of Benefit Terms	0	0	0	863,297	0	0
Differences Between Actual and Expected Experience	0	(147,152)	90,157	44,248	79,630	(4,436)
Changes in Assumptions	(76,459)	57,819	(140,213)	311,262	346,200	(318,638)
Benefit Payments	(61,179)	(71,671)	(76,595)	(56,351)	(69,549)	(102,050)
Net Change in Total OPEB Liability	\$ 8,507	\$ (10,209)	\$ 23,147	\$ 1,303,017	\$ 586,457	\$ (141,473)
Total OPEB Liability, Beginning	1,649,536	1,658,043	1,647,834	1,670,981	2,973,998	3,560,455
<b>Total OPEB Liability, Ending</b>	<b>\$ 1,658,043</b>	<b>\$ 1,647,834</b>	<b>\$ 1,670,981</b>	<b>\$ 2,973,998</b>	<b>\$ 3,560,455</b>	<b>\$ 3,418,982</b>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 588,040	\$ 599,497	\$ 617,453	\$ 871,929	\$ 1,076,952	\$ 1,079,975
Employer Proportionate Share of the Total OPEB Liability	1,070,003	1,048,337	1,053,528	2,102,069	2,483,503	2,339,007
Covered Employee Payroll	\$ 8,623,171	\$ 9,799,589	\$ 9,263,897	\$ 9,920,677	\$ 9,926,043	\$ 10,230,420
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	12.41%	10.70%	11.37%	21.19%	25.02%	22.86%

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:

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

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%
For the 2023 plan year - from 7.36% to 8.37%

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

**LEWIS 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% (Not Provided by Lewis County Plan)

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to Lewis County’s waste disposal program.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions relating to Lewis County’s economic and community development.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions relating to the Lewis County Memorial Park.

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.

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## General Debt Service Fund

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

# Capital Projects Fund

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The Highway Capital Projects Fund is used to account for capital expenditures of the highway department.



Exhibit F-1

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

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Total	General Debt Service
<u>ASSETS</u>						
Cash	\$ 800	\$ 0	\$ 0	\$ 40	\$ 840	\$ 0
Equity in Pooled Cash and Investments	400,801	610,520	23,651	84,714	1,119,686	32,159
Accounts Receivable	76,615	0	0	562	77,177	0
Allowance for Uncollectibles	(25,942)	0	0	0	(25,942)	0
Due from Other Funds	13,168	0	0	25,000	38,168	0
Total Assets	<u>\$ 465,442</u>	<u>\$ 610,520</u>	<u>\$ 23,651</u>	<u>\$ 110,316</u>	<u>\$ 1,209,929</u>	<u>\$ 32,159</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 37,271	\$ 0	\$ 0	\$ 0	\$ 37,271	\$ 0
Total Liabilities	<u>\$ 37,271</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,271</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 25,940	\$ 0	\$ 0	\$ 0	\$ 25,940	\$ 0
Total Deferred Inflows of Resources	<u>\$ 25,940</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,940</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 23,651	\$ 0	\$ 23,651	\$ 0
Restricted for Highways/Public Works	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	402,231	0	0	0	402,231	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Total	General Debt Service
<u>FUND BALANCES (Cont.)</u>						
Committed (Cont.):						
Committed for Social, Cultural, and Recreational Services	\$ 0	\$ 0	\$ 0	\$ 110,316	\$ 110,316	\$ 0
Committed for Other Operations	0	610,520	0	0	610,520	0
Committed for Debt Service	0	0	0	0	0	32,159
<b>Total Fund Balances</b>	<b>\$ 402,231</b>	<b>\$ 610,520</b>	<b>\$ 23,651</b>	<b>\$ 110,316</b>	<b>\$ 1,146,718</b>	<b>\$ 32,159</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 465,442</b>	<b>\$ 610,520</b>	<b>\$ 23,651</b>	<b>\$ 110,316</b>	<b>\$ 1,209,929</b>	<b>\$ 32,159</b>

(Continued)

Exhibit F-1

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

<u>ASSETS</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Cash	\$ 0	\$ 840
Equity in Pooled Cash and Investments	1,285	1,153,130
Accounts Receivable	0	77,177
Allowance for Uncollectibles	0	(25,942)
Due from Other Funds	0	38,168
Total Assets	<u>\$ 1,285</u>	<u>\$ 1,243,373</u>
 <u>LIABILITIES</u>  		
Accounts Payable	<u>\$ 0</u>	<u>\$ 37,271</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 37,271</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>  		
Other Deferred/Unavailable Revenue	<u>\$ 0</u>	<u>\$ 25,940</u>
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 25,940</u>
 <u>FUND BALANCES</u>  		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 23,651
Restricted for Highways/Public Works	1,285	1,285
Committed:		
Committed for Public Health and Welfare	0	402,231

(Continued)

Exhibit F-1

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

FUND BALANCES (Cont.)

Committed (Cont.):

    Committed for Social, Cultural, and Recreational Services  
    Committed for Other Operations  
    Committed for Debt Service  
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 0	\$ 110,316
0	610,520
0	32,159
<u>\$ 1,285</u>	<u>\$ 1,180,162</u>
<u>\$ 1,285</u>	<u>\$ 1,243,373</u>

Exhibit F-2

Lewis 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					Total
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 32,509	\$ 0	\$ 0	\$ 0	\$ 0	32,509
Fines, Forfeitures, and Penalties	0	0	10,044	0	0	10,044
Charges for Current Services	759,448	0	0	22,195	50	781,693
Other Local Revenues	69,991	0	0	0	0	69,991
State of Tennessee	11,714	0	0	0	0	11,714
Other Governments and Citizens Groups	0	0	0	73,000	0	73,000
<b>Total Revenues</b>	<b>\$ 873,662</b>	<b>\$ 0</b>	<b>\$ 10,044</b>	<b>\$ 95,195</b>	<b>\$ 50</b>	<b>\$ 978,951</b>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50	50
Public Safety	0	0	1,000	0	0	1,000
Public Health and Welfare	854,944	0	0	0	0	854,944
Social, Cultural, and Recreational Services	0	0	0	150,314	0	150,314
Other Operations	65,034	0	39	20,560	0	85,633
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	25,296	0	25,296
<b>Total Expenditures</b>	<b>\$ 919,978</b>	<b>\$ 0</b>	<b>\$ 1,039</b>	<b>\$ 196,170</b>	<b>\$ 50</b>	<b>\$ 1,117,237</b>

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Excess (Deficiency) of Revenues Over Expenditures	\$ (46,316)	\$ 0	\$ 9,005	\$ (100,975)	\$ 0	(138,286)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 15,568	\$ 0	\$ 0	\$ 115,600	\$ 0	131,168
Total Other Financing Sources (Uses)	\$ 15,568	\$ 0	\$ 0	\$ 115,600	\$ 0	131,168
Net Change in Fund Balances	\$ (30,748)	\$ 0	\$ 9,005	\$ 14,625	\$ 0	(7,118)
Fund Balance, July 1, 2022	432,979	610,520	14,646	95,691	0	1,153,836
Fund Balance, June 30, 2023	\$ 402,231	\$ 610,520	\$ 23,651	\$ 110,316	\$ 0	1,146,718

(Continued)

Exhibit F-2

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

	<u>Debt Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	General Debt Service	Highway Capital Projects	
<u>Revenues</u>			
Local Taxes	\$ 318,354	\$ 0	\$ 350,863
Fines, Forfeitures, and Penalties	0	0	10,044
Charges for Current Services	0	0	781,693
Other Local Revenues	0	0	69,991
State of Tennessee	2,188	0	13,902
Other Governments and Citizens Groups	1,825	0	74,825
Total Revenues	<u>\$ 322,367</u>	<u>\$ 0</u>	<u>\$ 1,301,318</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 50
Public Safety	0	0	1,000
Public Health and Welfare	0	0	854,944
Social, Cultural, and Recreational Services	0	0	150,314
Other Operations	3,881	0	89,514
Debt Service:			
Principal on Debt	374,131	0	374,131
Interest on Debt	145,138	0	145,138
Other Debt Service	1,250	0	1,250
Capital Projects	0	0	25,296
Total Expenditures	<u>\$ 524,400</u>	<u>\$ 0</u>	<u>\$ 1,641,637</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	General Debt Service	Highway Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ (202,033)	\$ 0	\$ (340,319)
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 16,429	\$ 0	\$ 147,597
Total Other Financing Sources (Uses)	\$ 16,429	\$ 0	\$ 147,597
Net Change in Fund Balances	\$ (185,604)	\$ 0	\$ (192,722)
Fund Balance, July 1, 2022	217,763	1,285	1,372,884
Fund Balance, June 30, 2023	\$ 32,159	\$ 1,285	\$ 1,180,162



Exhibit F-3

Lewis 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	\$ 32,509	\$ 19,500	\$ 19,500	\$ 13,009
Charges for Current Services	759,448	728,700	728,700	30,748
Other Local Revenues	69,991	87,450	103,736	(33,745)
State of Tennessee	11,714	5,000	5,000	6,714
Federal Government	0	0	14,968	(14,968)
Total Revenues	<u>\$ 873,662</u>	<u>\$ 840,650</u>	<u>\$ 871,904</u>	<u>\$ 1,758</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Transfer Stations	\$ 854,944	\$ 752,442	\$ 863,487	\$ 8,543
<u>Other Operations</u>				
Employee Benefits	50,235	43,300	49,941	(294)
Miscellaneous	14,799	10,800	11,575	(3,224)
Total Expenditures	<u>\$ 919,978</u>	<u>\$ 806,542</u>	<u>\$ 925,003</u>	<u>\$ 5,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (46,316)</u>	<u>\$ 34,108</u>	<u>\$ (53,099)</u>	<u>\$ 6,783</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 15,568	\$ 0	\$ 2,317	\$ 13,251
Total Other Financing Sources	<u>\$ 15,568</u>	<u>\$ 0</u>	<u>\$ 2,317</u>	<u>\$ 13,251</u>
Net Change in Fund Balance	\$ (30,748)	\$ 34,108	\$ (50,782)	\$ 20,034
Fund Balance, July 1, 2022	432,979	300,000	300,000	132,979
Fund Balance, June 30, 2023	<u>\$ 402,231</u>	<u>\$ 334,108</u>	<u>\$ 249,218</u>	<u>\$ 153,013</u>

Exhibit F-4

Lewis 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	\$ 10,044	\$ 0	\$ 0	\$ 10,044
Other Governments and Citizens Groups	0	1,000	1,000	(1,000)
Total Revenues	<u>\$ 10,044</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 9,044</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0
<u>Other Operations</u>				
Miscellaneous	39	0	36	(3)
Total Expenditures	<u>\$ 1,039</u>	<u>\$ 1,000</u>	<u>\$ 1,036</u>	<u>\$ (3)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,005</u>	<u>\$ 0</u>	<u>\$ (36)</u>	<u>\$ 9,041</u>
Net Change in Fund Balance	\$ 9,005	\$ 0	\$ (36)	\$ 9,041
Fund Balance, July 1, 2022	<u>14,646</u>	<u>0</u>	<u>0</u>	<u>14,646</u>
Fund Balance, June 30, 2023	<u><u>\$ 23,651</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (36)</u></u>	<u><u>\$ 23,687</u></u>

Exhibit F-5

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Sports and Recreation 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	\$ 22,195	\$ 9,000	\$ 9,000	\$ 13,195
Other Governments and Citizens Groups	73,000	160,600	45,000	28,000
Total Revenues	<u>\$ 95,195</u>	<u>\$ 169,600</u>	<u>\$ 54,000</u>	<u>\$ 41,195</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 150,314	\$ 140,501	\$ 156,694	\$ 6,380
<u>Other Operations</u>				
Employee Benefits	12,294	15,999	16,479	4,185
Miscellaneous	8,266	4,100	4,187	(4,079)
<u>Capital Projects</u>				
Social, Cultural, and Recreation Projects	25,296	0	0	(25,296)
Total Expenditures	<u>\$ 196,170</u>	<u>\$ 160,600</u>	<u>\$ 177,360</u>	<u>\$ (18,810)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (100,975)</u>	<u>\$ 9,000</u>	<u>\$ (123,360)</u>	<u>\$ 22,385</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 115,600	\$ 0	\$ 115,600	\$ 0
Total Other Financing Sources	<u>\$ 115,600</u>	<u>\$ 0</u>	<u>\$ 115,600</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 14,625	\$ 9,000	\$ (7,760)	\$ 22,385
Fund Balance, July 1, 2022	95,691	285,482	285,482	(189,791)
Fund Balance, June 30, 2023	<u>\$ 110,316</u>	<u>\$ 294,482</u>	<u>\$ 277,722</u>	<u>\$ (167,406)</u>

Exhibit F-6

Lewis 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	\$ 318,354	\$ 335,000	\$ 335,000	\$ (16,646)
State of Tennessee	2,188	21,000	21,000	(18,812)
Other Governments and Citizens Groups	1,825	0	1,825	0
Total Revenues	<u>\$ 322,367</u>	<u>\$ 356,000</u>	<u>\$ 357,825</u>	<u>\$ (35,458)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 3,881	\$ 2,400	\$ 3,552	\$ (329)
<u>Principal on Debt</u>				
General Government	374,131	349,000	548,710	174,579
<u>Interest on Debt</u>				
General Government	143,313	4,600	78,333	(64,980)
Education	1,825	0	1,825	0
<u>Other Debt Service</u>				
General Government	1,250	0	1,250	0
Total Expenditures	<u>\$ 524,400</u>	<u>\$ 356,000</u>	<u>\$ 633,670</u>	<u>\$ 109,270</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (202,033)</u>	<u>\$ 0</u>	<u>\$ (275,845)</u>	<u>\$ 73,812</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 16,429	\$ 0	\$ 16,429	\$ 0
Total Other Financing Sources	<u>\$ 16,429</u>	<u>\$ 0</u>	<u>\$ 16,429</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (185,604)	\$ 0	\$ (259,416)	\$ 73,812
Fund Balance, July 1, 2022	<u>217,763</u>	<u>0</u>	<u>0</u>	<u>217,763</u>
Fund Balance, June 30, 2023	<u>\$ 32,159</u>	<u>\$ 0</u>	<u>\$ (259,416)</u>	<u>\$ 291,575</u>

Exhibit F-7

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2022	1,285	1,285	1,285	0
Fund Balance, June 30, 2023	\$ 1,285	\$ 1,285	\$ 1,285	\$ 0

# Custodial Funds

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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.

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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.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit G-1

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

	<u>Custodial Funds</u>			
	Cities - Sales Tax	Constitu- tional Officers - Custodial	District Attorney General	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 445,399	\$ 0	\$ 445,399
Equity in Pooled Cash and Investments	0	0	1,621	1,621
Due from Other Governments	321,458	0	0	321,458
Total Assets	<u>\$ 321,458</u>	<u>\$ 445,399</u>	<u>\$ 1,621</u>	<u>\$ 768,478</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 321,458	\$ 0	\$ 0	\$ 321,458
Total Liabilities	<u>\$ 321,458</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 321,458</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 445,399	\$ 1,621	\$ 447,020
Total Net Position	<u>\$ 0</u>	<u>\$ 445,399</u>	<u>\$ 1,621</u>	<u>\$ 447,020</u>

Exhibit G-2

Lewis 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	District Attorney General	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 1,624,624	\$ 0	\$ 0	\$ 1,624,624
Fines/Fees and Other Collections	0	3,404,091	0	3,404,091
District Attorney General Collections	0	0	2,244	2,244
Total Additions	<u>\$ 1,624,624</u>	<u>\$ 3,404,091</u>	<u>\$ 2,244</u>	<u>\$ 5,030,959</u>
<u>Deductions</u>				
Payment of Sales Tax Collections to Other Governments	\$ 1,624,624	\$ 0	\$ 0	\$ 1,624,624
Payments to State	0	1,582,979	0	1,582,979
Payments to Cities, Individuals, and Others	0	1,773,881	0	1,773,881
Payment of District Attorney General Expenses	0	0	623	623
Total Deductions	<u>\$ 1,624,624</u>	<u>\$ 3,356,860</u>	<u>\$ 623</u>	<u>\$ 4,982,107</u>
Change in Net Position	\$ 0	\$ 47,231	\$ 1,621	\$ 48,852
Net Position July 1, 2022	0	398,168	0	398,168
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 445,399</u>	<u>\$ 1,621</u>	<u>\$ 447,020</u>



# Lewis County School Department

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

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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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Exhibit H-1

Lewis County, Tennessee  
Statement of Activities  
Discretely Presented Lewis 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	\$ 9,754,637	\$ 0	\$ 2,145,768	\$ 0	\$ (7,608,869)
Support Services	6,884,111	639,097	735,798	422,660	(5,086,556)
Operation of Non-instructional Services	2,215,394	213,364	1,525,852	88,159	(388,019)
<b>Total Governmental Activities</b>	<b>\$ 18,854,142</b>	<b>\$ 852,461</b>	<b>\$ 4,407,418</b>	<b>\$ 510,819</b>	<b>\$ (13,083,444)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,338,163
Local Option Sales Tax					3,958,990
Other Local Taxes					55,449
Grants and Contributions Not Restricted to Specific Programs					10,796,698
Unrestricted Investment Income					78,417
Miscellaneous					62,257
<b>Total General Revenues</b>					<b>\$ 16,289,974</b>
Change in Net Position					\$ 3,206,530
Net Position, July 1, 2022					25,932,074
Net Position, June 30, 2023					<b>\$ 29,138,604</b>

Exhibit H-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 304,386	\$ 0	\$ 0	\$ 453,154	\$ 757,540
Equity in Pooled Cash and Investments	9,816,454	294,653	9,269,752	621,247	20,002,106
Accounts Receivable	6,777	0	0	449	7,226
Due from Other Governments	1,135,969	558,233	120,607	105,474	1,920,283
Due from Other Funds	0	5,692	0	0	5,692
Property Taxes Receivable	1,433,457	0	0	0	1,433,457
Allowance for Uncollectible Property Taxes	(25,383)	0	0	0	(25,383)
Restricted Assets	178,301	0	0	0	178,301
Total Assets	<u>\$ 12,849,961</u>	<u>\$ 858,578</u>	<u>\$ 9,390,359</u>	<u>\$ 1,180,324</u>	<u>\$ 24,279,222</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 6,777	\$ 0	\$ 15,683	\$ 22,460
Accrued Payroll	902,259	66,435	0	0	968,694
Payroll Deductions Payable	1,050,594	15,885	0	0	1,066,479
Due to Other Funds	5,692	0	0	0	5,692
Total Liabilities	<u>\$ 1,958,545</u>	<u>\$ 89,097</u>	<u>\$ 0</u>	<u>\$ 15,683</u>	<u>\$ 2,063,325</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,383,118	\$ 0	\$ 0	\$ 0	\$ 1,383,118
Deferred Delinquent Property Taxes	22,930	0	0	0	22,930
Other Deferred/Unavailable Revenue	438,558	0	60,060	0	498,618
Total Deferred Inflows of Resources	<u>\$ 1,844,606</u>	<u>\$ 0</u>	<u>\$ 60,060</u>	<u>\$ 0</u>	<u>\$ 1,904,666</u>

(Continued)

Exhibit H-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 469,481	\$ 214,788	\$ 1,164,641	\$ 1,848,910
Restricted for Hybrid Retirement Stabilization Funds	178,301	0	0	0	178,301
Committed:					
Committed for Education	0	300,000	0	0	300,000
Committed for Capital Outlay	0	0	9,115,511	0	9,115,511
Assigned:					
Assigned for Education	146,027	0	0	0	146,027
Unassigned	8,722,482	0	0	0	8,722,482
Total Fund Balances	<u>\$ 9,046,810</u>	<u>\$ 769,481</u>	<u>\$ 9,330,299</u>	<u>\$ 1,164,641</u>	<u>\$ 20,311,231</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,849,961</u>	<u>\$ 858,578</u>	<u>\$ 9,390,359</u>	<u>\$ 1,180,324</u>	<u>\$ 24,279,222</u>

Exhibit H-3

Lewis County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Lewis 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 H-2)		\$ 20,311,231
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 968,578	
Add: construction in progress	1,226,179	
Add: buildings and improvements net of accumulated depreciation	2,911,274	
Add: other capital assets net of accumulated depreciation	<u>866,042</u>	5,972,073
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: pension liability - school department agent plan	\$ (432,806)	
Less: OPEB liability	<u>(2,339,007)</u>	(2,771,813)
(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 pensions/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 3,068,832	
Less: deferred inflows of resources related to pensions	(457,920)	
Add: deferred outflows of resources related to OPEB	610,876	
Less: deferred inflows of resources related to OPEB	<u>(397,040)</u>	2,824,748
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 40,425	
Add: net pension asset - teacher legacy pension plan	<u>2,240,392</u>	2,280,817
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>521,548</u>
Net position of governmental activities (Exhibit A)		<u>\$ 29,138,604</u>

Exhibit H-4

Lewis County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Lewis County School Department  
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,965,303	\$ 0	\$ 329,164	\$ 0	\$ 5,294,467
Licenses and Permits	456	0	0	0	456
Charges for Current Services	61,933	0	0	213,442	275,375
Other Local Revenues	138,066	0	0	587,955	726,021
State of Tennessee	11,372,098	0	0	9,880	11,381,978
Federal Government	0	2,932,775	0	1,135,676	4,068,451
Other Governments and Citizens Groups	10,000	0	0	0	10,000
Total Revenues	<u>\$ 16,547,856</u>	<u>\$ 2,932,775</u>	<u>\$ 329,164</u>	<u>\$ 1,946,953</u>	<u>\$ 21,756,748</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,492,867	\$ 1,353,637	\$ 0	\$ 0	\$ 9,846,504
Support Services	5,419,199	981,976	0	0	6,401,175
Operation of Non-Instructional Services	646,650	0	0	1,900,766	2,547,416
Capital Outlay	249,094	407,549	0	0	656,643
Debt Service:					
Interest on Debt	1,825	0	0	0	1,825
Capital Projects	0	0	114,376	0	114,376
Total Expenditures	<u>\$ 14,809,635</u>	<u>\$ 2,743,162</u>	<u>\$ 114,376</u>	<u>\$ 1,900,766</u>	<u>\$ 19,567,939</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,738,221</u>	<u>\$ 189,613</u>	<u>\$ 214,788</u>	<u>\$ 46,187</u>	<u>\$ 2,188,809</u>

(Continued)

Exhibit H-4

Lewis County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Lewis County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 51,334	\$ 0	\$ 0	\$ 0	\$ 51,334
Transfers In	6,777	250,000	0	0	256,777
Transfers Out	(250,000)	(6,777)	0	0	(256,777)
Total Other Financing Sources (Uses)	\$ (191,889)	\$ 243,223	\$ 0	\$ 0	\$ 51,334
Net Change in Fund Balances	\$ 1,546,332	\$ 432,836	\$ 214,788	\$ 46,187	\$ 2,240,143
Fund Balance, July 1, 2022	7,500,478	336,645	9,115,511	1,118,454	18,071,088
Fund Balance, June 30, 2023	\$ 9,046,810	\$ 769,481	\$ 9,330,299	\$ 1,164,641	\$ 20,311,231

Exhibit H-5

Lewis County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Discretely Presented Lewis 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 H-4)		\$ 2,240,143
(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	\$ 897,665	
Less: current-year depreciation expense	<u>(354,550)</u>	543,115
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (312,533)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>521,548</u>	209,015
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in OPEB liability	\$ 144,496	
Change in net pension asset/liability - school department agent plan	(1,118,317)	
Change in net pension asset - teacher retirement plan	(94,077)	
Change in net pension asset - teacher legacy pension plan	(5,753,016)	
Change in deferred outflows related to pensions	(454,470)	
Change in deferred inflows related to pensions	7,770,759	
Change in deferred outflows related to OPEB	(86,046)	
Change in deferred inflows related to OPEB	<u>(195,072)</u>	<u>214,257</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,206,530</u>



Exhibit H-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 703	\$ 452,451	\$ 453,154
Equity in Pooled Cash and Investments	621,247	0	621,247
Accounts Receivable	109	340	449
Due from Other Governments	105,474	0	105,474
Total Assets	<u>\$ 727,533</u>	<u>\$ 452,791</u>	<u>\$ 1,180,324</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 15,683	\$ 15,683
Total Liabilities	<u>\$ 0</u>	<u>\$ 15,683</u>	<u>\$ 15,683</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 727,533	\$ 437,108	\$ 1,164,641
Total Fund Balances	<u>\$ 727,533</u>	<u>\$ 437,108</u>	<u>\$ 1,164,641</u>
Total Liabilities and Fund Balances	<u>\$ 727,533</u>	<u>\$ 452,791</u>	<u>\$ 1,180,324</u>

Exhibit H-7

Lewis County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Lewis County School Department  
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		Total
	Central Cafeteria	Internal School	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 213,442	\$ 0	\$ 213,442
Other Local Revenues	4,680	583,275	587,955
State of Tennessee	9,880	0	9,880
Federal Government	1,135,676	0	1,135,676
Total Revenues	<u>\$ 1,363,678</u>	<u>\$ 583,275</u>	<u>\$ 1,946,953</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,351,369	\$ 549,397	\$ 1,900,766
Total Expenditures	<u>\$ 1,351,369</u>	<u>\$ 549,397</u>	<u>\$ 1,900,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,309</u>	<u>\$ 33,878</u>	<u>\$ 46,187</u>
Net Change in Fund Balances	\$ 12,309	\$ 33,878	\$ 46,187
Fund Balance, July 1, 2022	<u>715,224</u>	<u>403,230</u>	<u>1,118,454</u>
Fund Balance, June 30, 2023	<u>\$ 727,533</u>	<u>\$ 437,108</u>	<u>\$ 1,164,641</u>

Exhibit H-8

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lewis 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	
<b>Revenues</b>							
Local Taxes	\$ 4,965,303	\$ 0	\$ 0	\$ 4,965,303	\$ 4,459,839	\$ 4,459,839	\$ 505,464
Licenses and Permits	456	0	0	456	500	500	(44)
Charges for Current Services	61,933	0	0	61,933	28,800	57,800	4,133
Other Local Revenues	138,066	0	0	138,066	44,000	52,261	85,805
State of Tennessee	11,372,098	0	0	11,372,098	10,909,332	12,790,417	(1,418,319)
Other Governments and Citizens Groups	10,000	0	0	10,000	0	0	10,000
<b>Total Revenues</b>	<b>\$ 16,547,856</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,547,856</b>	<b>\$ 15,442,471</b>	<b>\$ 17,360,817</b>	<b>\$ (812,961)</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 6,883,343	\$ (2,297)	\$ 44,844	\$ 6,925,890	\$ 7,418,421	\$ 7,439,517	\$ 513,627
Alternative Instruction Program	94,250	0	0	94,250	99,245	99,245	4,995
Special Education Program	1,078,415	0	0	1,078,415	1,111,057	1,111,057	32,642
Career and Technical Education Program	425,083	(2,798)	27,459	449,744	352,225	1,669,199	1,219,455
Student Body Education Program	11,776	0	0	11,776	9,540	9,540	(2,236)
<b>Support Services</b>							
Attendance	97,582	(1,163)	0	96,419	96,125	96,125	(294)
Health Services	161,671	(9,458)	4,533	156,746	111,445	201,445	44,699
Other Student Support	448,043	(3,626)	3,478	447,895	388,677	476,509	28,614
Regular Instruction Program	694,530	0	0	694,530	606,132	669,497	(25,033)
Special Education Program	201,269	0	992	202,261	170,220	203,520	1,259
Career and Technical Education Program	4,798	0	440	5,238	0	65,350	60,112
Technology	162,834	(2,250)	28,176	188,760	166,995	263,070	74,310
Other Programs	40,840	0	0	40,840	0	40,840	0
Board of Education	289,724	(294)	182	289,612	255,130	272,580	(17,032)
Director of Schools	238,925	(104)	275	239,096	245,050	247,020	7,924
Office of the Principal	910,248	(4,652)	0	905,596	983,635	983,635	78,039
Fiscal Services	165,020	0	0	165,020	142,227	142,227	(22,793)
Operation of Plant	989,576	(500)	180	989,256	1,036,235	1,036,235	46,979

(Continued)

Exhibit H-8

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lewis 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>							
Maintenance of Plant	\$ 235,713	\$ (543)	\$ 280	\$ 235,450	\$ 237,700	\$ 237,700	\$ 2,250
Transportation	778,426	(117,668)	18,532	679,290	808,450	896,777	217,487
<u>Operation of Non-Instructional Services</u>							
Food Service	686	0	0	686	2,000	2,000	1,314
Community Services	177,394	(2,440)	15,469	190,423	22,298	224,113	33,690
Early Childhood Education	468,570	(12,020)	1,187	457,737	464,664	464,664	6,927
<u>Capital Outlay</u>							
Regular Capital Outlay	249,094	(636)	0	248,458	725,000	585,425	336,967
<u>Interest on Debt</u>							
Education	1,825	0	0	1,825	0	1,800	(25)
Total Expenditures	<u>\$ 14,809,635</u>	<u>\$ (160,449)</u>	<u>\$ 146,027</u>	<u>\$ 14,795,213</u>	<u>\$ 15,452,471</u>	<u>\$ 17,439,090</u>	<u>\$ 2,643,877</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,738,221	\$ 160,449	\$ (146,027)	\$ 1,752,643	\$ (10,000)	\$ (78,273)	\$ 1,830,916
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 51,334	\$ 0	\$ 0	\$ 51,334	\$ 0	\$ 12,827	\$ 38,507
Transfers In	6,777	0	0	6,777	10,000	10,000	(3,223)
Transfers Out	(250,000)	0	0	(250,000)	0	(250,000)	0
Total Other Financing Sources	<u>\$ (191,889)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (191,889)</u>	<u>\$ 10,000</u>	<u>\$ (227,173)</u>	<u>\$ 35,284</u>
Net Change in Fund Balance	\$ 1,546,332	\$ 160,449	\$ (146,027)	\$ 1,560,754	\$ 0	\$ (305,446)	\$ 1,866,200
Fund Balance, July 1, 2022	7,500,478	(160,449)	0	7,340,029	7,013,211	7,013,211	326,818
Fund Balance, June 30, 2023	<u>\$ 9,046,810</u>	<u>\$ 0</u>	<u>\$ (146,027)</u>	<u>\$ 8,900,783</u>	<u>\$ 7,013,211</u>	<u>\$ 6,707,765</u>	<u>\$ 2,193,018</u>

Exhibit H-9

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lewis County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,932,775	\$ 0	\$ 0	\$ 2,932,775	\$ 1,208,197	\$ 5,679,586	\$ (2,746,811)
Total Revenues	\$ 2,932,775	\$ 0	\$ 0	\$ 2,932,775	\$ 1,208,197	\$ 5,679,586	\$ (2,746,811)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 913,670	\$ (42,466)	\$ 153,977	\$ 1,025,181	\$ 473,322	\$ 2,245,913	\$ 1,220,732
Special Education Program	361,979	(1,695)	0	360,284	291,107	482,434	122,150
Career and Technical Education Program	77,988	(4,831)	0	73,157	18,561	76,246	3,089
<u>Support Services</u>							
Health Services	162,022	0	0	162,022	0	191,203	29,181
Other Student Support	143,011	0	8,842	151,853	24,322	207,123	55,270
Regular Instruction Program	221,384	(6,220)	961	216,125	224,214	448,930	232,805
Special Education Program	109,842	(1,314)	0	108,528	133,511	153,016	44,488
Career and Technical Education Program	637	0	0	637	1,797	637	0
Technology	61,103	0	0	61,103	0	99,523	38,420
Office of the Principal	83,786	0	0	83,786	0	181,377	97,591
Operation of Plant	71,015	(8,670)	0	62,345	0	143,088	80,743
Maintenance of Plant	101,356	(81,464)	0	19,892	0	66,804	46,912
Transportation	27,820	0	0	27,820	26,382	40,518	12,698
<u>Capital Outlay</u>							
Regular Capital Outlay	407,549	(139,251)	0	268,298	0	1,156,813	888,515
Total Expenditures	\$ 2,743,162	\$ (285,911)	\$ 163,780	\$ 2,621,031	\$ 1,193,216	\$ 5,493,625	\$ 2,872,594
Excess (Deficiency) of Revenues Over Expenditures	\$ 189,613	\$ 285,911	\$ (163,780)	\$ 311,744	\$ 14,981	\$ 185,961	\$ 125,783
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 250,000	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Transfers Out	(6,777)	0	0	(6,777)	(30,608)	(197,978)	191,201
Total Other Financing Sources	\$ 243,223	\$ 0	\$ 0	\$ 243,223	\$ (30,608)	\$ 52,022	\$ 191,201
Net Change in Fund Balance	\$ 432,836	\$ 285,911	\$ (163,780)	\$ 554,967	\$ (15,627)	\$ 237,983	\$ 316,984
Fund Balance, July 1, 2022	336,645	(285,911)	0	50,734	50,000	300,000	(249,266)
Fund Balance, June 30, 2023	\$ 769,481	\$ 0	\$ (163,780)	\$ 605,701	\$ 34,373	\$ 537,983	\$ 67,718

Exhibit H-10

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Lewis 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	\$ 213,442	\$ 158,300	\$ 158,300	\$ 55,142
Other Local Revenues	4,680	1,500	1,500	3,180
State of Tennessee	9,880	11,000	11,000	(1,120)
Federal Government	1,135,676	925,000	925,000	210,676
Total Revenues	<u>\$ 1,363,678</u>	<u>\$ 1,095,800</u>	<u>\$ 1,095,800</u>	<u>\$ 267,878</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,351,369	\$ 1,256,650	\$ 1,256,650	\$ (94,719)
Total Expenditures	<u>\$ 1,351,369</u>	<u>\$ 1,256,650</u>	<u>\$ 1,256,650</u>	<u>\$ (94,719)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,309</u>	<u>\$ (160,850)</u>	<u>\$ (160,850)</u>	<u>\$ 173,159</u>
Net Change in Fund Balance	\$ 12,309	\$ (160,850)	\$ (160,850)	\$ 173,159
Fund Balance, July 1, 2022	715,224	685,877	685,877	29,347
Fund Balance, June 30, 2023	<u>\$ 727,533</u>	<u>\$ 525,027</u>	<u>\$ 525,027</u>	<u>\$ 202,506</u>

Exhibit H-11

Lewis County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Lewis County School Department  
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	\$ 329,164	\$ 0	\$ 325,000	\$ 4,164
Total Revenues	\$ 329,164	\$ 0	\$ 325,000	\$ 4,164
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 114,376	\$ 9,115,511	\$ 9,440,511	\$ 9,326,135
Total Expenditures	\$ 114,376	\$ 9,115,511	\$ 9,440,511	\$ 9,326,135
Excess (Deficiency) of Revenues Over Expenditures	\$ 214,788	\$ (9,115,511)	\$ (9,115,511)	\$ 9,330,299
Net Change in Fund Balance	\$ 214,788	\$ (9,115,511)	\$ (9,115,511)	\$ 9,330,299
Fund Balance, July 1, 2022	9,115,511	9,115,511	9,115,511	0
Fund Balance, June 30, 2023	\$ 9,330,299	\$ 0	\$ 0	\$ 9,330,299

# MISCELLANEOUS SCHEDULES



Exhibit I-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
<b><u>BONDS PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
General Obligation Public Improvement Bond, Series 2021	\$ 7,200,000	1.92 %	5-12-21	5-1-51	\$ 7,015,000	\$ 0	\$ 180,000	\$ 6,835,000
Total Bonds Payable					<u>\$ 7,015,000</u>	<u>\$ 0</u>	<u>\$ 180,000</u>	<u>\$ 6,835,000</u>
<b><u>NOTES PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
Capital Outlay Note, Series 2016	95,500	0	9-15-16	9-15-26	\$ 48,000	\$ 0	\$ 9,600	\$ 38,400
Capital Outlay Note, Series 2018	230,000	2.25	7-9-18	7-9-22	184,531	0	184,531	0
<b><u>Payable through Highway/Public Works Fund</u></b>								
Caterpillar Hydraulic Excavator	247,453	6.99	3-29-23	3-29-28	0	247,453	96,721	150,732
Total Notes Payable					<u>\$ 232,531</u>	<u>\$ 247,453</u>	<u>\$ 290,852</u>	<u>\$ 189,132</u>
<b><u>OTHER LOANS PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
Fixed Rate Local Government Loan Program Bond, Series 2022	(1)	3.25	5-25-22	5-1-25	\$ 60,000	\$ 0	\$ 0	\$ 60,000
Total Other Loans Payable					<u>\$ 60,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,000</u>

(1) Total amount available for draws is \$19,940,000 of an authorized \$20,000,000.

Exhibit I-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 185,000	\$ 135,562	\$ 320,562
2025	190,000	131,862	321,862
2026	195,000	128,062	323,062
2027	195,000	124,162	319,162
2028	200,000	120,262	320,262
2029	205,000	116,262	321,262
2030	210,000	112,162	322,162
2031	215,000	107,963	322,963
2032	220,000	103,663	323,663
2033	220,000	99,263	319,263
2034	225,000	94,863	319,863
2035	230,000	90,363	320,363
2036	235,000	86,338	321,338
2037	240,000	82,225	322,225
2038	245,000	78,025	323,025
2039	250,000	73,738	323,738
2040	250,000	69,363	319,363
2041	255,000	64,988	319,988
2042	260,000	60,270	320,270
2043	265,000	54,810	319,810
2044	270,000	49,245	319,245
2045	280,000	43,575	323,575
2046	285,000	37,695	322,695
2047	290,000	31,710	321,710
2048	295,000	25,620	320,620
2049	300,000	19,425	319,425
2050	310,000	13,125	323,125
2051	315,000	6,615	321,615
Total	\$ 6,835,000	\$ 2,161,216	\$ 8,996,216

Year Ending June 30	Notes		
	Principal	Interest	Total
2024	\$ 35,816	\$ 10,536	\$ 46,352
2025	37,648	8,704	46,352
2026	39,609	6,743	46,352
2027	41,707	4,645	46,352
2028	34,352	2,401	36,753
Total	\$ 189,132	\$ 33,029	\$ 222,161

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 0	\$ 1,950	\$ 1,950
2025	60,000	1,950	61,950
Total	\$ 60,000	\$ 3,900	\$ 63,900

Exhibit I-3

Lewis County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Lewis 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	Sports and Recreation	Operations	\$ 115,600
"	General Debt Service	Debt Retirement	16,429
"	Solid Waste/Sanitation	Operations	13,168
American Rescue Plan Act Grant Fund	General	ARPA funding	268,969
"	Solid Waste and Sanitation	"	2,400
"	Highway/Public Works	"	<u>50,308</u>
Total Transfers Primary Government			<u>\$ 466,874</u>
<u>DISCRETELY PRESENTED LEWIS COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 6,777
General Purpose School	School Federal Projects	Cash Flow	<u>250,000</u>
Total Transfers Discretely Presented Lewis County School Department			<u>\$ 256,777</u>

Exhibit I-4

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

Official	Authorization	Bond	Surety
<b>County Mayor</b>			
Base salary	Section 8-24-102, TCA	\$ (1)	Local Government Property and Casualty Fund
Chairman of County Commission			
Chairman of Highway Commission			
Total compensation			
<b>Road Superintendent - Joyce Holt (7/1/22-12/31/22)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>Road Superintendent - Kerry Cagle (1/1/23-6/30/23)</b>			
Base salary/Total compensation			
Total Road Superintendent compensation			
<b>Director of Schools</b>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			
Moving expenses			
Health, vision, and dental insurance premiums			
Total compensation			
<b>Trustee</b>	Section 8-24-102, TCA	531,726	RLI Insurance Company
Base salary/Total compensation			
<b>Assessor of Property</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>County Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>Circuit and General Sessions Courts Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>Clerk and Master</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>Register of Deeds</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
<b>Sheriff</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary			
Superintendent of workhouse			
Law enforcement training supplement			
Total compensation			
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department		400,000	Tennessee Risk Management Trust

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

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,718,944	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	37,753	0	0	0	0	0
Trustee's Collections - Bankruptcy	0	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	35,054	0	0	0	0	0
Interest and Penalty	9,376	32,509	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	8,212	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	256,313	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	10,802	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,649,438	0	0	0	0	0
Hotel/Motel Tax	65,436	0	0	0	0	0
Wheel Tax	444,219	0	0	0	0	0
Litigation Tax - Special Purpose	2,330	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	40,401	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	1,012	0	0	0	0	0
Business Tax	117,545	0	0	0	0	0
Mixed Drink Tax	3,184	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	53,993	0	0	0	0	0
Wholesale Beer Tax	30,008	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 5,484,020</b>	<b>\$ 32,509</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 547	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,683	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 2,230	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,499	0	0	0	0	0
Data Entry Fee - Circuit Court	604	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	1,762	0	0	0	0	0
DUI Treatment Fines	110	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,883	0	0	0	0	0
Fines for Littering	10	0	0	0	0	0
Officers Costs	8,922	0	0	0	0	0
Game and Fish Fines	62	0	0	0	0	0
Drug Control Fines	0	0	3,491	0	0	0
Drug Court Fees	677	0	0	0	0	0
Jail Fees	7,480	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Data Entry Fee - General Sessions Court	2,063	0	0	0	0	0
Courtroom Security Fee	59	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	204	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 2,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	1,814	0	0	0	0	0
Courtroom Security Fee	504	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	5,700	0	6,553	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 49,775</b>	<b>\$ 0</b>	<b>\$ 10,044</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 151,454	\$ 0	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	514,955	0	0	0	0
Transfer Waste Stations Collection Charge	0	4,628	0	0	0	0
Tipping Fees	0	76,143	0	0	0	0
Solid Waste Disposal Fee	0	1,574	0	0	0	0
Surcharge - Waste Tire Disposal	0	10,694	0	0	0	0
Work Release Charges for Board	21,950	0	0	0	0	0
<u>Fees</u>						
Airport Fees	14,029	0	0	0	0	0
Recreation Fees	150	0	0	22,195	0	0
Copy Fees	174	0	0	0	0	0
Library Fees	4,820	0	0	0	0	0
Archives and Records Management Fee	13,442	0	0	0	0	0
Greenbelt Late Application Fee	267	0	0	0	0	0
Telephone Commissions	7,867	0	0	0	0	0
Tourism Fees	840	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50
Data Processing Fee - Register	4,524	0	0	0	0	0
Data Processing Fee - Sheriff	1,190	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,500	0	0	0	0	0
Data Processing Fee - County Clerk	12,440	0	0	0	0	0
Vehicle Registration Reinstatement Fees	715	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 83,908</b>	<b>\$ 759,448</b>	<b>\$ 0</b>	<b>\$ 22,195</b>	<b>\$ 0</b>	<b>\$ 50</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 121,015	\$ 0	\$ 0	\$ 0	\$ 1,310	\$ 0
Lease/Rentals	104,817	13,557	0	0	0	0
Commissary Sales	39,751	0	0	0	0	0
Sale of Gasoline	14,892	0	0	0	0	0
Sale of Recycled Materials	91	44,588	0	0	0	0
Retirees' Insurance Payments	0	0	0	0	0	0
Miscellaneous Refunds	5,050	645	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	11,200	11,201	0	0	0	0
Sale of Property	5,153	0	0	0	0	0
Damages Recovered from Individuals	1,600	0	0	0	0	0
Contributions and Gifts	4,075	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	225	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 307,869</b>	<b>\$ 69,991</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,310</b>	<b>\$ 0</b>

(Continued)



Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 151,312	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	35,303	0	0	0	0	0
General Sessions Court Clerk	41,237	0	0	0	0	0
Clerk and Master	58,392	0	0	0	0	0
Register	61,553	0	0	0	0	0
Sheriff	6,725	0	0	0	0	0
Trustee	214,284	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 568,806</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 10,193	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	14,286	0	0	0	0	0
Other Public Safety Grants	7,500	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	44,683	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	27,546	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	10,818	0	0	0	0	0
Alcoholic Beverage Tax	45,460	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	66,837	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 387,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - Telecommunications	7,602	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	5,865	0	0	0	0	0
Contracted Prisoner Boarding	126,567	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	11,373	0	0	0	0	0
Other State Grants	49,617	0	0	0	0	0
Other State Revenues	189,256	11,714	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 1,024,599</b>	<b>\$ 11,714</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 234,054	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #1	0	0	0	0	2,382,915	0
Other Federal through State	106,966	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	50,000	0	0	0	0	0
<b>Total Federal Government</b>	<b>\$ 391,020</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,382,915</b>	<b>\$ 0</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	500	0	0	48,000	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Sports and Recreation	American Rescue Plan Act Grant	Constitutional Officers - Fees
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 70	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>						
Other	0	0	0	25,000	0	0
Opioid Settlement Funds - Past Remediation	30,353	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 30,923</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 7,943,150</u>	<u>\$ 873,662</u>	<u>\$ 10,044</u>	<u>\$ 95,195</u>	<u>\$ 2,384,225</u>	<u>\$ 50</u>

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 69,910	\$ 0	\$ 0	\$ 2,788,854
Trustee's Collections - Prior Year	1,609	0	0	39,362
Trustee's Collections - Bankruptcy	26	0	0	26
Circuit Clerk/Clerk and Master Collections - Prior Years	1,028	0	0	36,082
Interest and Penalty	313	0	0	42,198
Payments in-Lieu-of Taxes - T.V.A.	225	0	0	8,437
Payments in-Lieu-of Taxes - Local Utilities	6,578	0	0	262,891
Payments in-Lieu-of Taxes - Other	0	0	0	10,802
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	1,649,438
Hotel/Motel Tax	0	0	0	65,436
Wheel Tax	0	318,354	0	762,573
Litigation Tax - Special Purpose	0	0	0	2,330
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	40,401
Litigation Tax - Victim-Offender Mediation Center	0	0	0	1,012
Business Tax	3,049	0	0	120,594
Mixed Drink Tax	0	0	0	3,184
<u>Statutory Local Taxes</u>				
Bank Excise Tax	1,386	0	0	55,379
Wholesale Beer Tax	0	0	0	30,008
<b>Total Local Taxes</b>	<b>\$ 84,124</b>	<b>\$ 318,354</b>	<b>\$ 0</b>	<b>\$ 5,919,007</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 547

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits	0	0	0	1,683
Total Licenses and Permits	0	0	0	2,230
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	0	0	0	2,007
Officers Costs	0	0	0	4,499
Data Entry Fee - Circuit Court	0	0	0	604
<u>Criminal Court</u>				
Drug Court Fees	0	0	0	1,762
DUI Treatment Fines	0	0	0	110
<u>General Sessions Court</u>				
Fines	0	0	0	9,883
Fines for Littering	0	0	0	10
Officers Costs	0	0	0	8,922
Game and Fish Fines	0	0	0	62
Drug Control Fines	0	0	0	3,491
Drug Court Fees	0	0	0	677
Jail Fees	0	0	0	7,480
DUI Treatment Fines	0	0	0	570
Data Entry Fee - General Sessions Court	0	0	0	2,063
Courtroom Security Fee	0	0	0	59
<u>Juvenile Court</u>				
Fines	0	0	0	204

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	2,845
Data Entry Fee - Chancery Court	0	0	0	1,814
Courtroom Security Fee	0	0	0	504
<u>Other Fines, Forfeitures, and Penalties</u>				
Other Fines, Forfeitures, and Penalties	0	0	0	12,253
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 59,819</b>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	151,454
Residential Waste Collection Charge	0	0	0	514,955
Transfer Waste Stations Collection Charge	0	0	0	4,628
Tipping Fees	0	0	0	76,143
Solid Waste Disposal Fee	0	0	0	1,574
Surcharge - Waste Tire Disposal	0	0	0	10,694
Work Release Charges for Board	0	0	0	21,950
<u>Fees</u>				
Airport Fees	0	0	0	14,029
Recreation Fees	0	0	0	22,345
Copy Fees	0	0	0	174
Library Fees	0	0	0	4,820
Archives and Records Management Fee	0	0	0	13,442
Greenbelt Late Application Fee	7	0	0	274
Telephone Commissions	0	0	0	7,867
Tourism Fees	0	0	0	840

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 50
Data Processing Fee - Register	0	0	0	4,524
Data Processing Fee - Sheriff	0	0	0	1,190
Sexual Offender Registration Fee - Sheriff	0	0	0	1,500
Data Processing Fee - County Clerk	0	0	0	12,440
Vehicle Registration Reinstatement Fees	0	0	0	715
<b>Total Charges for Current Services</b>	<b>\$ 7</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 865,608</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 16,193	\$ 138,518
Lease/Rentals	0	0	0	118,374
Commissary Sales	0	0	0	39,751
Sale of Gasoline	0	0	0	14,892
Sale of Recycled Materials	4,851	0	0	49,530
Retirees' Insurance Payments	5,892	0	0	5,892
Miscellaneous Refunds	2,032	0	0	7,727
<u>Nonrecurring Items</u>				
Sale of Equipment	111,215	0	0	133,616
Sale of Property	0	0	0	5,153
Damages Recovered from Individuals	0	0	0	1,600
Contributions and Gifts	149	0	0	4,224
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	225
<b>Total Other Local Revenues</b>	<b>\$ 124,139</b>	<b>\$ 0</b>	<b>\$ 16,193</b>	<b>\$ 519,502</b>

(Continued)

Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 151,312
Circuit Court Clerk	0	0	0	35,303
General Sessions Court Clerk	0	0	0	41,237
Clerk and Master	0	0	0	58,392
Register	0	0	0	61,553
Sheriff	0	0	0	6,725
Trustee	0	0	0	214,284
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 568,806</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	10,193
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	14,286
Other Public Safety Grants	0	0	0	7,500
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	0	0	0	44,683
<u>Public Works Grants</u>				
State Aid Program	214,297	0	0	214,297
Litter Program	0	0	0	27,546
<u>Other State Revenues</u>				
Beer Tax	0	0	0	19,200
Vehicle Certificate of Title Fees	0	0	0	10,818
Alcoholic Beverage Tax	0	0	0	45,460
Opioid Settlement Funds - TN Abatement Council	0	0	0	66,837

(Continued)



Exhibit I-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
State Revenue Sharing - T.V.A.	\$ 32,000	\$ 0	\$ 0	\$ 419,796
State Revenue Sharing - Telecommunications	0	0	0	7,602
State Shared Sports Gaming Privilege Tax	0	2,188	0	8,053
Contracted Prisoner Boarding	0	0	0	126,567
Gasoline and Motor Fuel Tax	2,067,459	0	0	2,067,459
Petroleum Special Tax	8,337	0	0	8,337
Registrar's Salary Supplement	0	0	0	11,373
Other State Grants	0	0	0	49,617
Other State Revenues	0	0	0	200,970
Total State of Tennessee	<u>\$ 2,322,093</u>	<u>\$ 2,188</u>	<u>\$ 0</u>	<u>\$ 3,360,594</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 0	\$ 234,054
American Rescue Plan Act Grant #1	0	0	0	2,382,915
Other Federal through State	0	0	0	106,966
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	50,000
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,773,935</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Paving and Maintenance	\$ 17,759	\$ 0	\$ 0	\$ 17,759
Contributions	0	1,825	0	50,325

(Continued)

Exhibit I-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups (Cont.)</u>				
<u>Citizens Groups</u>				
Donations	\$ 0	\$ 0	\$ 0	\$ 70
<u>Other</u>				
Other	0	0	0	25,000
Opioid Settlement Funds - Past Remediation	0	0	0	30,353
Total Other Governments and Citizens Groups	<u>\$ 17,759</u>	<u>\$ 1,825</u>	<u>\$ 0</u>	<u>\$ 123,507</u>
Total	<u>\$ 2,548,122</u>	<u>\$ 322,367</u>	<u>\$ 16,193</u>	<u>\$ 14,193,008</u>

Exhibit I-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,281,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,281,153
Trustee's Collections - Prior Year	31,918	0	0	0	0	31,918
Trustee's Collections - Bankruptcy	468	0	0	0	0	468
Circuit Clerk/Clerk and Master Collections - Prior Years	18,872	0	0	0	0	18,872
Interest and Penalty	5,752	0	0	0	0	5,752
Payments in-Lieu-of Taxes - T.V.A.	4,139	0	0	0	0	4,139
Payments in-Lieu-of Taxes - Local Utilities	120,774	0	0	0	0	120,774
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,420,811	0	0	0	329,164	3,749,975
Business Tax	55,449	0	0	0	0	55,449
<u>Statutory Local Taxes</u>						
Bank Excise Tax	25,967	0	0	0	0	25,967
<b>Total Local Taxes</b>	<b>\$ 4,965,303</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 329,164</b>	<b>\$ 5,294,467</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 456	\$ 0	\$ 0	\$ 0	\$ 0	\$ 456
<b>Total Licenses and Permits</b>	<b>\$ 456</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 456</b>
<u>Charges for Current Services</u>						
<u>Fees</u>						
Greenbelt Late Application Fee	\$ 6,189	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,189
<u>Education Charges</u>						
Lunch Payments - Children	0	0	124,928	0	0	124,928

(Continued)

Exhibit I-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 14,128	\$ 0	\$ 0	\$ 14,128
Income from Breakfast	0	0	292	0	0	292
A la Carte Sales	0	0	74,016	0	0	74,016
School Based Health Services - FFS	42,691	0	0	0	0	42,691
Receipts from Individual Schools	11,430	0	0	0	0	11,430
TBI Criminal Background Fee	1,623	0	78	0	0	1,701
<b>Total Charges for Current Services</b>	<b>\$ 61,933</b>	<b>\$ 0</b>	<b>\$ 213,442</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 275,375</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 73,737	\$ 0	\$ 4,680	\$ 0	\$ 0	\$ 78,417
Lease/Rentals	6,208	0	0	0	0	6,208
Sale of Recycled Materials	131	0	0	0	0	131
Miscellaneous Refunds	30,862	0	0	0	0	30,862
<u>Nonrecurring Items</u>						
Sale of Equipment	18,767	0	0	0	0	18,767
Damages Recovered from Individuals	100	0	0	0	0	100
Contributions and Gifts	8,261	0	0	0	0	8,261
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	583,275	0	583,275
<b>Total Other Local Revenues</b>	<b>\$ 138,066</b>	<b>\$ 0</b>	<b>\$ 4,680</b>	<b>\$ 583,275</b>	<b>\$ 0</b>	<b>\$ 726,021</b>

(Continued)

Exhibit I-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 40,840	\$ 0	\$ 0	\$ 0	\$ 0	40,840
<u>State Education Funds</u>						
Basic Education Program	10,495,185	0	0	0	0	10,495,185
Early Childhood Education	380,296	0	0	0	0	380,296
School Food Service	0	0	9,880	0	0	9,880
Driver Education	4,142	0	0	0	0	4,142
Other State Education Funds	123,531	0	0	0	0	123,531
Coordinated School Health	90,000	0	0	0	0	90,000
Family Resource Centers	29,612	0	0	0	0	29,612
Career Ladder Program	25,338	0	0	0	0	25,338
Other Vocational	139,357	0	0	0	0	139,357
<u>Other State Revenues</u>						
State Revenue Sharing - Telecommunications	6,167	0	0	0	0	6,167
Safe Schools	37,630	0	0	0	0	37,630
<b>Total State of Tennessee</b>	<b>\$ 11,372,098</b>	<b>\$ 0</b>	<b>\$ 9,880</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>11,381,978</b>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 662,094	\$ 0	\$ 0	662,094
USDA - Commodities	0	0	108,573	0	0	108,573
Breakfast	0	0	364,381	0	0	364,381
USDA - Other	0	0	628	0	0	628
Vocational Education - Basic Grants to States	0	104,812	0	0	0	104,812
Title I Grants to Local Education Agencies	0	635,502	0	0	0	635,502

(Continued)

Exhibit I-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education - Grants to States	\$ 0	\$ 427,896	\$ 0	\$ 0	\$ 0	427,896
Special Education Preschool Grants	0	24,104	0	0	0	24,104
Rural Education	0	16,295	0	0	0	16,295
Eisenhower Professional Development State Grants	0	66,092	0	0	0	66,092
COVID-19 Grant B	0	370,299	0	0	0	370,299
American Rescue Plan Act Grant #1	0	936,706	0	0	0	936,706
American Rescue Plan Act Grant #2	0	42,572	0	0	0	42,572
American Rescue Plan Act Grant #3	0	2,829	0	0	0	2,829
Other Federal through State	0	305,668	0	0	0	305,668
Total Federal Government	\$ 0	\$ 2,932,775	\$ 1,135,676	\$ 0	\$ 0	4,068,451
<u>Other Governments and Citizens Groups</u>						
<u>Other</u>						
Other	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Total Other Governments and Citizens Groups	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Total	\$ 16,547,856	\$ 2,932,775	\$ 1,363,678	\$ 583,275	\$ 329,164	21,756,748

Exhibit I-7

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

General Fund

General Government

County Commission

County Official/Administrative Officer	\$	6,000	
Secretary to Board		8,485	
Board and Committee Members Fees		21,300	
Audit Services		5,284	
Dues and Memberships		2,211	
Legal Notices, Recording, and Court Costs		2,791	
Printing, Stationery, and Forms		1,023	
Travel		1,785	
Food Supplies		618	
Office Supplies		2,195	
Total County Commission			\$ 51,692

Board of Equalization

Board and Committee Members Fees	\$	450	
Total Board of Equalization			450

County Mayor/Executive

County Official/Administrative Officer	\$	101,468	
Accountants/Bookkeepers		38,581	
Purchasing Personnel		31,826	
Part-time Personnel		2,725	
Other Salaries and Wages		2,400	
Consultants		7,680	
Data Processing Services		21,236	
Dues and Memberships		1,650	
Legal Notices, Recording, and Court Costs		490	
Printing, Stationery, and Forms		2,203	
Travel		4,852	
Food Supplies		552	
Office Supplies		3,837	
Total County Mayor/Executive			219,500

County Attorney

Contracts with Private Agencies	\$	6,000	
Legal Services		1,623	
Total County Attorney			7,623

Election Commission

County Official/Administrative Officer	\$	74,156	
Part-time Personnel		36,579	
Election Commission		8,600	
Election Workers		19,135	
Data Processing Services		9,137	
Legal Notices, Recording, and Court Costs		2,970	
Postal Charges		231	
Printing, Stationery, and Forms		1,564	
Rentals		1,000	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Contracted Services	\$	3,983	
Food Supplies		429	
Office Supplies		4,933	
Other Supplies and Materials		794	
Total Election Commission			\$ 163,511

Register of Deeds

County Official/Administrative Officer	\$	82,396	
Secretary(ies)		29,771	
Data Processing Services		5,502	
Dues and Memberships		1,000	
Printing, Stationery, and Forms		1,500	
Office Supplies		2,194	
Total Register of Deeds			122,363

Geographical Information Systems

Data Processing Personnel	\$	35,114	
Salary Supplements		1,000	
Dues and Memberships		410	
Office Supplies		100	
Office Equipment		1,127	
Total Geographical Information Systems			37,751

County Buildings

Supervisor/Director	\$	43,680	
Guards		26,126	
Custodial Personnel		28,960	
Maintenance Personnel		65,610	
Part-time Personnel		5,798	
Communication		26,214	
Lease Payments		3,868	
Legal Notices, Recording, and Court Costs		165	
Maintenance and Repair Services - Buildings		8,369	
Maintenance and Repair Services - Equipment		9,506	
Medical and Dental Services		60	
Pest Control		330	
Postal Charges		18,292	
Printing, Stationery, and Forms		10	
Travel		231	
Disposal Fees		560	
Permits		55	
Other Contracted Services		4,141	
Custodial Supplies		2,694	
Food Supplies		4,098	
Gasoline		5,174	
Ice		1,404	
Office Supplies		1,024	

(Continued)



Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Propane Gas	\$	70	
Tires and Tubes		10	
Uniforms		40	
Utilities		26,906	
Other Charges		2,611	
Building Improvements		1,010	
Maintenance Equipment		2,835	
Office Equipment		50	
Disabilities Act Improvements		1,355	
Total County Buildings			\$ 291,256

Other Facilities

Communication	\$	3,630	
Legal Notices, Recording, and Court Costs		45	
Maintenance Agreements		600	
Maintenance and Repair Services - Buildings		4,716	
Pest Control		670	
Other Contracted Services		350	
Custodial Supplies		1,172	
Utilities		10,182	
Total Other Facilities			21,365

Other General Administration

Part-time Personnel	\$	12,627	
Communication		20,370	
Maintenance Agreements		1,532	
Maintenance and Repair Services - Buildings		13,649	
Pest Control		1,105	
Disposal Fees		240	
Custodial Supplies		1,291	
Utilities		16,810	
Other Charges		2,099	
Heating and Air Conditioning Equipment		15,633	
Total Other General Administration			85,356

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	82,396	
Assistant(s)		28,200	
Audit Services		5,650	
Data Processing Services		8,284	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		454	
Maintenance and Repair Services - Equipment		200	
Medical and Dental Services		30	
Gasoline		303	
Office Supplies		484	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Premiums on Corporate Surety Bonds	\$	100	
Motor Vehicles		28,012	
Office Equipment		1,083	
Total Property Assessor's Office	\$		156,246

Reappraisal Program

Assistant(s)	\$	28,507	
Data Processing Services		486	
Travel		170	
Office Supplies		302	
Total Reappraisal Program			29,465

County Trustee's Office

County Official/Administrative Officer	\$	82,396	
Data Processing Personnel		29,916	
Secretary(ies)		18,613	
Data Processing Services		11,985	
Dues and Memberships		645	
Legal Notices, Recording, and Court Costs		155	
Printing, Stationery, and Forms		707	
Other Contracted Services		3,241	
Office Supplies		510	
Premiums on Corporate Surety Bonds		1,653	
Total County Trustee's Office			149,821

County Clerk's Office

County Official/Administrative Officer	\$	82,396	
Data Processing Personnel		24,853	
Secretary(ies)		30,582	
Part-time Personnel		1,066	
Board and Committee Members Fees		415	
Data Processing Services		11,730	
Dues and Memberships		745	
Legal Notices, Recording, and Court Costs		229	
Maintenance and Repair Services - Office Equipment		412	
Printing, Stationery, and Forms		384	
Travel		43	
Office Supplies		438	
Periodicals		300	
Total County Clerk's Office			153,593

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,396	
Other Salaries and Wages		4,150	
Jury and Witness Expense		2,510	
Data Processing Services		10,500	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$	820	
Legal Notices, Recording, and Court Costs		480	
Printing, Stationery, and Forms		1,172	
Office Supplies		694	
Total Circuit Court			\$ 102,722

General Sessions Judge

Judge(s)	\$	104,557	
Guidance Personnel		2,500	
Secretary(ies)		2,336	
Dues and Memberships		150	
Travel		1,112	
Office Supplies		35	
Total General Sessions Judge			110,690

General Sessions Court Clerk

Data Processing Personnel	\$	58,020	
Secretary(ies)		29,010	
Data Processing Services		5,062	
Lease Payments		2,723	
Printing, Stationery, and Forms		1,685	
Other Contracted Services		406	
Office Supplies		692	
Total General Sessions Court Clerk			97,598

Chancery Court

County Official/Administrative Officer	\$	82,396	
Secretary(ies)		31,352	
In-service Training		275	
Data Processing Services		7,500	
Dues and Memberships		665	
Lease Payments		1,710	
Legal Notices, Recording, and Court Costs		250	
Printing, Stationery, and Forms		811	
Other Contracted Services		528	
Data Processing Supplies		374	
Office Supplies		1,363	
Periodicals		450	
Total Chancery Court			127,674

Judicial Commissioners

Supervisor/Director	\$	16,370	
Youth Service Officer(s)		10,379	
Part-time Personnel		28,171	
Dues and Memberships		100	
Office Supplies		372	
Total Judicial Commissioners			55,392

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,636	
Deputy(ies)		327,859	
Investigator(s)		44,554	
Captain(s)		98,676	
Lieutenant(s)		46,014	
Sergeant(s)		131,352	
Guidance Personnel		40,997	
Salary Supplements		12,800	
Guards		37,440	
Secretary(ies)		18,597	
Part-time Personnel		16,795	
Other Salaries and Wages		24,700	
In-service Training		1,723	
Advertising		329	
Communication		11,835	
Contracts with Government Agencies		400	
Contracts with Private Agencies		854	
Dues and Memberships		2,558	
Evaluation and Testing		400	
Lease Payments		3,028	
Licenses		88	
Maintenance and Repair Services - Buildings		26,892	
Maintenance and Repair Services - Equipment		2,014	
Maintenance and Repair Services - Vehicles		29,261	
Printing, Stationery, and Forms		1,053	
Towing Services		385	
Travel		2,502	
Other Contracted Services		3,500	
Gasoline		70,514	
Ice		229	
Office Supplies		12,917	
Tires and Tubes		4,896	
Uniforms		6,588	
Utilities		468	
Vehicle Parts		53	
Liability Claims		200	
In Service/Staff Development		16,991	
Other Charges		1,458	
Law Enforcement Equipment		9,589	
Motor Vehicles		80,806	
Total Sheriff's Department			\$ 1,181,951

Drug Enforcement

Other Salaries and Wages	\$	4,745	
Veterinary Services		415	
Food Supplies		1,098	
Other Charges		593	
Law Enforcement Equipment		5,229	
Total Drug Enforcement			12,080

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

County Official/Administrative Officer	\$	6,000	
Supervisor/Director		95,412	
Captain(s)		40,704	
Lieutenant(s)		30,403	
Sergeant(s)		79,218	
Guidance Personnel		60,885	
Guards		487,231	
Secretary(ies)		37,629	
Maintenance Personnel		36,138	
Part-time Personnel		984	
Other Salaries and Wages		45,526	
In-service Training		70	
Communication		1,865	
Contracts with Government Agencies		92,004	
Contracts with Private Agencies		10,244	
Contracts with Public Carriers		592	
Dues and Memberships		470	
Lease Payments		3,435	
Legal Notices, Recording, and Court Costs		52	
Maintenance Agreements		27,952	
Maintenance and Repair Services - Buildings		21,646	
Maintenance and Repair Services - Equipment		4,766	
Maintenance and Repair Services - Vehicles		8,211	
Medical and Dental Services		406,460	
Pest Control		1,650	
Printing, Stationery, and Forms		226	
Travel		3,950	
Disposal Fees		560	
Other Contracted Services		955	
Custodial Supplies		15,096	
Diesel Fuel		720	
Drugs and Medical Supplies		1,264	
Food Supplies		160,506	
Gasoline		12,219	
Ice		1,252	
Office Supplies		2,863	
Prisoners Clothing		3,803	
Tires and Tubes		2,437	
Uniforms		4,760	
Utilities		63,567	
Vehicle Parts		2,330	
Other Charges		506	
Heating and Air Conditioning Equipment		735	
Law Enforcement Equipment		15,680	
Maintenance Equipment		1,126	
Total Jail			\$ 1,794,102

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements

Maintenance and Repair Services - Buildings	\$	7,609	
Law Enforcement Equipment		2,143	
Total Correctional Incentive Program Improvements			\$ 9,752

Fire Prevention and Control

Other Salaries and Wages	\$	11,000	
Contracts with Private Agencies		19,000	
Legal Notices, Recording, and Court Costs		40	
Utilities		14,918	
Total Fire Prevention and Control			44,958

Civil Defense

Supervisor/Director	\$	22,162	
Dispatchers/Radio Operators		144,000	
Communication		4,022	
Legal Notices, Recording, and Court Costs		1,787	
Maintenance Agreements		1,884	
Maintenance and Repair Services - Equipment		1,437	
Maintenance and Repair Services - Vehicles		4,868	
Matching Share		11,860	
Other Contracted Services		6,831	
Gasoline		1,464	
Office Supplies		1,121	
Tires and Tubes		525	
Utilities		2,175	
Motor Vehicles		28,988	
Total Civil Defense			233,124

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	2,309	
Medical and Dental Services		11,907	
Total County Coroner/Medical Examiner			14,216

Public Safety Grants Program

Contracts with Private Agencies	\$	6,812	
Maintenance and Repair Services - Buildings		107,355	
Maintenance and Repair Services - Equipment		37,492	
Travel		1,145	
Office Supplies		39,713	
Total Public Safety Grants Program			192,517

Other Public Safety

School Resource Officer	\$	126,100	
Total Other Public Safety			126,100

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	3,500	
Communication		2,881	
Contributions		10,837	
Maintenance and Repair Services - Buildings		300	
Other Contracted Services		399	
Custodial Supplies		119	
Office Supplies		481	
Periodicals		200	
Utilities		9,909	
Other Charges		1,016	
Total Local Health Center			\$ 29,642

Rabies and Animal Control

Other Contracted Services	\$	1,200	
Animal Food and Supplies		1,236	
Gasoline		1,146	
Utilities		1,800	
Total Rabies and Animal Control			5,382

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	142,800	
Total Ambulance/Emergency Medical Services			142,800

Regional Mental Health Center

Contributions	\$	9,000	
Total Regional Mental Health Center			9,000

Other Local Welfare Services

Medical Personnel	\$	23,908	
Travel		35	
Other Charges		116	
Total Other Local Welfare Services			24,059

Sanitation Education/Information

Other Salaries and Wages	\$	39,793	
Maintenance and Repair Services - Equipment		156	
Food Supplies		486	
Gasoline		350	
Instructional Supplies and Materials		3,978	
Other Charges		7,010	
Total Sanitation Education/Information			51,773

Transfer Stations

Utilities	\$	92	
Total Transfer Stations			92

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Law Enforcement Equipment	\$	5,144	
Motor Vehicles		39,000	
Total Other Public Health and Welfare			\$ 44,144

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	6,000	
Total Senior Citizens Assistance			6,000

Libraries

Assistant(s)	\$	27,846	
Supervisor/Director		38,235	
Part-time Personnel		26,231	
Communication		5,769	
Dues and Memberships		835	
Maintenance and Repair Services - Buildings		1,671	
Maintenance and Repair Services - Equipment		75	
Medical and Dental Services		60	
Pest Control		400	
Travel		2,235	
Disposal Fees		240	
Other Contracted Services		4,642	
Ice		437	
Library Books/Media		13,782	
Office Supplies		1,662	
Periodicals		1,426	
Utilities		6,727	
Other Charges		3,250	
Office Equipment		1,135	
Total Libraries			136,658

Parks and Fair Boards

Other Contracted Services	\$	4,100	
Office Supplies		686	
Total Parks and Fair Boards			4,786

Other Social, Cultural, and Recreational

Consultants	\$	1,750	
Total Other Social, Cultural, and Recreational			1,750

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	69,248	
Board and Committee Members Fees		1,100	
Communication		924	
Dues and Memberships		415	
Travel		3,000	
Office Supplies		596	
Total Agricultural Extension Service			75,283

(Continued)



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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Other Salaries and Wages	\$	37,809	
Contributions		18,000	
Total Soil Conservation			\$ 55,809

Other Agriculture and Natural Resources

Printing, Stationery, and Forms	\$	660	
Total Other Agriculture and Natural Resources			660

Other Operations

Housing and Urban Development

Contracts with Private Agencies	\$	208,000	
Other Contracted Services		27,000	
Other Charges		86	
Total Housing and Urban Development			235,086

Other Economic and Community Development

Contracts with Private Agencies	\$	18,000	
Dues and Memberships		3,740	
Legal Notices, Recording, and Court Costs		274	
Maintenance and Repair Services - Buildings		395	
Travel		552	
Other Contracted Services		410	
Food Supplies		1,033	
Other Charges		1,776	
Site Development		46,896	
Total Other Economic and Community Development			73,076

Airport

Part-time Personnel	\$	17,408	
Advertising		50	
Communication		1,574	
Engineering Services		52,279	
Legal Notices, Recording, and Court Costs		80	
Maintenance and Repair Services - Buildings		16,304	
Maintenance and Repair Services - Equipment		20,355	
Pest Control		479	
Printing, Stationery, and Forms		45	
Disposal Fees		240	
Custodial Supplies		300	
Diesel Fuel		1,185	
Gasoline		24,663	
Office Supplies		525	
Utilities		8,695	
Excess Risk Insurance		1,687	
Maintenance Equipment		1,225	
Office Equipment		455	
Total Airport			147,549

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

County Official/Administrative Officer	\$	13,109	
Advertising		200	
Communication		989	
Legal Notices, Recording, and Court Costs		29	
Travel		1,271	
Food Supplies		618	
Gasoline		58	
Library Books/Media		449	
Office Supplies		66	
Utilities		620	
Other Charges		581	
Office Equipment		228	
Total Veterans' Services			\$ 18,218

Employee Benefits

Social Security	\$	262,144	
Pensions		200,254	
Employee and Dependent Insurance		217,890	
Life Insurance		4,853	
Unemployment Compensation		13,979	
Workers' Compensation Insurance		55,411	
Total Employee Benefits			754,531

COVID-19 Grant #10

Maintenance and Repair Services - Buildings	\$	42,632	
Custodial Supplies		14,761	
Office Supplies		304	
Motor Vehicles		62,367	
Total COVID-19 Grant #10			120,064

Miscellaneous

Contributions	\$	9,925	
Liability Insurance		138,874	
Premiums on Corporate Surety Bonds		150	
Refunds		1,000	
Trustee's Commission		95,324	
Fines, Assessments, and Penalties		21,537	
Other Charges		10,110	
Total Miscellaneous			<u>276,920</u>

Total General Fund \$ 7,806,150

Solid Waste/Sanitation Fund

Public Health and Welfare

Transfer Stations

Supervisor/Director	\$	40,083	
Equipment Operators		32,476	

(Continued)

Exhibit I-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Secretary(ies)	\$	49,559	
Clerical Personnel		37,572	
Attendants		62,798	
Part-time Personnel		37,834	
Communication		978	
Contracts with Other Public Agencies		46,248	
Contracts with Private Agencies		381,247	
Data Processing Services		1,500	
Dues and Memberships		3,000	
Legal Notices, Recording, and Court Costs		884	
Maintenance and Repair Services - Buildings		15,635	
Maintenance and Repair Services - Equipment		44,192	
Medical and Dental Services		135	
Postal Charges		3,100	
Printing, Stationery, and Forms		2,747	
Travel		824	
Permits		4,650	
Other Contracted Services		3,750	
Crushed Stone		936	
Custodial Supplies		56	
Diesel Fuel		11,642	
Food Supplies		1,026	
Gasoline		14,030	
Office Supplies		1,975	
Tires and Tubes		1,496	
Uniforms		3,677	
Utilities		6,104	
Other Supplies and Materials		2,242	
Refunds		2,696	
Other Charges		829	
Maintenance Equipment		13,437	
Motor Vehicles		17,947	
Office Equipment		129	
Site Development		1,800	
Solid Waste Equipment		5,710	
Total Transfer Stations			\$ 854,944

Other Operations

Employee Benefits

Social Security	\$	19,614	
Pensions		11,333	
Employee and Dependent Insurance		14,541	
Life Insurance		85	
Unemployment Compensation		935	
Workers' Compensation Insurance		3,727	
Total Employee Benefits			50,235

(Continued)

Exhibit I-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Liability Insurance	\$	6,000	
Trustee's Commission		8,799	
Total Miscellaneous			\$ 14,799

Total Solid Waste/Sanitation Fund \$ 919,978

Drug Control Fund

Public Safety

Drug Enforcement

Other Charges	\$	1,000	
Total Drug Enforcement			\$ 1,000

Other Operations

Miscellaneous

Trustee's Commission	\$	39	
Total Miscellaneous			39

Total Drug Control Fund 1,039

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Supervisor/Director	\$	38,551	
Temporary Personnel		21,166	
Part-time Personnel		22,737	
Communication		4,216	
Data Processing Services		400	
Legal Notices, Recording, and Court Costs		34	
Maintenance and Repair Services - Buildings		2,043	
Maintenance and Repair Services - Equipment		745	
Medical and Dental Services		300	
Disposal Fees		576	
Permits		340	
Other Contracted Services		2,800	
Custodial Supplies		1,412	
Diesel Fuel		578	
Fertilizer, Lime, and Seed		345	
Food Supplies		2,475	
Gasoline		165	
Office Supplies		481	
Tires and Tubes		121	
Uniforms		480	
Utilities		38,678	
Chemicals		1,284	
Refunds		200	
Building Improvements		5,743	
Maintenance Equipment		4,359	
Office Equipment		85	
Total Parks and Fair Boards			\$ 150,314

(Continued)

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

Sports and Recreation Fund (Cont.)

Other Operations

Employee Benefits

Social Security	\$	6,308	
Pensions		1,816	
Life Insurance		58	
Unemployment Compensation		371	
Workers' Compensation Insurance		3,741	
Total Employee Benefits			\$ 12,294

Miscellaneous

Liability Insurance	\$	8,000	
Trustee's Commission		266	
Total Miscellaneous			8,266

Capital Projects

Social, Cultural, and Recreation Projects

Legal Notices, Recording, and Court Costs	\$	17	
Other Contracted Services		500	
Other Charges		234	
Maintenance Equipment		234	
Other Construction		24,311	
Total Social, Cultural, and Recreation Projects			25,296

Total Sports and Recreation Fund \$ 196,170

American Rescue Plan Act Grant Fund

General Government

County Commission

Office Equipment	\$	10,013	
Total County Commission			\$ 10,013

County Buildings

Communication	\$	4,532	
Maintenance and Repair Services - Buildings		97,916	
Building Improvements		3,269	
Communication Equipment		9,606	
Office Equipment		2,000	
Total County Buildings			117,323

Other Facilities

Maintenance and Repair Services - Buildings	\$	10,201	
Total Other Facilities			10,201

Public Safety

Jail

Towing Services	\$	4,808	
Total Jail			4,808

(Continued)

Exhibit I-7

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

American Rescue Plan Act Grant Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Contributions	\$ 10,462	
Total Fire Prevention and Control		\$ 10,462

Public Health and Welfare

Rabies and Animal Control

Contributions	\$ 15,000	
Total Rabies and Animal Control		15,000

Transfer Stations

Maintenance and Repair Services - Buildings	\$ 3,955	
Office Supplies	10,516	
Solid Waste Equipment	48,875	
Total Transfer Stations		63,346

Social, Cultural, and Recreational Services

Libraries

Maintenance and Repair Services - Equipment	\$ 15,756	
Total Libraries		15,756

Other Operations

Miscellaneous

Trustee's Commission	\$ 2	
Maintenance Equipment	11,600	
Total Miscellaneous		11,602

Total American Rescue Plan Act Grant Fund		\$ 258,511
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Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 50	
Total Circuit Court		\$ 50

Total Constitutional Officers - Fees Fund		50
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 90,636
Secretary(ies)	36,159
Board and Committee Members Fees	1,200
Advertising	1,965
Communication	5,234
Contributions	1,000
Dues and Memberships	2,704
Licenses	94
Maintenance and Repair Services - Buildings	6,979

(Continued)

Exhibit I-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Postal Charges	\$	183	
Printing, Stationery, and Forms		117	
Rentals		1,063	
Other Contracted Services		13,426	
Custodial Supplies		4,971	
Data Processing Supplies		200	
Electricity		5,125	
Food Supplies		484	
Natural Gas		467	
Office Supplies		328	
Water and Sewer		1,391	
Other Supplies and Materials		1,448	
Office Equipment		2,310	
Total Administration			\$ 177,484

Highway and Bridge Maintenance

Foremen	\$	31,532	
Equipment Operators		139,290	
Equipment Operators - Light		120,789	
Truck Drivers		127,699	
Laborers		146,761	
Freight Expenses		192	
Rentals		6,660	
Other Contracted Services		75,312	
Asphalt - Cold Mix		2,675	
Asphalt - Liquid		272,194	
Concrete		9,370	
Crushed Stone		127,814	
Pipe		7,265	
Road Signs		2,969	
Gravel and Chert		6,052	
Other Supplies and Materials		4,342	
Total Highway and Bridge Maintenance			1,080,916

Operation and Maintenance of Equipment

Foremen	\$	40,316	
Mechanic(s)		39,322	
Freight Expenses		919	
Other Contracted Services		17,005	
Diesel Fuel		113,696	
Equipment and Machinery Parts		92,560	
Garage Supplies		25,009	
Gasoline		19,192	
Lubricants		3,453	
Small Tools		1,499	
Tires and Tubes		1,400	
Uniforms		874	
Other Supplies and Materials		16,309	
Total Operation and Maintenance of Equipment			371,554

(Continued)

Exhibit I-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Liability Insurance	\$	24,119	
Trustee's Commission		22,707	
Workers' Compensation Insurance		29,584	
Total Other Charges			\$ 76,410

Employee Benefits

Social Security	\$	46,266	
Pensions		129,424	
Employee and Dependent Insurance		6,227	
Life Insurance		3,630	
Medical Insurance		167,749	
Unemployment Compensation		5,065	
Employer Medicare		10,820	
Other Fringe Benefits		80	
Total Employee Benefits			369,261

Capital Outlay

Engineering Services	\$	27,841	
Matching Share		83,874	
Highway Construction		214,298	
Highway Equipment		315,388	
Other Equipment		255,865	
Other Construction		216,149	
Total Capital Outlay			1,113,415

Principal on Debt

Highways and Streets

Principal on Notes	\$	96,721	
Total Highways and Streets			96,721

Total Highway/Public Works Fund \$ 3,285,761

General Debt Service Fund

Other Operations

Miscellaneous

Trustee's Commission	\$	3,511	
Other Charges		370	
Total Miscellaneous			\$ 3,881

Principal on Debt

General Government

Principal on Bonds	\$	180,000	
Principal on Notes		194,131	
Total General Government			374,131

(Continued)



Exhibit I-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	139,162	
Interest on Notes		<u>4,151</u>	
Total General Government			\$ 143,313
 <u>Education</u>			
Interest on Other Loans	\$	<u>1,825</u>	
Total Education			1,825
 <u>Other Debt Service</u>			
<u>General Government</u>			
Other Debt Service	\$	<u>1,250</u>	
Total General Government			<u>1,250</u>
Total General Debt Service Fund			\$ 524,400
 <u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Architects	\$	5,796	
Trustee's Commission		27	
Other Charges		128,694	
Building Construction		2,648,260	
Other Construction		<u>134,871</u>	
Total Public Safety Projects			\$ <u>2,917,648</u>
Total General Capital Projects Fund			<u>2,917,648</u>
Total Governmental Funds - Primary Government			<u>\$ 15,909,707</u>

Exhibit I-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 5,065,575	
Career Ladder Program	15,000	
Homebound Teachers	5,842	
Educational Assistants	83,914	
Other Salaries and Wages	120	
Non-certified Substitute Teachers	88,408	
Social Security	298,594	
Pensions	434,898	
Medical Insurance	607,609	
Dental Insurance	755	
Employer Medicare	70,500	
Tuition	1,800	
Other Contracted Services	2,446	
Instructional Supplies and Materials	74,102	
Textbooks - Bound	117,210	
Software	4,374	
Other Supplies and Materials	1,009	
Fee Waivers	910	
Regular Instruction Equipment	10,277	
Total Regular Instruction Program		\$ 6,883,343

Alternative Instruction Program

Teachers	\$ 57,950	
Other Salaries and Wages	15,010	
Non-certified Substitute Teachers	940	
Social Security	4,310	
Pensions	6,420	
Medical Insurance	8,538	
Employer Medicare	1,008	
Other Contracted Services	74	
Total Alternative Instruction Program		94,250

Special Education Program

Teachers	\$ 732,926	
Career Ladder Program	2,000	
Homebound Teachers	1,685	
Educational Assistants	15,010	
Speech Pathologist	63,385	
Non-certified Substitute Teachers	16,400	
Social Security	46,903	
Pensions	67,220	
Medical Insurance	121,841	
Dental Insurance	76	
Employer Medicare	10,969	
Total Special Education Program		1,078,415

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	300,306	
Career Ladder Program		1,000	
Clerical Personnel		1,000	
Other Salaries and Wages		2,500	
Non-certified Substitute Teachers		5,850	
Social Security		17,433	
Pensions		26,001	
Medical Insurance		36,121	
Employer Medicare		4,095	
Contracts with Other School Systems		5,000	
Instructional Supplies and Materials		7,470	
Other Supplies and Materials		3,393	
Other Charges		138	
Vocational Instruction Equipment		14,776	
Total Career and Technical Education Program	\$		425,083

Student Body Education Program

Other Salaries and Wages	\$	8,645	
Social Security		478	
Pensions		495	
Medical Insurance		12	
Dental Insurance		34	
Employer Medicare		112	
Other Contracted Services		2,000	
Total Student Body Education Program			11,776

Support Services

Attendance

Supervisor/Director	\$	69,723	
Social Security		4,307	
Pensions		6,059	
Medical Insurance		1,335	
Employer Medicare		1,007	
Travel		1,751	
Software		10,718	
In Service/Staff Development		1,500	
Attendance Equipment		1,182	
Total Attendance			97,582

Health Services

Supervisor/Director	\$	70,628	
Other Salaries and Wages		17,097	
Non-certified Substitute Teachers		5,264	
Social Security		5,294	
Pensions		7,714	
Medical Insurance		13,892	

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Employer Medicare	\$	1,238	
Communication		204	
Travel		5,909	
Other Contracted Services		19,000	
Drugs and Medical Supplies		1,730	
Other Supplies and Materials		13,312	
Other Charges		389	
Total Health Services			\$ 161,671

Other Student Support

Guidance Personnel	\$	246,363	
Clerical Personnel		15,757	
Social Security		15,303	
Pensions		22,405	
Medical Insurance		22,432	
Dental Insurance		402	
Employer Medicare		3,579	
Contracts with Government Agencies		108,553	
Evaluation and Testing		3,626	
Other Supplies and Materials		50	
In Service/Staff Development		1,000	
Other Equipment		8,573	
Total Other Student Support			448,043

Regular Instruction Program

Supervisor/Director	\$	252,156	
Career Ladder Program		3,000	
Librarians		246,310	
Instructional Computer Personnel		5,300	
Secretary(ies)		22,566	
Other Salaries and Wages		995	
Non-certified Substitute Teachers		2,550	
Social Security		30,790	
Pensions		45,658	
Medical Insurance		48,898	
Dental Insurance		380	
Employer Medicare		7,203	
Travel		427	
Other Contracted Services		2,400	
Library Books/Media		23,259	
Software		2,480	
In Service/Staff Development		158	
Total Regular Instruction Program			694,530

Special Education Program

Supervisor/Director	\$	79,266	
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(Continued)

Exhibit I-8

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
Psychological Personnel	\$ 58,665	
Social Security	8,369	
Pensions	11,986	
Medical Insurance	9,305	
Employer Medicare	1,957	
Other Contracted Services	31,721	
Total Special Education Program		\$ 201,269
<u>Career and Technical Education Program</u>		
Travel	\$ 250	
Other Charges	57	
Other Equipment	4,491	
Total Career and Technical Education Program		4,798
<u>Technology</u>		
Supervisor/Director	\$ 11,423	
Instructional Computer Personnel	64,656	
Social Security	3,639	
Pensions	5,961	
Medical Insurance	8,068	
Employer Medicare	851	
Communication	471	
Internet Connectivity	25,953	
Cabling	767	
Software	37,254	
In Service/Staff Development	2,332	
Other Equipment	1,459	
Total Technology		162,834
<u>Other Programs</u>		
On-behalf Payments to OPEB	\$ 40,840	
Total Other Programs		40,840
<u>Board of Education</u>		
Secretary to Board	\$ 2,000	
Board and Committee Members Fees	14,850	
Social Security	1,032	
Pensions	184	
Medical Insurance	16,363	
Employer Medicare	241	
Audit Services	6,800	
Dues and Memberships	17,350	
Legal Services	13,500	
Postal Charges	150	
Travel	15,240	
Liability Insurance	29,408	

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Premiums on Corporate Surety Bonds	\$	1,190	
Trustee's Commission		64,669	
Workers' Compensation Insurance		75,455	
In Service/Staff Development		11,890	
Criminal Investigation of Applicants - TBI		3,186	
Refund to Applicant for Criminal Investigation		1,093	
Other Charges		15,123	
Total Board of Education			\$ 289,724

Director of Schools

County Official/Administrative Officer	\$	125,000	
Secretary(ies)		35,301	
Other Per Diem and Fees		3,000	
Social Security		9,905	
Pensions		14,117	
Medical Insurance		17,212	
Employer Medicare		2,316	
Other Fringe Benefits		9,835	
Communication		2,169	
Dues and Memberships		2,064	
Postal Charges		1,193	
Printing, Stationery, and Forms		90	
Travel		2,123	
Other Contracted Services		1,097	
Office Supplies		6,007	
In Service/Staff Development		2,528	
Other Charges		1,007	
Administration Equipment		3,961	
Total Director of Schools			238,925

Office of the Principal

Principals	\$	331,245	
Accountants/Bookkeepers		120,805	
Assistant Principals		130,268	
Secretary(ies)		76,880	
Other Salaries and Wages		3,290	
Social Security		36,422	
Pensions		57,551	
Medical Insurance		125,483	
Employer Medicare		8,543	
Communication		4,574	
Travel		531	
Software		5,700	
In Service/Staff Development		3,152	
Administration Equipment		5,804	
Total Office of the Principal			910,248

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	95,561	
Social Security		5,302	
Pensions		8,113	
Medical Insurance		13,690	
Dental Insurance		312	
Employer Medicare		1,240	
Travel		1,423	
Data Processing Supplies		2,539	
Office Supplies		260	
Software		35,391	
In Service/Staff Development		959	
Administration Equipment		230	
Total Fiscal Services			\$ 165,020

Operation of Plant

Supervisor/Director	\$	55,469	
Custodial Personnel		238,772	
Other Salaries and Wages		19,525	
Social Security		18,430	
Pensions		9,445	
Medical Insurance		40,211	
Employer Medicare		4,310	
Other Contracted Services		17,348	
Custodial Supplies		34,471	
Electricity		335,231	
Natural Gas		53,847	
Water and Sewer		60,277	
Boiler Insurance		1,783	
Building and Contents Insurance		71,394	
Other Charges		13,415	
Plant Operation Equipment		15,648	
Total Operation of Plant			989,576

Maintenance of Plant

Maintenance Personnel	\$	129,129	
Other Salaries and Wages		6,162	
Social Security		6,926	
Pensions		11,906	
Medical Insurance		27,940	
Employer Medicare		1,620	
Communication		3,501	
Laundry Service		2,181	
Other Contracted Services		5,471	
Other Supplies and Materials		37,934	
Maintenance Equipment		2,943	
Total Maintenance of Plant			235,713

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	38,467	
Mechanic(s)		58,389	
Bus Drivers		235,235	
Clerical Personnel		1,500	
Other Salaries and Wages		2,710	
Social Security		18,134	
Pensions		24,420	
Medical Insurance		24,765	
Employer Medicare		4,659	
Communication		2,145	
Contracts with Parents		2,104	
Laundry Service		1,737	
Medical and Dental Services		1,942	
Travel		325	
Other Contracted Services		3,696	
Diesel Fuel		84,099	
Garage Supplies		1,463	
Gasoline		5,852	
Lubricants		3,160	
Tires and Tubes		10,906	
Vehicle Parts		33,574	
Vehicle and Equipment Insurance		17,848	
In Service/Staff Development		1,417	
Other Charges		8,455	
Maintenance Equipment		249	
Transportation Equipment		191,175	
Total Transportation			\$ 778,426

Operation of Non-Instructional Services

Food Service

Other Charges	\$	686	
Total Food Service			686

Community Services

Supervisor/Director	\$	39,262	
Teachers		5,000	
Educational Assistants		50,931	
Other Salaries and Wages		27,300	
Social Security		7,243	
Pensions		9,201	
Medical Insurance		10,401	
Employer Medicare		1,694	
Retirement - Hybrid Stabilization		2	
Postal Charges		104	
Food Supplies		112	
Instructional Supplies and Materials		6,181	

(Continued)



Exhibit I-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Supplies and Materials	\$	7,594	
In Service/Staff Development		893	
Other Charges		10,421	
Other Equipment		1,055	
Total Community Services			\$ 177,394

Early Childhood Education

Supervisor/Director	\$	73,506	
Teachers		196,505	
Career Ladder Program		1,000	
Educational Assistants		65,742	
Non-certified Substitute Teachers		5,660	
Social Security		19,460	
Pensions		28,331	
Medical Insurance		56,518	
Dental Insurance		713	
Employer Medicare		4,551	
Communication		57	
Instructional Supplies and Materials		15,289	
In Service/Staff Development		1,238	
Total Early Childhood Education			468,570

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	500	
Other Contracted Services		25,048	
Building Improvements		223,546	
Total Regular Capital Outlay			249,094

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	1,825	
Total Education			1,825

Total General Purpose School Fund \$ 14,809,635

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	327,539	
Educational Assistants		172,558	
Certified Substitute Teachers		8,656	
Social Security		28,550	
Pensions		43,180	
Medical Insurance		52,338	
Dental Insurance		67	

(Continued)

Exhibit I-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	6,901	
Instructional Supplies and Materials		182,052	
Regular Instruction Equipment		91,829	
Total Regular Instruction Program			\$ 913,670

Special Education Program

Teachers	\$	3,667	
Educational Assistants		203,300	
Speech Pathologist		17,132	
Social Security		13,069	
Pensions		18,672	
Medical Insurance		25,380	
Employer Medicare		3,056	
Instructional Supplies and Materials		29,972	
Other Supplies and Materials		24,452	
Special Education Equipment		23,279	
Total Special Education Program			361,979

Career and Technical Education Program

Other Salaries and Wages	\$	2,400	
Social Security		149	
Pensions		209	
Employer Medicare		35	
Maintenance and Repair Services - Equipment		233	
Instructional Supplies and Materials		22,547	
Other Supplies and Materials		9,902	
Other Charges		1,000	
Vocational Instruction Equipment		41,513	
Total Career and Technical Education Program			77,988

Support Services

Health Services

Medical Personnel	\$	125,928	
Social Security		7,649	
Pensions		10,402	
Medical Insurance		7,474	
Dental Insurance		368	
Employer Medicare		1,789	
Communication		242	
Travel		5,561	
Drugs and Medical Supplies		2,051	
Health Equipment		558	
Total Health Services			162,022

Other Student Support

Other Salaries and Wages	\$	4,010	
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(Continued)

Exhibit I-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	249	
Pensions		316	
Employer Medicare		58	
Travel		7,984	
Other Contracted Services		13,730	
Other Supplies and Materials		40,353	
In Service/Staff Development		74,218	
Other Charges		2,093	
Total Other Student Support	\$		143,011

Regular Instruction Program

Secretary(ies)	\$	4,500	
Clerical Personnel		13,392	
Other Salaries and Wages		124,207	
Non-certified Substitute Teachers		80	
Social Security		7,933	
Pensions		12,118	
Medical Insurance		23,938	
Employer Medicare		1,855	
In Service/Staff Development		30,361	
Other Charges		130	
Other Equipment		2,870	
Total Regular Instruction Program			221,384

Special Education Program

Supervisor/Director	\$	6,365	
Psychological Personnel		9,961	
Assessment Personnel		23,638	
Secretary(ies)		35,453	
Social Security		4,499	
Pensions		6,867	
Medical Insurance		4,893	
Dental Insurance		310	
Employer Medicare		1,052	
Communication		605	
Lease Payments		907	
Other Supplies and Materials		4,754	
In Service/Staff Development		8,839	
Other Equipment		1,699	
Total Special Education Program			109,842

Career and Technical Education Program

Travel	\$	150	
In Service/Staff Development		487	
Total Career and Technical Education Program			637

(Continued)

Exhibit I-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Technology

Instructional Computer Personnel	\$	22,500	
Social Security		1,281	
Pensions		922	
Medical Insurance		4,112	
Employer Medicare		300	
Software		31,988	
Total Technology			\$ 61,103

Office of the Principal

Assistant Principals	\$	62,210	
Social Security		3,256	
Pensions		5,406	
Medical Insurance		12,153	
Employer Medicare		761	
Total Office of the Principal			83,786

Operation of Plant

Custodial Personnel	\$	54,721	
Social Security		3,298	
Medical Insurance		3,555	
Employer Medicare		771	
Plant Operation Equipment		8,670	
Total Operation of Plant			71,015

Maintenance of Plant

Maintenance Personnel	\$	2,961	
Social Security		184	
Employer Medicare		43	
Maintenance and Repair Services - Equipment		98,168	
Total Maintenance of Plant			101,356

Transportation

Bus Drivers	\$	16,184	
Other Salaries and Wages		7,624	
Social Security		1,473	
Pensions		2,195	
Employer Medicare		344	
Total Transportation			27,820

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	177,549	
Plant Operation Equipment		230,000	
Total Regular Capital Outlay			407,549

Total School Federal Projects Fund \$ 2,743,162

(Continued)

Exhibit I-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	47,271	
Clerical Personnel		23,636	
Cafeteria Personnel		388,699	
Other Salaries and Wages		125	
Social Security		27,058	
Pensions		36,794	
Medical Insurance		14,970	
Dental Insurance		9,853	
Employer Medicare		6,328	
Communication		303	
Maintenance and Repair Services - Equipment		10,901	
Transportation - Other than Students		82	
Other Contracted Services		37,365	
Food Preparation Supplies		43,732	
Food Supplies		568,349	
Office Supplies		8,504	
Utilities		18,000	
USDA - Commodities		108,573	
Other Supplies and Materials		482	
In Service/Staff Development		295	
Refund to Applicant for Criminal Investigation		39	
Other Charges		10	
Total Food Service			\$ 1,351,369

Total Central Cafeteria Fund \$ 1,351,369

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	549,397	
Total Community Services			\$ 549,397

Total Internal School Fund 549,397

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Consultants	\$	48,000	
Engineering Services		63,690	
Trustee's Commission		2,686	
Total Education Capital Projects			\$ 114,376

Total Education Capital Projects Fund 114,376

Total Governmental Funds - Lewis County School Department \$ 19,567,939

# 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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lewis County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lewis County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Lewis County School Department (a discretely presented component unit), as described in our report on Lewis 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 Lewis 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 Lewis County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2023-001, 2023-002(B), 2023-008, and 2023-011.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2023-004, 2023-005, 2023-010, 2023-012(A), 2023-013, and 2023-016.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lewis 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Finding and Questioned Costs as items: 2023-002(A), 2023-003, 2023-006, 2023-007, 2023-009, 2023-012(B)(C)(D), 2023-014, and 2023-015.

## **Lewis County's Responses to Findings**

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



## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lewis 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

January 31, 2024

JEM/gc



JASON E. MUMPOWER  
*Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lewis 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 Lewis County's major federal programs for the year ended June 30, 2023. Lewis 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, Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis 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 Lewis County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lewis County's basic financial statements. We issued our report thereon dated January 31, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

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

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 31, 2024

JEM/gc

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

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	\$ 364,381
National School Lunch Program	10.555	(4)	605,867 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	628
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Cash Assistance)	10.555	(4)	56,227 (6)
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	108,573 (6)
Total U.S. Department of Agriculture			<u>\$ 1,135,676</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	(4)	\$ 234,054
Total U.S. Department of Housing and Urban Development			<u>\$ 234,054</u>
U.S. Department of Treasury:			
Direct Programs:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 2,382,915
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	50,000
Total U.S. Department of Treasury			<u>\$ 2,432,915</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee State Library and Archives:			
Grants to States	45.310	(4)	\$ 22,066
Total U.S. Institute of Museum and Library Services			<u>\$ 22,066</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 548,125
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	404,048 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	(4)	56,721 (6)
Special Education - Preschool Grants	84.173	(4)	24,341 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	(4)	2,829 (6)
Career and Technical Education - Basic Grants to States	84.048	(4)	92,481
Rural Education	84.358	(4)	26,210
Supporting Effective Instruction State Grant	84.367	(4)	65,141
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(4)	477,237 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	761,151 (6)
Total U.S. Department of Education			<u>\$ 2,458,284</u>

(Continued)

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

<u>State Grants</u>	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases Grant (ARP)	93.323	(4)	\$ 287,024 (6)
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(4)	4,632
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases Grant (ARP)	93.323	(4)	84,900 (6)
Total U.S. Department of Health and Human Services			<u>\$ 376,556</u>
Total Expenditures of Federal Awards			<u>\$ 6,659,551</u>

<u>State Grants</u>		Contract Number	
Litter Program - State Department of Transportation	N/A	(4)	\$ 27,546
Early Childhood Education - State Department of Education	N/A	(4)	380,296
2020 Election Security Grant - Tennessee Secretary of State	N/A	(4)	3,260
Innovative School Models - State Department of Education	N/A	(4)	139,357
Mental Health Transportation Grant - State Department of Finance and Administration	N/A	(4)	44,683
Airport Improvement Grant - State Department of Transportation	N/A	(4)	10,193
Three Star Economic Development Grant - State Department of Economic and Community Development	N/A	(4)	46,357
Law Enforcement Training Equipment Grant - TN Corrections Institute	N/A	(4)	7,500
Lottery for Education Afterschool Program - State Department of Education	N/A	(4)	123,531
Coordinated School Health - State Department of Education	N/A	(4)	90,000
Family Resource Center - State Department of Education	N/A	(4)	29,612
School Safety Grant - State Department of Education	N/A	(4)	37,630
Total State Grants			<u>\$ 939,965</u>

FAL = Federal Assistance Listing  
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Lewis County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$1,135,048; Special Education Cluster total \$487,939.
- (6) Total for FAL No. 10.555 is \$770,677; Total for FAL No. 84.027 is \$460,769; Total for FAL No. 84.173 is \$27,170; Total for FAL No. 84.425 is \$1,238,388; Total for FAL No. 93.323 is \$371,924.

Lewis 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 Lewis County, Tennessee, for the year ended June 30, 2023.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<b><u>OFFICE OF COUNTY MAYOR</u></b>					
2022	218	2022-001	The General Capital Projects Fund required material audit adjustments for proper financial statement presentation. □	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	219	2022-002	Deficiencies were noted in the maintenance of capital asset records.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	220	2022-003	Expenditures exceeded appropriations in the General Fund.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	220	2022-004	Lewis County was assessed interest and penalties totaling \$5,706 by the Internal Revenue Service.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<b><u>OFFICE OF TRUSTEE</u></b>					
2022	221	2022-005	Bank transactions were not posted to the general ledger in a timely manner.	N/A	Corrected

***Prior-year Federal Awards Findings***

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



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**LEWIS COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2023**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Lewis County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **YES**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
  - \* Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Funds
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF COUNTY MAYOR**

**FINDING 2023-001**                      **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the General and General Debt Service funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year end. Material audit adjustments were required to increase receivables and prepaid assets by \$489,869 and \$221,410, respectively, in the General Fund. Material audit adjustments were required to increase expenditures and decrease cash with trustee by \$249,581 in the General Debt Service Fund due to management's failure to post a debt payment. Generally accepted accounting principles require Lewis County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

### **RECOMMENDATION**

Lewis County should have appropriate processes in place to ensure its general ledgers are materially correct.

### **MANAGEMENT'S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN**

We concur with this finding. Current management was newly hired & lacked sufficient institutional knowledge & training to understand General and Debt Service fund closings in the accounting software when those errors occurred. Current management received funding to hire an assistant to aid with workload. Current management has already identified and resolved problems as a result of additional staffing.

FINDING 2023-002

**DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**

(A. – Noncompliance Under *Government Auditing Standards*; B. – Internal Control – Material Weakness Under *Government Auditing Standards*)

The following deficiencies were noted in the maintenance of capital asset records:

- A. Subsidiary capital asset records were not completed and available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of their fiscal year. The capital asset accounting records were made available to auditors on October 25, 2023. The failure to properly maintain, complete, and close accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected in a timely manner.
  
- B. Our examination of capital assets records revealed that some current-year and some prior-year purchases and additions were not recorded in the capital asset records. These deficiencies resulted in capital assets being understated by \$693,357. Generally accepted accounting principles require accountability for all assets owned by the county, such as equipment, vehicles, buildings, and infrastructure.

These deficiencies can be attributed to a lack of management oversight to ensure capital assets are accounted for properly on a current basis, management’s failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan. We provided management with audit adjustments that they approved and posted to properly present capital assets in the financial statements of this report. Without accurate capital asset records, Lewis County cannot adequately control its assets.

RECOMMENDATION

Management should maintain its subsidiary capital assets records on a current basis and have those records available for audit no later than two months after the close of their June 30 fiscal year-end. Lewis County should maintain accurate capital assets records for all county-owned assets as required by generally accepted accounting principles.

MANAGEMENT’S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. Current management was newly hired during this fiscal year & lacked institutional knowledge and training for real world financial operations of Capital Asset records. Additionally, a large portion of this finding was the result of the Highway Department not providing proper records of their asset records for proper bookkeeping. Current management will ensure new assets are entered/removed as they come in and communicate with related departments to ensure accurate bookkeeping of capital assets & keep an excel spreadsheet for each fiscal year of new/removed assets.

FINDING 2023-003

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, management’s failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan.

- A. The budget and subsequent amendments approved by the county commission for the General Debt Service and Drug Control funds resulted in appropriations exceeding estimated available funding by \$259,416 and \$36, respectively. Sound budgetary principles dictate that appropriations be held within estimated available funding.
  
- B. Expenditures exceeded appropriations approved by the county commission in six of fifty-three major appropriation categories (the legal level of control) in the General Fund, two of three major appropriation categories in the Solid Waste/Sanitation Fund, one of two major appropriation categories in the Drug Control Fund, two of four major appropriation categories in the Sports and Recreation Fund, and two of five major appropriation categories in the General Debt Service Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Housing and Urban Development	\$ 235,086
Employee Benefits	80,075
Public Safety Grants Program	26,355
Other Local Welfare Services	24,059
Other Public Safety	11,360
Correctional Incentive Program Improvements	9,752
Solid Waste/Sanitation:	
Miscellaneous	3,224
Employee Benefits	294
Drug Control:	
Miscellaneous	3
Sports and Recreation:	
Social, Cultural, and Recreation Projects	25,296
Miscellaneous	4,079
General Debt Service:	
Interest on Debt - General Government	64,980
Miscellaneous	329

- C. Salaries exceeded two of 94 salary line-items in the General Fund by \$19,760 and \$23,908. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed appropriations that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

#### RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

#### MANAGEMENT’S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. Current management was newly hired & lacked institutional knowledge and training for real world financial process to properly take corrective action during the fiscal year. As well as unavoidable life events disrupting the usual workflow during budget time. Current management now knows what the process during budget time looks like for the county budget and is enrolled in the 2024-2025 County Certified Finance Office (CCFO) Course through the Comptroller’s Office & CTAS for greater education of county budget & finance process.

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#### FINDING 2023-004

#### **PURCHASE ORDERS WERE NOT ISSUED PROPERLY IN SOME INSTANCES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 31 disbursements totaling \$214,162 from a population of approximately 3,117 vendor checks totaling \$10,028,958. Our examination revealed that purchase orders were issued after invoice dates in two of eight applicable purchases. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders prior to purchasing increases the risks of unauthorized purchases. This deficiency is the result of a lack of management oversight.

#### RECOMMENDATION

The office should issue purchase orders prior to purchase dates for all applicable purchases to strengthen internal controls over purchasing procedures and to document purchasing commitments.

MANAGEMENT'S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. All department heads & officials will receive annual information/updates regarding purchasing policy. The purchasing agent will report to the COO on any purchases that meet the purchase order threshold as an additional safeguard to ensure proper procedure is being followed. COO will ensure department heads & officials comply with purchasing policy as well as mayor office staff.

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FINDING 2023-005

**GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

General ledger payroll deduction accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT'S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. As of November 2023, this item has been corrected. This finding was a result of improper calculation from payroll staff. Current management has re-assigned this duty to other office staff. The COO is now responsible for ensuring proper payroll deduction calculations when HR manager/assistant runs payroll.

---

FINDING 2023-006

**LEWIS COUNTY WAS ASSESSED INTEREST AND PENALTIES TOTALING \$1,630 BY THE INTERNAL REVENUE SERVICE**  
(Noncompliance Under *Government Auditing Standards*)

Lewis County maintains a bank clearing account to deposit employee payroll taxes due to the Internal Revenue Service (IRS) and is required to notify the IRS when withdrawals can be made. Total amounts deposited and reported for the quarters ending June 30, 2022, and March 31, 2023, were less than the amounts due. The IRS notified the county of the errors and the resulting net assessment of \$1,630 in interest and penalties. This deficiency resulted from a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan.

RECOMMENDATION

Federal payroll tax deposits should be accurately calculated and reported to the IRS to avoid interest and penalty assessments.

MANAGEMENT’S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. Corrective action taken November 2023. Corrective action was taken but was not extensive enough to address actual issue. The COO & newly hired Human Resource Manager (Executive Assistant) have already taken corrective action. Payroll is now being performed by HR/COO collectively & proper communication between payroll & purchasing is maintained resulting in payroll deposit checks & subsequent payments being submitted within the IRS required timeframe.

FINDING 2023-007

**GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED WITH COUNTY TRUSTEE REPORTS**  
(Noncompliance Under *Government Auditing Standards*)

The office did not reconcile the general ledger cash accounts with cash on deposit with the trustee in the various funds administered by the Office of County Mayor. The bookkeeper posted cash receipts but did not reconcile fund cash balances with the monthly trustee report. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee’s reports monthly. Failure to reconcile the general ledger cash accounts with the county trustee’s reports increases the risks that errors may occur and not be detected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Fund cash balances should be reconciled with the monthly trustee report as required by state statute and sound business practices.

MANAGEMENT’S RESPONSE – CHIEF OPERATING OFFICER – HOUSTON HAMBLIN

We concur with this finding. This finding is a direct result of management’s status as a new hire lack of institutional knowledge & training of real world fiscal requirements. Going forward, the COO will complete month end closings ten days after the Trustee closes the month to avoid any unnecessary lengths of time without proper book closure/balancing.

**OFFICE OF ROAD SUPERINTENDENT**

**FINDING 2023-008**

**MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year end. Material audit adjustments were required to increase receivables by \$594,930. Generally accepted accounting principles require the highway department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the highway department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. These deficiencies are the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

**RECOMMENDATION**

The highway department should have appropriate processes in place to ensure its general ledgers are materially correct.

**MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT**

We concur with this finding. The Highway Department plans to strengthen management oversight in preparing financial statements to reflect more accurate figures for Property and Gas Tax receivables at the end of the fiscal year. These receivables will be estimated as accurately as possible and posted at June 30 close.

**FINDING 2023-009**

**CAPITAL OUTLAY NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES**  
(Noncompliance Under *Government Auditing Standards*)

The highway department issued capital outlay notes on March 29, 2023, in the amount of \$247,453 for the purchase of a Caterpillar Hydraulic Excavator without the approval of the state Comptroller's Office as required by Section 9-21-601, *Tennessee Code Annotated*. Also, highway department personnel did not file a Report on Debt Obligation with the state Comptroller's Office for the note. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. These deficiencies resulted from a lack of management oversight and the failure to comply with state statutes.



## RECOMMENDATION

Capital outlay notes should be issued in compliance with state statutes, and the office should file a Report on Debt Obligation with the State Comptroller's Office for each debt issuance.

## MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

We concur with this finding. Capital Outlay notes are seldom done at Lewis County Highway Dept. when large scale upgrades are purchased. The inflation increase during 2022/2023 prompted the need to retain funds in our budget after having committed to the Track hoe purchase which surrounds this finding. In the future, when a Capital Outlay note is needed, the Highway Department will follow proper procedures and also report debt obligations to the Comptroller's office as required.

---

## FINDING 2023-010

### **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 29 disbursements totaling \$152,675 from a population of approximately 561 vendor checks totaling \$2,132,175. Our examination revealed that following purchasing deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls.

- A. In two of 27 applicable instances, purchase orders were either not issued or issued after the invoice date. Purchase orders are necessary to control who has purchasing authority for the highway department and to document purchase commitments. The failure to issue purchase orders properly increases the risk of unauthorized purchases.
- B. In two of 27 applicable instances, invoices were paid without documentation that goods had been received and/or services has been rendered. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.

## RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made and maintain documentation that goods have been received and/or services have been rendered before invoices are paid.

MANAGEMENT’S RESPONSE – ROAD SUPERINTENDENT

We concur with this finding. The Highway Department is in the process of strengthening internal controls concerning vendor, invoices, statements and the use of purchase orders for applicable purchases. Documentation will be consistent and maintained to a higher standard to insure the accurate and timely processing of payments due. This action will become a part of routine office procedures.

---

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-011

**MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the General Purpose School Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year end. Material audit adjustments were required to increase receivables by \$651,675 in the General Purpose School Fund. Generally accepted accounting principles require the school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county’s financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. These deficiencies are the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The school department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur. See Management’s Corrective Action Plan for comments.

FINDING 2023-012

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B., C., and D. – Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight.

- A. Several budget amendments were posted in the General Purpose School Fund that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.
- B. Expenditures exceeded total appropriations approved by the county commission in the Central Cafeteria Fund by \$94,719.
- C. Expenditures exceeded appropriations approved by the county commission in six of twenty-five major appropriation categories (the legal level of control) in the General Purpose School Fund as reflected in the following table:

Major Appropriation Category	Amount Overspent
Regular Instruction Program	\$ 25,033
Fiscal Services	22,793
Board of Education	17,032
Student Body Education Program	2,236
Attendance	294
Education Interest on Debt	25

- D. Salaries exceeded appropriations in 22 of 72 salary line-items of the General Purpose School Fund, in two of 25 salary line-items of the School Federal Projects Fund, and in one of five salary line-items of the Central Cafeteria Fund by amounts ranging from \$120 to \$19,408. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed appropriations that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Budget amendments should be posted to the accounting records only after approval by the county commission. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. See Management's Corrective Action Plan for comments.

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FINDING 2023-013

**PURCHASE ORDERS WERE NOT ALWAYS ISSUED PROPERLY**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 30 disbursements totaling \$134,254 from a population of approximately 2,102 vendor checks totaling \$12,588,183. Our examination revealed that in two of 25 applicable instances, purchase orders were either not issued or issued after the invoice date. Purchase orders are necessary to control who has purchasing authority for the highway department and to document purchase commitments. The failure to issue purchase orders properly increases the risk of unauthorized purchases. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur. See Management's Corrective Action Plan for comments.

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FINDING 2023-014

**GENERAL LEDGER CASH ACCOUNTS WERE NOT PROPERLY RECONCILED WITH COUNTY TRUSTEE REPORTS**

(Noncompliance Under *Government Auditing Standards*)

The office did not properly reconcile the general ledger cash accounts with cash on deposit with the trustee in the various funds administered by the school department. The bookkeeper posted cash receipts but did not properly reconcile fund cash balances with the monthly trustee report. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. Failure to reconcile the general

ledger cash accounts with the county trustee's reports increases the risks that errors may occur and not be detected. This deficiency is the result of a lack of management oversight.

**RECOMMENDATION**

Fund cash balances should be reconciled with the monthly trustee report as required by state statute.

**MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS**

We concur. See Management's Corrective Action Plan for comments.

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**OFFICE OF TRUSTEE**

**FINDING 2023-015**                    **THE TRUSTEE PAID CHECKS THAT EXCEEDED AVAILABLE FUNDS**  
(Noncompliance Under *Government Auditing Standards*)

The trustee paid checks issued from the School Federal Projects Fund that exceeded the available cash on deposit by as much as \$269,267. Section 8-11-104(5), *Tennessee Code Annotated (TCA)*, prohibits the trustee from paying a check if sufficient funds are not available. Additionally, Section 5-8-210, *TCA* requires the trustee to verify the department's fund balance and certify that funds are available. When the county trustee has certified that funds are available, the total amount certified shall be charged to the fund on which the check or checks are drawn on at least a daily basis so that a current balance is maintained. This deficiency exists because the school department continued to issue checks exceeding cash on deposit with the trustee, and the trustee continued to pay the checks.

**RECOMMENDATION**

The trustee should not pay checks that exceed available cash as required by state statute.

**MANAGEMENT'S RESPONSE – TRUSTEE**

I concur. See Management's Corrective Action Plan for comments.

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**FINDING 2023-016**                    **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated four reports that displayed changes made by users. Because these logs provide the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the

importance of the logs, two of the logs were not routinely reviewed. This deficiency was a result of management's oversight.

**RECOMMENDATION**

Management should review the audit logs on a routine basis. Any unusual transactions should be investigated.

**MANAGEMENT'S RESPONSE – TRUSTEE**

We concur with this finding, but a review process was implemented in December 2023 to correct the finding.

### **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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

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2023-002	Deficiencies were noted in the maintenance of capital asset records.	234
2023-003	The office had deficiencies in budget operations.	235
2023-004	Purchase orders were not issued properly in some instances.	236
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2023-006	Lewis County was assessed interest and penalties totaling \$1,630 by the Internal Revenue Service.	238
2023-007	General ledger cash accounts were not reconciled with county trustee reports.	239

**OFFICE OF ROAD SUPERINTENDENT**

2023-008	Material audit adjustments were required for proper financial statement presentation.	240
2023-009	Capital outlay notes were not issued in compliance with state statutes.	241
2023-010	The office had deficiencies in purchasing procedures.	242

**OFFICE OF DIRECTOR OF SCHOOLS**

2023-011	Material audit adjustments were required for proper financial statement presentation.	243
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2023-014	General ledger cash accounts were not properly reconciled with county trustee reports.	246

**OFFICE OF TRUSTEE**

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# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

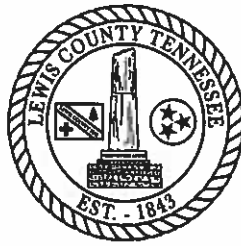
**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

**Anticipated Completion Date of Corrective Action: ACTION ALREADY TAKEN AS OF NOVEMBER 2023**

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year: CURRENT MANAGEMENT WAS NEWLY HIRED & LACKED SUFFICIENT INSTITUTIONAL KNOWLEDGE & TRAINING TO UNDERSTAND GENERAL AND DEBT SERVICE FUND CLOSINGS IN THE ACCOUNTING SOFTWARE WHEN THOSE ERRORS OCCURRED.**

**Planned Corrective Action: CURRENT MANAGEMENT RECEIVED FUNDING TO HIRE AN ASSISTANT TO AID WITH WORKLOAD. CURRENT MANAGEMENT HAS ALREADY IDENTIFIED AND RESOLVED PROBLEMS AS A RESULT OF ADDITIONAL STAFFING.**



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

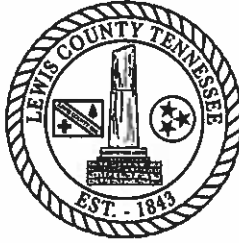
**Anticipated Completion Date of Corrective Action: 01/31/2024**

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:** CURRENT MANAGEMENT WAS NEWLY HIRED DURING THIS FISCAL YEAR & LACKED INSTITUTIONAL KNOWLEDGE AND TRAINING FOR REAL WORLD FINANCIAL OPERATIONS OF CAPITAL ASSET RECORDS. ADDITIONALLY, A LARGE PORTION OF THIS FINDING WAS THE RESULT OF THE HIGHWAY DEPARTMENT NOT PROVIDING PROPER RECORDS OF THEIR ASSET RECORDS FOR PROPER BOOKEEPING.

**Planned Corrective Action:** CURRENT MANAGEMENT WILL ENSURE NEW ASSETS ARE ENTERED/REMOVED AS THEY COME IN AND COMMUNICATE WITH RELATED DEPARTMENTS TO ENSURE ACCURATE BOOKKEEPING OF CAPITAL ASSETS & KEEP AN EXCEL SPREADSHEET FOR EACH FISCAL YEAR OF NEW/REMOVED ASSETS.



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

**Anticipated Completion Date of Corrective Action: 01/31/2024**

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:** CURRENT MANAGEMENT WAS NEWLY HIRED & LACKED INSTITUTIONAL KNOWLEDGE AND TRAINING FOR REAL WORLD FINANCIAL PROCESS TO PROPERLY TAKE CORRECTIVE ACTION DURING THE FISCAL YEAR. AS WELL AS UNAVOIDABLE LIFE EVENTS DISRUPTING THE USUAL WORKFLOW DURING BUDGET TIME.

**Planned Corrective Action:** CURRENT MANAGEMENT NOW KNOWS WHAT THE PROCESS DURING BUDGET TIME LOOKS LIKE FOR THE COUNTY BUDGET AND IS ENROLLED IN THE 2024-2025 COUNTY CERTIFIED FINANCE OFFICER (CCFO) COURSE THROUGH THE COMPTROLLERS OFFICE & CTAS FOR GREATER EDUCATION OF COUNTY BUDGET & FINANCE PROCESS.



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: PURCHASE ORDERS WERE NOT ISSUED PROPERLY  
IN SOME INSTANCES**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

**Anticipated Completion Date of Corrective Action: 01/31/2024**

**Repeat Finding:**  
No

**Planned Corrective Action: ALL DEPARTMENT HEADS & OFFICIALS WILL RECEIVE ANNUAL INFORMATION/UPDATES REGARDING PURCHASING POLICY. PURCHASING AGENT WILL REPORT TO COO ON ANY PURCHASES THAT MEET P.O. THRESHOLD AS AN ADDITIONAL SAFEGUARD TO ENSURE PROPER PROCEEDURE IS BEING FOLLOWED. COO WILL ENSURE DEPARTMENT HEADS & OFFICIALS COMPLY WITH PURCHACING POLICY AS WELL AS MAYOR OFFICE STAFF.**



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

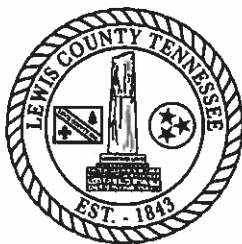
**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

**Anticipated Completion Date of Corrective Action: AS OF NOVEMBER 2023 THIS ITEM HAS BEEN CORRECTED**

**Repeat Finding:**

No

**Planned Corrective Action: THIS FINDING WAS A RESULT OF IMPROPER CALCULATION FROM PAYROLL STAFF. CURRENT MANAGEMENT HAS RE-ASSIGNED THIS DUTY TO OTHER OFFICE STAFF. THE COO IS NOW RESPONSIBLE FOR ENSURING PROPER PAYROLL DEDUCTION CALCULATIONS WHEN HR MANAGER/ASSISTANT RUNS PAYROLL.**



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING:** LEWIS COUNTY WAS ASSESSED INTEREST AND PENALTIES TOTALING \$1,630 BY THE INTERNAL REVENUE SERVICE

**Response and Corrective Action Plan Prepared by:** HOUSTON HAMBLIN

**Person Responsible for Implementing the Corrective Action:** HOUSTON HAMBLIN

**Anticipated Completion Date of Corrective Action:** CORRECTIVE ACTION TAKEN NOVEMBER 2023.

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:** CORRECTIVE ACTION WAS TAKEN, BUT WAS NOT EXTENSIVE ENOUGH TO ADDRESS ACTUAL ISSUE.

**Planned Corrective Action:** THE COO & NEWLY HIRED HUMAN RESOURCES MANAGER (EXECUTIVE ASSISTANT) HAVE ALREADY TAKEN CORRECTIVE ACTION. PAYROLL IS NOW BEING PERFORMED BY HR/COO COLLECTIVLY & PROPER COMMUNICATION BETWEEN PAYROLL & PURCHASING IS MAINTAINED RESULTING IN PAYROLL DEPOSIT CHECKS & SUBSEQUENT PAYMENTS BEING SUBMITTED WITHIN THE IRS REQUIRED TIMEFRAME.



# *Lewis County, Tennessee*

## Corrective Action Plan

**FINDING: GENERAL LEDGER CASH ACCOUNTS WERE NOT RECONCILED WITH COUNTY TRUSTEE REPORTS**

**Response and Corrective Action Plan Prepared by: HOUSTON HAMBLIN**

**Person Responsible for Implementing the Corrective Action: HOUSTON HAMBLIN**

**Anticipated Completion Date of Corrective Action: 01/31/2023**

**Repeat Finding:**

No

**Planned Corrective Action:** THIS FINDING IS A DIRECT RESULT OF MANAGEMENT'S STATUS AS A NEW HIRE LACK OF INSTITUTIONAL KNOWLEDGE & TRAINING OF REAL WORLD FISCAL REQUIRMENTS. GOING FORWARD, THE COO WILL COMPLETE MONTH END CLOSINGS TEN DAYS AFTER THE TRUSTEE CLOSES THE MONTH TO AVOID ANY UNNECESSARY LENGTHS OF TIME WITHOUT PROPER BOOK CLOSURE/BALANCING.

Signature:

A handwritten signature in blue ink, appearing to read "Houston Hamblin", is written over a horizontal line.

**LEWIS COUNTY HIGHWAY  
327 BUFFALO RD. HOHENWALD, TN 38462**

**KERRY CAGLE, HIGHWAY COMMISSIONER**

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**CORRECTIVE ACTION PLAN**

**Finding: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by:**

**Kerry Cagle, Lewis County Highway Commissioner**

**Person Responsible for Implementing the Corrective Action:**

**Kerry Cagle, Lewis County Highway Commissioner**

**Anticipated Completion Date of Corrective Action:**

**Will be reviewed at the close of each fiscal year.**

**Repeat Finding:**

**No**

**Planned Corrective Action:**

**Before closing the fiscal year, as accurate as is possible, we will post a receivable to reflect gas tax and property tax making in order to avoid a material audit adjustment.**

*Kerry Cagle*



**LEWIS COUNTY HIGHWAY**  
**327 BUFFALO RD. HOHENWALD, TN 38462**  
**KERRY CAGLE, HIGHWAY COMMISSIONER**

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**CORRECTIVE ACTION PLAN**

**Finding:       CAPTIAL OUTLAY NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUES**

**Response and Corrective Action Plan Prepared by:**  
**Kerry Cagle, Lewis County Highway Commissioner**

**Person Responsible for Implementing the Corrective Action:**  
**Kerry Cagle, Lewis County Highway Commissioner**

**Anticipated Completion Date of Corrective Action:**  
**To date, all action possible has been taken**

**Repeat Finding:**  
**No**

**Planned Corrective Action:**  
**Use proper protocol when issuing and reporting purchases utilizing the loan process**

*Kerry Cagle*

**LEWIS COUNTY HIGHWAY**  
**327 BUFFALO RD. HOHENWALD, TN 38462**  
**KERRY CAGLE, HIGHWAY COMMISSIONER**

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**CORRECTIVE ACTION PLAN**

**Finding: THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

**Response and Corrective Action Plan Prepared by:**

**Kerry Cagle, Lewis County Highway Commissioner**

**Person Responsible for Implementing the Corrective Action:**

**Kerry Cagle, Lewis County Highway Commissioner**

**Anticipated Completion Date of Corrective Action:**

**Ongoing and monitored**

**Repeat Finding:**

**No**

**Planned Corrective Action:**

**Strengthen internal controls by issuing purchase orders when applicable with accurate dates and see that all goods are delivered/picked up with the responsible person to sign off.**

*Kerry Cagle*



# LEWIS COUNTY SCHOOLS

206 South Court Street  
Hohenwald, Tennessee 38462

Dr. Tracy McAbee  
Director

(931) 796-3264

## Corrective Action Plan

**FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by: -Director of Schools**

**Person Responsible for Implementing the Corrective Action: -Director of Schools**

**Anticipated Completion Date of Corrective Action: 2/1/2024**

**Repeat Finding:**

No

**Planned Corrective Action:**

This finding results from the strain our office encountered when the finance director vacated their position two months prior to year-end. Management filled this role with a new, untrained individual to finish the year. Management also presented professional trainees to assist with any training the finance department needed. The audit adjustments have been posted along with a new process implemented to ensure the appropriate process is correct moving forward.



# LEWIS COUNTY SCHOOLS

206 South Court Street  
Hohenwald, Tennessee 38462

Dr. Tracy McAbee  
Director

(931) 796-3264

## Corrective Action Plan

**FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

**Response and Corrective Action Plan Prepared by: -Director of Schools**

**Person Responsible for Implementing the Corrective Action: -Director of Schools**

**Anticipated Completion Date of Corrective Action: 2/1/2024**

**Repeat Finding:**

No

**Planned Corrective Action:**

The position of financial director and human resource advisor was vacated with two months left in the fiscal year and filled with new, untrained individuals leaving a strain on the daily operations. Management and finance staff have reviewed and discussed the appropriate protocol when reporting budget amendments and the importance of following the approved budget. Steps have been revised to ensure this is corrected.



# LEWIS COUNTY SCHOOLS

206 South Court Street  
Hohenwald, Tennessee 38462

Dr. Tracy McAbee  
Director

(931) 796-3264

## Corrective Action Plan

**FINDING: PURCHASE ORDERS WERE NOT ALWAYS ISSUED PROPERLY**

**Response and Corrective Action Plan Prepared by: -Director of Schools**

**Person Responsible for Implementing the Corrective Action: -Director of Schools**

**Anticipated Completion Date of Corrective Action: 2/1/2024**

**Repeat Finding:**

No

**Planned Corrective Action:**

Management hired an individual to assume the duties of purchasing within the office. When hired, management discussed with personnel the process of purchasing, and developed a more efficient procedure to ensure the correct protocol is followed with purchasing in the future. This process has been monitored closely with management and all financial staff to ensure purchase orders are handled in the correct manner.



# LEWIS COUNTY SCHOOLS

206 South Court Street  
Hohenwald, Tennessee 38462

Dr. Tracy McAbee  
Director

(931) 796-3264

## Corrective Action Plan

**FINDING: GENERAL LEDGER CASH ACCOUNTS WERE NOT PROPERLY RECONCILED WITH COUNTY TRUSTEE REPORTS**

**Response and Corrective Action Plan Prepared by: -Director of Schools**

**Person Responsible for Implementing the Corrective Action: -Director of Schools**

**Anticipated Completion Date of Corrective Action: 2/1/2024**

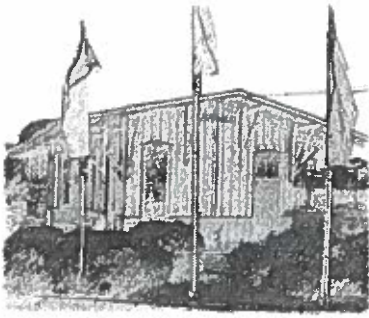
**Repeat Finding:**

No

**Planned Corrective Action:**

The position of financial director was vacated two months prior to year-end and filled with a new, untrained individual to finish the fiscal year. Management introduced outside training to help assist with the reconciliation of monthly bank statements. The professional trainees hired to assist also found it difficult to reconcile and stressed that the office requested a more detailed report from their trustee moving forward.

Signature: \_\_\_\_\_



# LEWIS COUNTY TRUSTEE'S OFFICE



110 North Park Street, Room 101  
Hohenwald, TN 38462  
Phone: 931-796-2226  
Fax: 931-796-6022

Lewis County Trustee

## Corrective Action Plan

**FINDING: THE TRUSTEE PAID CHECKS THAT EXCEEDED AVAILABLE FUNDS**

**Response and Corrective Action Plan Prepared by: Mike Webb, Trustee**

**Person Responsible for Implementing the Corrective Action: Mike Webb**

**Anticipated Completion Date of Corrective Action: 01/24/2024**

**Repeat Finding:**

No

**Planned Corrective Action: The Lewis County Trustee's office corrective action for the fiscal year 23/24 is to address and notify departments when funds are not available, as was done in this instance.**

**It is noteworthy to add that even when a trustee does notify departments that disbursements will exceed available funds, that that in no way means the departments will not issue payments for disbursements regardless. As always going forward I will do due diligence to help ensure this doesn't happen. It takes all departments monitoring their fund balances as well as requesting funds in a timely manner to help prevent this in the future.**

*Mike Webb*

Lewis County Trustee Corrective Action Plan

**Corrective Action Plan**

**FINDING 2023-001**

**THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**

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

**Response and Corrective Action Plan Prepared by:**

Mike Webb, Trustee

**Person Responsible for Implementing the Corrective Action:**

Mike Webb Trustee

**Anticipated Completion Date of Corrective Action:**

12/04/2023

**Repeat Finding:**

No

**Planned Corrective Action:**

I have been advised by IS Audit on which logs to review, and have created a separate folder to file logs separately from MTD reports.

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Signature:

Mike Webb



## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lewis County.

### **LEWIS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Lewis County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.